

**Public Comments on the
Draft Mauka Area Plan and
Proposed Reserved Housing Program**

Questions (Q), Answers (A) and Comments (C)

Comments on the Draft Mauka Area Plan:

Community Meeting at Ward Center - June 19, 2007

Q: General Growth plans to replace the IBM building with a new structure in above three years. What is the maximum height allowed for that area (next to Border's-Ward Center)?

A: *The IBM property is comprised of three tax map parcels totaling 52,682 square feet. Under HCDA's existing Mauka Area Rules, the maximum height for the IBM parcel is 263 feet.*

Q: What is happening with the high-rise tower that General Growth was going to build next to the future Whole Foods and next to Pier 1? Is it still going to be built? This was supposed to be a 17-story rental building.

A: *The development permit for the mixed-use commercial and rental housing project was issued on August 17, 2006. It is our understanding that the 17-story rental project will be constructed as permitted.*

Q: What is projected timeframe for drafting and adopting of new rules?

A: *The next step is to assess the Draft Mauka Area Plan pursuant to Chapter 343, Hawaii Revised Statutes ("HRS"). Under Chapter 343, HRS, a Supplemental Environmental Impact Statement ("SEIS") will be prepared for public review and comment. It is anticipated that the SEIS will take approximately one year to complete.*

Upon acceptance of the SEIS by the Governor, the Draft Mauka Plan and Rules will go through the administrative rule amendment process pursuant to Chapter 91, HRS. It is anticipated that the Plan and Rule making process will take approximately 6 months to complete.

Q: Will submittals for Mauka projects in this interim be reviewed and approved under current rules?

A: *Yes, all project submittals will be reviewed and approved under the existing Mauka Area Plan and Rules.*

C: Letter from Mike Dang: *Kamehameha Schools supports renewal and beautification efforts for the Mauka Area of Kaka'ako. We support creating a vibrant and viable new community in Kaka'ako that enhances convenience for pedestrians, and facilitates transportation options and services and amenities for its residents, workers and visitors. We encourage the diligent evaluation of proposed rule changes resulting in a balanced approach among economic*

realities, job growth opportunities, aesthetic pride and cultural enhancement. For generation after generation, the Kamehameha Schools have owned, valued and managed their lands to provide for the betterment of its children and the surrounding community. With our land ownership interests and objectives are aligned with others to improve Kaka'ako to become a model community for living, working, and playing. We look forward to working with others towards that objective.

- C: *Current and future (proposed) density of high rise too great. View of ocean from heights is blocked too much. Very little open space between buildings to see sky from below or ocean from above.*
- C: *Don't give bonus for increased density – Kaka'ako is too dense now.*

Comments Received Through the HCDA Website:

- C: *Let's limit new construction to 20 stories or less. Do we really want to look like Manhattan? 40 story buildings create NO sense of community. They are mostly bought by mainlanders and foreigners and do nothing to address the housing needs of locals. These tall buildings only serve the builders and politicians.*
- C: *I believe that Queen Street should be two lanes with parallel parking. The parking will make it safer for the pedestrians, acting as a buffer between the sidewalk and street traffic. The parking should be permitted so that only owners of Queen Street properties can utilize the spaces. If this is not done, massive congestion will occur as businesses will be forced park in the road for deliveries and pick ups. Chinatown is an example where illegally parked cars create gridlock which can easily occur in Central Kakaako if parking is not provided.*
- C: *I agree that a FAR of 3.5 is an improvement over the existing FAR. But it seems that the requirement to wait until the street improvements take place will deter property owners from developing or renovating. It would seem that once a property owner agrees to the infrastructure improvements, they should be allowed to move forward with the 3.5FAR. The agreement should be irrevocable but the property owner should retain the right to accept or reject the funding of the infrastructure improvements if they exceed the estimated cost or if the state or city does not provide additional funding. As a property owner, I would be hard pressed to develop a building now that I could expand to the higher FAR as the project would need to be done in two phases and would be prohibitively expensive.*
- C: *In such a high density residential area, I don't want the rail to be running before 5am and after 10pm.*
- C: *Please consider including community gardens in Kakaako community development plans to allow residents the opportunity to enjoy fresh home grown vegetables. Mahalo!*

