

## har3-Megan

---

**From:** Annette Kawasaki [Annette@hcdaweb.org] on behalf of &HCDA [contact@hcdaweb.org]  
**Sent:** Sunday, March 21, 2010 12:47 PM  
**To:** WLOtestimony; HSGtestimony  
**Subject:** HCDA Testimony on SB 2408, SD 2, Scheduled for Monday, March 22, 2010, at 10:15 a.m  
**Attachments:** SB2408\_SD2\_BED-HCDA\_3-22-10\_WLO-HSG.pdf

**Importance:** High

Ladies and Gentlemen:

Attached is our testimony for SB 2408, SD 2, scheduled for Monday, March 22, 2010, at 10:15 a.m.

Hawaii Community Development Authority  
461 Cooke Street  
Honolulu, Hawaii 96813  
Telephone: (808) 594-0300  
Facsimile: (808) 594-0299



HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY



KAKA'KO  
KALAELOA

Linda Lingle  
Governor

C. Scott Bradley  
Chairperson

Anthony J. H. Ching  
Executive Director

STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR  
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

AND

HOUSE COMMITTEE ON HOUSING

Monday, March 22, 2010

10:15 A.M.

State Capitol, Conference Room 325

**S. B. 2408, S. D. 2 – RELATING TO HOUSING DEVELOPMENT.**

**Purpose:** The purpose of this Act is to amend Chapter 206E-4, Hawaii Revised Statutes, which establishes the powers of the Hawaii Community Development Authority (“HCDA”).

In particular, Paragraph 18 of Section 4 would be amended to allow a portion of the reserved housing of a development project located within HCDA’s jurisdiction to be satisfied by the “substitution” of reserved housing at another location that is within the jurisdiction of the Department of Hawaiian Home Lands (“DHHL”). In cases where the development project is located within the Kakaako Community Development District, the substitute reserved housing shall be located on DHHL lands within the urban core of Honolulu. In cases where the development project is located within the Kalaeloa Community Development District, the substitute reserved housing shall be located on DHHL lands within the island of Oahu. All other reserved housing units shall be located within the

461 Cooke Street  
Honolulu, Hawaii  
96813

Telephone  
(808) 594-0300

Facsimile  
(808) 594-0299

E-Mail  
contact@hcdaweb.org

Web site  
www.hcdaweb.org

community development district where the respective development project is located.

**Position:** The HCDA takes no position on the proposal but offers the following comments.

To provide clarity as to what the “urban core” is, the proposal might specify that the location of substitute reserved housing to be developed on DHHL lands are located in Honolulu’s urban areas between the neighborhoods of Salt Lake/Moanalua and Kahala/Maunalani Heights, inclusive.

The HCDA recognizes the importance of the State meeting its trust responsibility to the native Hawaiian beneficiaries of the DHHL and the potential for this proposal to address issue raised in *Kalima, et al. v. State of Hawaii*.

Thank you for the opportunity to offer comments to this proposal.

**har3-Megan**

---

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, March 21, 2010 4:45 PM  
**To:** WLOtestimony  
**Cc:** hppaexec@gmail.com  
**Subject:** Testimony for SB2408 on 3/22/2010 10:15:00 AM  
**Attachments:** SB 2408 SD2 draft testimony[1].doc

Testimony for WLO/HSG 3/22/2010 10:15:00 AM SB2408

Conference room: 325  
Testifier position: comments only  
Testifier will be present: No  
Submitted by: Sydney Keli'ipuleole  
Organization: Kamehameha Schools  
Address: 567 S. King St. Honolulu, Hawaii  
Phone: 808 523-6200  
E-mail: [hppaexec@gmail.com](mailto:hppaexec@gmail.com)  
Submitted on: 3/21/2010

Comments:



KAMEHAMEHA SCHOOLS

Re: S.B. 2408 SD 2 - Relating to Housing

Chairman Ito, Chairman Cabanilla and members of the House committees on Water, Land and Ocean Resources and Housing, mahalo for the opportunity to testify on S.B. 2408 SD 2, Related to Housing.

This measure allows construction of reserved housing on Department of Hawaiian Home Lands to be substituted, on a unit-for-unit basis, for 33 percent of the affordable housing requirement imposed by the Hawaii Community Development Authority in Kaka`ako.

