

Ala Moana Plaza – Proposed Rental Housing Project
IPD-T Permit Application File No. 2020/SDD-45
Monday, September 28 - Virtual Town Hall Meeting Questions

Senator Moriwaki, Speaker Saiki, Councilmember Waters, Councilmember Kobayashi
Various community members and residents of Moana Pacific

Brookfield Properties Responses, dated September 29, 2020

1. What about schools? Will Brookfield provide space at Ala Moana for a charter school? elementary and intermediate district schools are over capacity

A: Brookfield has consulted with the Department of Education on Ala Moana Plaza and will be contributing \$2,252,712 in School Fees to the Hawaii Department of Education commensurate with the planned 583 residential rental units.

The schools within the Plaza project site school district are: Ka'ahumanu Elementary School; Washington Intermediate School; and McKinley High School. The DOE has projected an additional 71 students to be generated from the project based on DOE calculations, which according to the DOE, can be absorbed within the district's school system. See table below that shows the total student capacity; current enrollment; and forecasted enrollment.

TABLE 12 - STUDENT POPULATION

School	Capacity	Actual Enrollment 2019-2020	Projected Enrollment 2025-2026
Kaahumanu Elementary	750	501	515
Washington Middle	1,021	763	433
McKinley High	1,714	1,663	1,506

2. I think that the safety will become bad. I have a small child, so I am very concerned about that. What do you think about the safety around and in the building?

A: Brookfield is committed to a safe and secure residential environment and views security and crime prevention as necessities to any residential area. There is a thought that "more eyes means less crime", which is common in many residential developments that replace commercial uses that have less evening visitors, and security measures. The new residential project will also maintain 24-hour security personnel and security camera surveillance.

3. If buyers aren't funding this, who is?

A: The Plaza rental project will be funded by equity capital from Brookfield along with a construction loan. Upon completion of construction of the project, units are leased one-by-one via an onsite residential leasing and management team. There are no for-sale condo units in this project, hence no deposits collected or sales closings upon completion. Brookfield will own and operate this property as a rental residential apartment building.

4. What is the % of affordable living area by sq ft? I think it is about 8% because the affordable bedroom % is 12% and there are 100s more large market units.

A: The Department of Planning and Permitting published Affordable Housing Rules on March 31, 2019. The AHR provides City guidelines to calculate the project's affordable housing, which is based on unit counts, as whole units determine the number of households served.

Unfortunately, square footage measurements for affordable housing do not dictate the quantity of affordable housing units provided, as it was determined that some projects can select to offer larger units with higher HUD rents and avoid the build-out of more costly kitchens and bathrooms.

To address this issue of flexibility and uncertainty, the City's Affordable Housing Rules require application of and adherence to a 'room factor table' (ex. studio units count for less than one unit, 2-bed units count for more than one unit). The construction cost is greater to produce a higher quantity of affordable housing units, given each unit must have its own kitchen and bathroom. The City has determined that a proposed project offering a higher unit count serves the most unique households.

The proposed Ala Moana Plaza rental housing project designates 124 affordable rental units geared toward households earning no more than 80% of the Area Median Income (AMI), deed restricted for a period of 30 years. Affordable Units account for 21% of the total unit count (124 affordable units / 583 total units).

5. It is NOT 20% affordable. By sq ft is about 7%.

A: The proposed Ala Moana Plaza rental housing project designates 124 affordable rental units geared toward households earning no more than 80% of the Area Median Income (AMI), deed restricted for a period of 30 years. Affordable Units account for 21% of the total unit count (124 affordable units / 583 total units).

6. It is my understanding that the subject of the amendment is the development of the Ala Moana Center, and not the Ala Moana Plaza project. According to Brookfield's representative, Kris Hui, the Ala Moana Plaza building is part of the "Kapiolani District" in the Transit-Oriented Development (TOD) zone, which already has a height limit of 400 ft., and hence, this project does not need to wait to move forward with this development project.

A: The subject project for review by the community, DPP and City Council is the Ala Moana Plaza Rental project, a 100% residential rental building. The rental project site at the corner of Piikoi & Kona Street is, located within the Kapiolani Corridor district within the current Ala Moana TOD plan, designated with up to a maximum allowable height of 400' and a density of 7.0 FAR with commensurate community benefits under this 2016 Ala Moana Neighborhood plan.

7. A "will serve" letter was not listed from Board of Water Supply. Is one expected as it is the utility under most strain.

A: Brookfield secured a "Will-Serve" letter from the Board of Water Supply on May 11, 2020. An updated "Will-Serve" letter has been requested from BWS to finalize final unit counts of this proposed project and its uses. The updated letter is being processed, apologies that it was not included in the "Will-Serve" letter slide presented.