- C: *We need to avoid high-rises to the extent possible. Traffic congestion has already significantly increased due to the several new high-rises that have opened in the past year (not to mention the general blight on the land). Walkability is very important, which includes straight, unobstructed sidewalks. Bike paths are important to keep bikes off the sidewalks. Grocery stores and other necessities need to be within walking distance so that fewer cars are on the roads. Affordability is important -- not just low income, but also affordable for the average resident (including rentals -- entire buildings dedicated to rentals, rather than most rentals being individually-owned condominiums). No residential development on the makai side of the road.*
- C: *I have followed the basic development plans for the Kakaako district. I may have missed information regarding the many car repair shops and related businesses. My suggestion is that there be an area designated as a type of "office park" or warehouse park for the businesses that would be displaced. The many service businesses, especially car repair shops, could still be located close to all the new high-rise developments and downtown in a contained, well planned, landscaped area. Many area residents and those who live nearby would greatly benefit from having these services in walking or bus line distance. It could greatly benefit the many service businesses that may have to seek locations much further away. Attractive warehouse type structures could house many businesses and would be more cost effective and more esthetic than the many scattered shops.*

Comments on the Proposed Reserved Housing Program:

Community Meeting at Ward Center - June 19, 2007

- Q: How do maintenance fees work for reserved housing? Are the rest of owners subsidizing the reserved tenants?
- A: *This is not normally the case because maintenance fees are set by the association of apartment owners on a common basis (usually the size of the unit) and each unit pays its fair share.*
- Q: Rules seem complicated...easier to tell developers to pay for a percentage of reserved housing to be built (perhaps off-site).
- A: *This actually adds to the complexity of a Reserved Housing (RH) program and creates social problems because a developer will then purchase the least expensive and remote sites for RH and a credit system must then be devised to value the off-site units vs. the more desirable and expensive on-site units. It also forces the developer to buy another site for the RH. Finally, and most problematic, it requires someone other than the developer to take the considerable risk of developing the RH units.*
- Q: Emergency costs cause special assessments to be necessary. Do reserved units pay the same as others?

- A: *For special assessments, reserved units pay the same assessment, again usually according to the relative size of the unit. Although this could adversely affect the RH owner, practical circumstances are such that this has not become a serious problem.*
- Q: I like the intent of having housing mixture in community – but are other facilities more accessible (supermarkets) – could developers provide these sorts of amenities to enhance the community as well?
- A: *This is not usually a lasting problem. Business people are reasonably quick to take advantage of developing markets. For example, a more centrally located supermarket for Kakaako is already under construction to meet the needs of the growing new residential population. If the question was on whether developers could provide such amenities instead of reserved housing, the answer is no. The intent is to require reserved housing and not allow substitution in other form of facilities.*
- Q: A 20,000 square foot site area that triggers reserved housing seems like a small area...is this a more substantial burden on developers?
- A: *No, this has been the current requirement for the past two decades and HCDA made a conscious decision not to lower the trigger point.*
- Q: Housing types that Kakaako would benefit from...more mid-density?
- A: *Current trends support increasing density to improve accessibility and reduce dependency on cars.*
- Q: Will this turn away different types of developers?
- A: *Developers are usually quick to adapt to if not themselves lead changing trends, particularly those that are market-driven.*
- Q: Could the percentage of reserved units be calibrated to the different sizes of projects, the concern being that smaller projects may not be able to afford the RH contribution?
- A: *The intent is not to burden small projects with reserved housing requirement. Current requirement is applicable to residential projects on lot size 20,000 square feet or more and has not caused issues with small projects.*
- Q: Has HCDA thought about how to integrate mixed-use components into the project which could benefit the public as a whole? Can developers bring other amenities/community benefit aspects into the project – other trade-offs that would work within the rules as a part of the reserved housing rules?
- A: *Yes. HCDA decided to revise it's Mauka Area Plan and Rules in the first place to adapt to the trend to sustainable communities, which depend on better transit and mixed uses. The proposed revisions to the rules support mixed use, pedestrian-oriented design that will induce more retail and pedestrian-attractive frontages. While RH will be part of the residential component, these sustainable designs are oriented toward people in general, not just those taking advantage of RH*

opportunities. Additionally, HCDA will remain open to any new or different concepts for public benefits. That said, HCDA is to require reserved housing and not allow other public -benefits as substitutions.