Kamehameha Schools supports the intent of this measure as written. Allowing reserved housing credits within Kaka`ako to be satisfied with the construction of reserved housing units in communities of need throughout the island of O`ahu is good public policy. Such flexibility will facilitate the construction of reserved housing wherever it is needed, providing urgently needed jobs for Hawai`i's workforce.

This unit-for-unit credit is far preferable to the credit-sale scheme and onerous increases in reserved housing exactions advanced by these committees earlier this session in HB 2849 HD1. That measure is an example of poor policy that will impede the construction of any reserved housing in Kaka`ako in the foreseeable future and is inconsistent with the expert recommendations of the Construction Industry Task Force, which suggested that county affordable housing requirement be lowered to stimulate economic activity through new construction projects. Kamehameha Schools opposes HB 2849 HD1 in any form.

Mahalo for the opportunity to testify.

567 South King Street, Honolulu Hawai`i 96813 Telephone (808) 534-3872  
Fax (808) 541-5305

Founded and Endowed by the Legacy of Princess Bernice Pauahi Bishop

**har3-Megan**

---

**From:** Dexter Okada [dexter.okada@uokada.com]  
**Sent:** Saturday, March 20, 2010 5:39 PM  
**To:** WLOtestimony  
**Subject:** Testimony for SB2408,SD2  
**Attachments:** SB2408 SD2 Testimony.doc

I have attached my testimony for:

Committee on Water, Land, & Ocean Resources  
Committee on Housing  
March 22, 2010  
Conference Room 325  
10:15AM  
SB2408,SD2

Thank You.

Dexter Okada  
U. Okada & Co., Ltd.  
Tel: (808) 597-1102  
Email: [dexter.okada@uokada.com](mailto:dexter.okada@uokada.com)

Testimony of  
Dexter Okada, President  
U. Okada & Co., Ltd.  
Before the  
**COMMITTEE ON WATER, LAND, & OCEAN RESOURCES**

Rep. Ken Ito, Chair  
Rep. Sharon E. Har, Vice Chair  
**COMMITTEE ON HOUSING**  
Rep. Rida Cabanilla, Chair  
Rep. Pono Chong, Vice Chair

March 22, 2010, Committee Hearing  
Conference Room 325  
10:15AM  
Senate Bill 2408, SD2  
Relating to Housing Development

Chair Ito, Chair Cabanilla and Committee Members:

I am Dexter Okada. As a disclosure, I am a member of the Hawaii Community Development Authority. But I am submitting testimony as the president of U. Okada & Co., Ltd., a third generation small family business and property owner that has been located on Queen Street in Kaka'ako for over fifty years. I am also representing the Kaka'ako Business and Landowners Association, a group of small businesses and small landowners located in Central Kaka'ako. I am also a member of the Kaka'ako Community Alliance.

The decision on SB 2408,SD2 should be solely based on the bill as written. As such, I do not take a position on SB2408,SD2 as written. But I am opposed to adding any amendments to SB2408,SD2 that increase the reserved housing requirements in Kaka'ako. I previously testified against HB2849 because of its detrimental effect on small businesses and landowners in Central Kaka'ako, so I am opposed to seeing any part of HB2849 being attached to SB2408,SD2.

Thank you,

Dexter Okada  
President, U. Okada & Co., Ltd.  
Kaka'ako Business and Landowners Association

**har3-Megan**

---

**From:** Linda Wong [worldofaloha@hawaii.rr.com]  
**Sent:** Sunday, March 21, 2010 4:22 PM  
**To:** WLOtestimony  
**Subject:** Testimony For SB 2408  
**Attachments:** S.B 2408 TestimonyDraft 3.pdf

TO: COMMITTEE ON WATER, LAND, & OCEAN RESOURCES AND COMMITTEE ON HOUSING

FROM: LINDA WONG, SMALL LANDOWNER IN KAKAAKO

SUBJECT: HEARING ON MONDAY, MARCH 22, 2010  
10:15 AM  
CONFERENCE ROOM 325

ATTACHED IS MY TESTIMONY FOR S.B. 2408, A BILL FOR AN ACT RELATING TO HOUSING DEVELOPMENT

I faxed over a copy, but want to make sure you get this before the hearing.