8. Why was Moana Pacific left until last for discussions?

A: Brookfield initially requested a neighborhood meeting for all surrounding high-rise condos, facilitated via the "Superblock" neighbors comprising over 25 buildings. The Superblock meeting with various attendees from Kaka'ako and Ala Moana neighborhood buildings occurred on July 14, of which Brookfield was then later advised that Moana Pacific was not on the "Superblock" communication list/roster. Brookfield subsequently contacted the Moana Pacific board and management company directly in August, and subsequently followed up with two additional requests to meet and introduce ourselves and provide details about the proposed Ala Moana Plaza project. It was Brookfield's intent to meet with Moana Pacific during our other neighborhood meetings and presentations with neighbors during this 3 month period. We are thankful that this meeting was facilitated to allow dialogue between us all able to occur last night.

9. The % of affordable housing is important because it is being used to justify a variance from the city. Is it 21% or 8%?

A: The proposed Ala Moana Plaza rental housing project designates 124 affordable rental units geared toward households earning no more than 80% of the Area Median Income (AMI), deed restricted for a period of 30 years as a primary community benefit per TOD guidelines. The affordable units account for 21% of the total unit count (124 affordable units / 583 total units), which follows the City's Affordable Housing Rules for providing affordable housing based on unit count with the applied room factor table adhered to (ex. studio units count for less than one unit, 2-bed units count for more than one unit).

10. What is the rent premium that the units in this building will pay compared to your Queen rental building?

A: The rental rates for the respective 124 Affordable Housing units are established by HUD, and maximum rents are published annually by the City and County of Honolulu. The 80% AMI affordable rental units will meet those pricing guidelines, established annually. With project opening years at least 4 years away, it is difficult to predict rents. However, rates should be similar between Brookfield's Lilia Waikiki and Ala Moana Plaza. Rentals are built to be leased, not left vacant.

11. Request that the COVID impact to business and demand be factored into council decision

A: This proposed rental project is not related to the covid-19 pandemic. However, per CBRE's Economic Impact Analysis for the Ala Moana Plaza project, it is estimated that the construction of this project will generate over \$96 million in worker wages during construction and over \$2.1 million in annual permanent wages post-construction. It is also estimated that the additional residents of Ala Moana Plaza will generate \$33.2 million in discretionary spending, a significant portion of which will go directly to the local businesses within the Ala Moana Neighborhood.

12. I would like to echo the message that this is not just about views. This is about a lifetime investment that I made to purchase at Moana Pacific. I purchased with the rule in place that ala Moana was limited in height and that is what I invested my life work in. I started my career in the Department of Education as a teacher, working every summer, saving every penny. I am a proud Dept of Ed employee, proud of what I do, proud of my hard work and proud of the investment I was able to accomplish by purchasing at Moana Pacific 3 years ago. Allowing Brookfield to increase the height will set a precedence that is a frightening thought on when will it stop?

A: The City & County of Honolulu began an effort in 2012 to envision TOD neighborhoods, with the Ala Moana TOD plan unique to the urban area of Honolulu. Growth has been envisioned for this area simultaneous with, and complementary to the urban growth envisioned for Kaka'ako, which is another TOD community designated for up to 400 ft. in height.

Many people have chosen to live in urban Honolulu, near Ala Moana Center as TOD promotes mixed-use communities, where people can improve their quality of life by living, working and having recreational activities in the neighborhoods that are already established and have existing employment opportunities.

Brookfield is proposing to build rental housing with this Ala Moana Plaza project, which provides housing for those who aren't interested in purchasing, but still desiring to live in the area for all it has to offer. Brookfield's current IPD-T application for Ala Moana Plaza follows the City's TOD planning designations for potential increases in height and density with community benefits.

13. An apartment with a nearby ocean view should pay a rental premium of 50-100% What is the premium you will charge compared to your Queen building?

A: A suggestion of a rental premium of 50-100% for a unit with an ocean view vs non-ocean view unit does not align with rental data available on MLS. The desirability of a rental apartment from the perspective of a renter considers factors that are not only limited to 'views'. Brookfield considers other factors that some renters would value in their housing choice, which include, but are not limited to location, rental management responsiveness, unit size, bedroom counts, technology, amenities, proximity to services, restaurants, job centers, outdoor spaces, and transportation options.

14. My question would be similar to a couple of questioners about a larger development plan, maybe not only by Brookfield but a master urban plan for the area. Do all of these projects really fit into the current zoning and master plans? (Hopefully that's something that the City Council as well as DPP is considering.)

A: The 2016 Ala Moana Neighborhood TOD Plan is the City & County of Honolulu's planning guideline for proposed redevelopment within the Ala Moana neighborhood. This plan has identified and defined its principles and policies which include: Residential Diversity, Mix of Commercial, Usable Open Space, Complete Streets, Intermodal Connectivity, Incubator Office & Education, Cultural Programs & Public Events, and Public-Private Partnerships.

Growth, in the form of higher density and heights for redevelopment is designated for areas surrounding planned transit stations, generally within a radius of ¼ to ½ mile, or a five to ten-minute walk from a transit station.

The City of Honolulu TOD Plan is a 30+ year planning framework for TOD neighborhoods, and promotes mixed-use communities, where people can improve their quality of life by living, working and having recreational activities in the neighborhoods that are already established and have existing employment opportunities, housing for mixed-incomes, services and public spaces in the area, and options for mobility. Walking, biking, bus, transit, and the car are all options, allowing people to choose how they want to prioritize these mobility options.