Q: Are reserved housing requirements applied to anything smaller than a 20,000 square foot site?

A: *No.*

Q: Can a developer offer RH qualified rentals and how long are rates controlled?

A: *Yes. It is also proposed that the target RH rental rates be 100-140% of Area Median Income as well, and these rates are restricted for 15 years.*

Q: 15 years is not very long.

A: *To date, the economics and long-term management required for rentals has discouraged any private development of RH rentals. The only incentive appears to be the opportunity to convert these rentals to market units after the constraints are lifted, and since we need rentals, we feel this is an appropriate concession.*

Q: Can there be itemized benefits for developers? (Fewer parking units allow more density (FAR), design flexibility.)

A: *Yes. These are included in the proposed rules.*

Q: How can you entice developers on an economic basis to want to provide reserved housing?

A: *One of the findings in our interviews with other jurisdictions is that the great majority of developers cannot be “induced” to provide reserved or affordable housing, possibly because they view this as a government and not a private sector responsibility. Jurisdictions that have tried this have not generated worthwhile results.*

Q: Where do the values for Area Median Income (“AMI”) come from?

A: *The U.S. Department of Housing and Urban Development (“HUD”) annually calculates or estimates an AMI for each county in the U.S. and publishes this. The 2007 AMI for the City and County of Honolulu is \$73,500 for a family of four.*

Q: What is proposed for the expedited permit process compared to what currently occurs?

A: *At the present time, there is no time period stated for permit processing. We propose to determine a reasonable time in the SEIS process and state this in the new rules.*

Q: Idea of a density bonus is a great idea – might want to consider using or increasing the bonus for rental housing. Could get more rental housing if its FAR would not be included in total area.

A: *Good point and this will be proposed.*

- Q: Is HCDA exempt from affordable housing rules?
A: *As stated earlier, HCDA prefers not to develop housing but defer such projects to the Hawaii Housing Finance and Development Corporation (“HHFDC”), a sister agency. But were it to develop a project, it would most likely do so under then current rules for the particular site.*
- Q: Does development of any use trigger reserved housing?
A: *No, only housing with a residential component triggers the RH conditions.*
- Q: Why are we trying to build more and more in this small area?
A: *Generally, we must build to meet the needs of a growing population. From a land planning standpoint, we must choose between “urban sprawl”, which takes more land area with agricultural potential and greatly increases infrastructure costs in roads, utilities, or “infill” the smaller but better prepared and available land in the urban areas. In fact, the answer is that both happen and Kakaako fills the latter role. The rapid growth of Central and Leeward Oahu indicates that Kakaako is not the only growing area.*
- Q: Does HCDA have special rules for properties below 20,000 square feet?
A: *Not in the context of reserved housing.*
- Q: In the Kakaako District, how much is currently zoned for residential use? What are the opportunities?
A: *Kakaako generally is all mixed-use zoned. Almost every major development must include residential.*
- Q: Community infrastructure – is current infrastructure there to carry to build-out?
A: *It depends on location; in areas of relatively new roads, there is usually infrastructure for new development.*
- Q: Any projected time for an upgrade to the infrastructure system?
A: *There is no approved long-term plan budget for infrastructure improvements. One is being worked on.*
- C: I would like to see RH increased; market price speculation is driving out owners.
A: *Comment is noted.*
- C: Allow for higher densities (particular RH) for up to ½ mile from transit system.
A: *Comment noted. Higher densities for transit-oriented development can be considered in the future.*
- C: Suggest minimum on-site storage requirement.
A: *Comment noted.*