**TESTIMONY SUBMITTED FOR S.B. 2408, "A BILL FOR AN ACT RELATING TO HOUSING DEVELOPMENT"**

Thank you for the opportunity to testify. My comments are not focused on what the bill in front of you says, but on what could happen if this bill is amended. As a small landowner in Kakaako, I am concerned that the title of this bill is broad enough to allow the committees to insert language from H.B. 2849 HD1, "Relating to Kakaako", which contains special interest language under the guise of providing more reserved housing in Kakaako.

Over 50 years ago, my parents purchased a 20,449 square foot lot in Kakaako , and eventually built a small 2 story office building. 9 of the 15 tenants have been with us for over 15 years, Tom Moffatt at least 40 years. We have done our share by providing a place where small businesses can operate and helped to increase the State's tax base. We have helped our tenants through the ups and downs of the economy, in spite of our property taxes on this small parcel rising to over \$60,000 a year.

As a small landowner, I was caught off guard last year when the House and Senate passed SB 1350, which would have hurt all landowners in Kakaako. Fortunately, the Governor vetoed the bill.

This year again, House Bill 2849, "Relating to Kakaako" was passed over to the Senate, and appears stalled which is a good sign. This bill would have forced small land owners like myself to have to "buy pricey credits" from a Reserved Housing Developer if my family were to eventually develop our property. The language contained in House Bill 2849 would have given a Reserved Housing Developer nothing but profits at the expense of small landowners as well as those in the work force housing group, who would be stuck purchasing "stand alone units without central air and limited amenities" as mandated in the bill. The Reserved Housing developer would not even have to pay for infrastructure costs, placing an even more

**expensive burden on a landowner. If approved, a measure like this would result in very few or no reserved housing units created.**

**Under the present requirements of HCDA, any new residential development must comply with providing 20% of the units built for Reserved Housing. Even at the 20% requirement, the numbers do not work out in this down economy, so increasing the exactions to 30% or more will not result in Reserved Housing units being built.**

**In addition, the Construction Industry Task Force appointed by the Speaker and Senate President, recommended lowering the Reserve Housing requirements for 3 years so that construction could start once again and people put back to work. However, the Legislature chose not to follow any of the Construction Industry's Task Force recommendations.**

**If any of you here today are leaning toward amending this bill and replacing or adding the "special interest" language contained in HB 2849, I would ask you to please reconsider your position as you would hurt many of us who have been in Kakaako for decades and would like to see the area developed into a healthy and vibrant mixed use community, not only a community with 5,000 "stripped down" Reserved Housing units contained in many stand alone buildings with limited amenities.**

**Linda Wong, small landowner in Kakaako**

har3-Megan

---

**From:** G. ONISHI [g\_onishi@msn.com]  
**Sent:** Sunday, March 21, 2010 9:54 PM  
**To:** WLOtestimony  
**Subject:** SB2408 SD2 Opposition  
**Attachments:** Construction Task Force Recommendation.pdf; Reserved Housing Points.pdf

RE: SB2408 SD2

**DATE:** Monday, March 22, 2010  
**TIME:** 10:15 a.m.  
**PLACE:** Conference Room 325  
State Capitol  
415 South Beretania Street

Dear Chair Ito, Cabanilla and committee members,

I'm a small business owner in Kakaako which SB2408 SD2 will affect. I'm writing to request that as chairs of the Water Land & Housing Committees to please defer SB 2408 SD2.

I deeply feel it is wrong to enact a bill that will enrich a few developers that hold housing credits. As a small property owner, I could not afford to put the reserved housing as required by this bill. If I were to develop, the housing requirement would force me to alter my business plan to accommodate the requirement. More than likely, I will not build if put into this situation.

Enclosed is a copy of talking points from the Kakaako Community Alliance in regards to reserved housing which I support. I've also enclosed an excerpt from the state commissioned construction task force. The task force was to formed to recommend ways to stimulate the construction industry. It stated that reserved housing requirements can be so onerous it prevents construction of workforce housing and recommends reducing the requirements.

SB2408 SD 2 does not increase reserved housing. It also stymies construction growth. It is my hope you understand the potential impact this bill may have. Please defer SB2408 SD2.