15. I'd like a more realistic assessment of the degradation of the quality of life to existing residents. There will be significant degradation of vehicle traffic, walkability of the area, use of Ala Moana Park and crime. As it is now, I am not comfortable walking in the area because of the crime and homeless situation. This area does not need this additional increase of rental units.

A: Brookfield has conducted a Traffic Impact Analysis Report and has determined that the vehicular traffic created by the Plaza project accounts for 61 additional vehicle trips during the peak AM hour (approximately one additional car per minute) and a reduction of 17 vehicle trips during the peak PM hour. In addition, the only intersection out of the 13 studied that resulted in a downgrade to efficiency was the Piikoi / Kapiolani intersection.

The Walkability of the area is a major design principle from the Ala Moana Neighborhood TOD Plan that beautifies the streetscapes while implementing safer design standards for pedestrian transit including landscape buffers and wider sidewalks. As detailed in the proposed project's IPD-T permit application, the Ala Moana Plaza project is greatly increasing the landscape along Kona St. and Piikoi St. and setting back the sidewalk from the street with landscaping between.

Brookfield does not envision increased crime by adding rental units as suggested. Contrary, we believe that the added presence of new residents and security measures to the area will assist in reducing crime and creating a safer environment.

16. If the rail does not come what is the traffic study impact

A: The traffic generated by the project is not anticipated to change if Rail is not built to Ala Moana Center because the Traffic Impact Analysis Report (TIAR) did not explicitly reduce traffic to account for rail. The traffic projection is based upon an apartment land use located in an area that provides convenient access to transit (explicitly defined as "either rail or bus"), walking, and bicycling. We believe that this site has great access to TheBus and many of its routes.

17. How much will the rent change for companies that are relocated?

A: Retail tenants at Ala Moana Plaza have been informed over a year ago that the site may be redeveloped for a potential rental housing apartment project. The Brookfield retail leasing team at Ala Moana Center is working with the existing retail Tenants to offer and explore alternative options for potential relocation within the shopping center, and to see if any may meet their needs. At this juncture, with the backdrop of covid-19, it is uncertain what Tenants ultimately will decide within the next year. Rent details are not available.

18. So will there be compensation given to property owners who's ocean view properties will decline in worth because this building is blocking their views

A: The Ala Moana Neighborhood TOD Plan specifically identifies certain mauka-makai public view corridors, which are being acknowledged and followed with the proposed Ala Moana Plaza rental project application. Private view protection of specific buildings are not within the TOD Plan. As shown on slides of the town hall presentation, the building was designed per the TOD guidelines with a mauka-makai orientation, also paying attention to private views with neighbors located directly mauka of the project. Consideration was made to attempt to retain some of the ocean views for the Moana Pacific makai-facing units.

19. This project will create a big loss of value to surrounding property owners, less property taxes for the city and ridiculous traffic congestion and stoppage from Ala Moana shoppers especially during the peak shopping periods. All of this for the profit of the developers. While an admirable goal, the project needs to be built elsewhere to avoid such losses and ridiculous traffic congestion if the project is built. If the developer wants to go forward it should pay the property owners and the city the loss of value and revenues from property taxes for surrounding properties. That is only fair. Mahalo.

A: See Question #15 regarding traffic, and the results of the Traffic Impact Analysis Report (TIAR).

CBRE's Economic Impact Analysis for the Ala Moana Plaza project shows a benefit to the City and State of \$35M during construction and a stabilized annual benefit of approximately \$1.9M after build-out, which is comprised of taxes, fees, and increased GET due to increased economic activity.

We have attempted to minimize the view impact to neighboring property owners with a mauka-makai building orientation. Unfortunately, we cannot compensate neighbors and understand that community benefits in the form of affordable housing may not truly help owners who already own their own condominium units, however, we hope that other community benefits such as street improvements, transit multi-modal improvements, and improved walkability provided by this project will be seen as other benefit to our neighbors.

20. Will this building cost a lot more to build than your Queen rental building? Please give this info in %.

A: Yes, the Ala Moana Plaza project will have over 100 more residential rental units than the Lilia Waikiki project, and will have a higher total project cost.

21. Has a permit ever been denied to a developer this big and powerful?

A: The proposed Ala Moana Plaza rental project is the first residential mixed-use development proposed by Brookfield Properties in the Ala Moana neighborhood under TOD zoning, or the first time a permit is being requested for higher height and density with community benefits. The City has a set process for how all proposed projects are approved, which are based on the merits of the project and not on the Applicant.

All IPD-T projects in the Ala Moana neighborhood need to meet the requirements stated within the Land Use Ordinance and the Ala Moana TOD Plan. A landowner submits its permit application to the Department of Planning and Permitting and City Council for the project's review of compliance with in-place rules and regulations and acceptability as a proposed IPD-T project.

End of Questions