



KAPOLEI

June 29, 2017

The Honorable Kymberly Marcos Pine, Chair
The Honorable Ikaika Anderson, Vice Chair
and Members of the Committee on Zoning and Housing
Honolulu City Council, Room 200
530 S. King Street
Honolulu, HI 96813

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Dear Chair Pine, Vice Chair Anderson and Committee Members:

Testimony in Support of Bill 59 (2017) –
Revised Ordinances of Honolulu, 1990,
Relating to Affordable Housing Incentives

On behalf of the James Campbell Company LLC, and as members of the Hawaii Rental Housing Coalition, please accept this testimony in support of Bill 59, provided the bill is amended to improve its efficacy. We support an incentive-based approach to building new affordable and rental housing because of the unique economic constraints that have traditionally plagued new rental housing production in Hawaii. We have witnessed this first hand over our decades of development in Kapolei, which along with development across the rest of Oahu, has largely not included the production of new rental housing over the past three decades. Most recently, we were a lead investor in the Kapolei Lofts 499-unit rental project, which was able to be built because of the affordable housing property and general excise tax incentives that are currently available. Expanding these types incentives, and adding fee waivers, will make projects like Kapolei Lofts much more feasible.

Bill 59 should be amended to allow new affordable rental projects throughout the island to be eligible for incentives. The current structure of Bill 59, which relies on Bill 58 to define eligible projects, misses the fact that the vast majority of developable land on Oahu would not be eligible to make use of the incentives provided for in the bill. Specifically, project areas that are subject to unilateral or development agreements are currently not eligible to make use of the incentives in Bill 59 as drafted. Since all of the yet to be developed, excluding redevelopment, project areas on Oahu are subject to these agreements, we feel excluding new development areas severely limits the effectiveness of Bill 59. We respectfully request that the amendments proposed by the Hawaii Rental Housing Coalition, and those that would open up Bill 59 incentive eligibility to all projects that meet affordability criteria, be included in the next draft of the bill.

Sincerely,

Stephen H. Kelly
Vice President, Development

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