Thank you,

G. Onishi  
P: 808-927-2704  
F: 808-833-1461  
E: [g\\_onishi@msn.com](mailto:g_onishi@msn.com)

**DISCLAIMER:** This message is only intended for the addressee named above. Its contents may be confidential, privileged or otherwise protected. Any unauthorized use, disclosure or copying of this message or its contents is prohibited. If you are not the intended recipient, (i) please do not read or disclose it to others, (ii) please notify the sender by reply e-mail or phone, and (iii) please delete this communication from your system.

---

Hotmail: Trusted email with powerful SPAM protection. [Sign up now.](#)

## **Reserved Housing Talking Points:**

### **Background information:**

The Kaka'ako Community Alliance is an independent, non-partisan alliance of Kaka'ako business owners, residents, landowners and tenants who have formed to discuss and recommend plans and ideas for the betterment of Kaka'ako. The points below represent a consensus agreement of the Alliance on matters of importance to all of Kaka'ako.

### **Increasing reserved housing mandates in Kaka'ako will stymie new development activity as well as new or existing business.**

- Without any new development in the district there will be no construction jobs, no new demand for professional services such as architecture and engineering, no new materials being purchased or imported and no new industries created.
- Without any new development, Hawai'i's tax base will not expand.
- Imposing new RH mandates on purely commercial enterprises will simply deter improvement of existing businesses, and hamper new job opportunities.
- Imposing new Reserved Housing mandates removes the option for small landowners to sell or lease their properties.

### **Increasing reserved housing mandates in Kaka'ako will result in no RH at all.**

- Two major landowners are preparing to proceed with master plan developments that will provide more than 1,000 RH units in the district.
- The 20% RH mandate that is already in place makes the development financially risky. Increasing the existing mandate will make it economically impossible for any residential development to proceed.

### **Bills to increase RH in Kaka'ako are contrary to the Construction Task Force's recommendation to temporarily reduce RH requirements.**

- Reducing reserved housing requirements will stimulate immediate housing construction
- According to the Construction Task Force's findings, "...some requirements are so onerous that, in certain circumstances, the requirements prevent affordable and workforce housing from being built."

## *RECOMMENDATIONS FOR STATE ACTIONS*

- Third-party reviewers shall not have the authority to grant modifications, variances, waivers, exemptions, or other discretionary approvals.
- Private individuals or entities providing third-party review services shall be immune from liability, except for intentional misconduct, gross negligence, or malfeasance.
- Specify that projects previously reviewed by the State Historic Preservation Division (SHPD) pursuant to section 6E-42, HRS, and found to have no impact on historic properties, aviation artifacts, or burial sites shall not be subject to subsequent SHPD reviews.

### *Purpose Clause*

The legislature finds that the state and county processes for the review of permits and other approvals for workforce housing and other projects often result in significant delays prior to the start of construction. It is envisioned that the enactment of statutory provisions to streamline and enhance the efficiency of the permit review and approval process along with provisions to establish maximum time periods for agencies to grant or deny related permits, licenses, and other approvals, will expedite the start of construction for these projects and thus result in the generation of construction and other related jobs.

Accordingly, the purpose of this Act is to streamline portions of the review process for permits and other approvals to minimize delays and to expedite the start of construction for workforce housing and other projects that will result in the generation of construction and other related jobs.

A proposed draft bill to implement this recommendation is attached as Appendix M.

### **Recommendation 2:      Temporarily Lower County Affordable/Workforce Housing Requirements to Stimulate Immediate Housing Construction**

#### *Findings*

- Each county has affordable/workforce housing requirements that either duplicate the State's efforts or are so onerous that the requirements prevent the construction of affordable/workforce housing.
- The requirements are not consistent across counties, ranging from liberal to restrictive in nature.
- The intent of this recommendation is to temporarily lower county affordable/workforce housing requirements to stimulate immediate housing construction.

#### *Recommendation*

- Amend Chapter 46, Hawaii Revised Statutes, to allow the State to establish county affordable/workforce housing requirements for a period of 3 years.
- Enact statewide affordable/workforce housing guidelines that reduce county requirements by forty per cent.

#### *Purpose Clause*

The legislature finds that the State's and counties' affordable and workforce housing requirements often result in significant delays prior to the start of construction. In fact, some requirements are so onerous that, in certain circumstances, the requirements prevent affordable and workforce housing from being built.