

# CITY AFFAIRS UPDATE

KEEPING HONOLULU REALTORS® INFORMED & INVOLVED IN HBR'S PUBLIC POLICY AGENDA



## Bill Increases Boards of Review

Boards of Review are independent bodies established to settle disputes between the taxpayer and the real property tax assessor. While most cases settled by the boards involve differences of opinion over the assessed valuation of real property, the boards also decide issues involving the disallowance of exemptions by the assessor. Currently, there are two boards comprised of five members per board serving five-year staggered terms. Bill 50 would add up to five Boards of Review in an attempt to reduce the backlog in the appeals process resulting from the increases in property tax valuations. The bill will go to Council for final reading on July 19. HBR is proud to have REALTORS® represented on the boards, including Ruth M.F. Lin, who was just reappointed to another five year term, as well as Mardi Kersting, a member of HBR's City Affairs Committee. If Bill 50 passes final reading and is signed into law by Mayor Hannemann, the City will need to appoint 15 volunteers to fill the new boards. If you are interested in serving on a Board or would like more information, please contact Alicia Maluafiti, HAR Government Affairs Director, at [amaluafiti@hawaiiirealtors.com](mailto:amaluafiti@hawaiiirealtors.com).

## Affordable Housing Developments Move Forward Despite Mixed Reviews

Oahu's affordable housing crisis could see some relief with two new developments in Waipahu, but they're receiving mixed reviews from residents. The Zoning Committee, chaired by Charles Djou, reviewed two resolutions — 06-230 and 06-244 — that would ensure the affordability of the developments by granting exemptions from planning, zoning, and other construction standards.

The first development, Plantation Town Apartments (Resolution 06-230), is a fee simple multi-family dwelling project on about six acres of land located on Paiwa Street, mauka of Waipahu Field. The project will consist of two similarly constructed concrete and masonry 12-story buildings which contain a total of 330 multi-family dwelling units, including 48 junior one-bedroom, 92 regular one-bedroom, 146 two-bedroom and 44 three-bedroom units. Over 415 off-street parking spaces will be provided, along with almost 40,000 square-feet of on-site recreational amenities, including a private park with picnic areas, landscaping and tot lot, vegetable garden, and a recreation and meeting room. One hundred percent of the fee-simple multi-family dwelling units will be sold to households qualifying for residential mortgages and earning between 80 to 120 percent of median income. The

48 junior one-bedroom units will be sold to households earning 80 percent or less of median income and the remaining units will be sold to households earning 81 to 120 percent of median income. All of the dwelling units will be subject to 10-year buy-back and shared appreciation equity requirements.

The second development, Mokuola Vista (Resolution 06-244), is a multi-family development on 1.394 acres located at the corner of Mokuola Street and Kauolu Place in Waipahu. The proposed eight-story apartment building contains 70 two-bedroom units, 112 parking stalls, and a private park area. Upon completion of the building, the units will be sold to families with household incomes at or below 140 percent of Oahu's median income.

Concerns have been raised by some homeowners regarding the size and height of the buildings, air quality, pollution, vehicular congestion, infrastructure capacity, population density and noise. However, many other residents embraced the project and testified in support of affordable housing in Waipahu.

## City Urged to Sell Leasehold Interest

Resolution 06-194 was heard in the Budget Committee by Chairperson Ann Kobayashi, urging the City administration to sell the leasehold interest in the Kulana Nani apartments to ensure that the project remain as affordable rentals in perpetuity.

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## Affordable Housing Developments Move Forward Despite Mixed Reviews

*Refers to Resolutions 06-230 and 06-244*

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*Refers to Resolution 06-194*

## Advisory Committee Presents Final Report on Affordable Housing Solutions

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*Call 733-7060 ext. 108 or email [amaluafiti@hawaiiirealtors.com](mailto:amaluafiti@hawaiiirealtors.com)*

**Visit [www.HiCentral.com/CityAffairsUpdate](http://www.HiCentral.com/CityAffairsUpdate)**

A January 2006 Report by the Joint Legislative Housing and Homeless Task Force expressed concern that the inventory of affordable housing rental units is at risk of being reduced. Currently, the City and County of Honolulu owns at least 14 affordable housing projects, including the leasehold interest in the 160-unit Kulana Nani apartments in Kaneohe, a lease which runs until 2048. In 2004, the previous city administration floated an idea to sell the city's affordable housing projects to generate more than \$140 million to pay off \$117 million in debt and build a reserve fund, but the proposal met with public protest. The Council did not approve the sale because its' affordability in perpetuity could not be ensured.

The Kamehameha Schools, fee owner of Kulana Nani apartments, announced earlier this year that the land beneath the Kulana Nani apartments would be listed for sale at \$6.8 million. At least one potential buyer has expressed an interest in purchasing the fee and leasehold interests in the Kulana Nani apartments and is committed to ensuring its' affordability in perpetuity. Without action, the continued affordability of the Kulana Nani apartments is threatened at a time when private affordable housing rentals in Windward Oahu have been or are being sold.

### Advisory Committee Presents Final Report on Affordable Housing Solutions

A final report of the Mayor's Affordable Housing Advisory Committee was presented to Todd Apo, chair of the Affordable Housing and Intergovernmental Affairs Committee. Committee

members, including HBR member Abe Lee of Abe Lee Realty, were selected for their experience, knowledge and ability to provide solutions to the housing needs identified in previous task force and housing coalition reports. The cornerstone of the Committee was built around developers, both for profit and non-profit, with the greatest experience in developing affordable housing units. In addition, other members were solicited and selected that interface and support development activities. The majority of committee members have been members of other committees, commissions, coalitions, and task forces regarding affordable housing in Hawaii. Several of the members are very active on the state level in breaking down the barriers to creating affordable housing through administrative and legislative changes.

The report puts forth a balanced array of recommendations that could easily be implemented with minimal to zero cost impacts to the City. In some cases, as with bond financing programs, the recommended activities could generate significant revenues to the City. The most critical factor that the Committee believes will contribute to the City's success in being part of the solution to Oahu's affordable housing crisis is "political will" and "strong leadership." The top three recommendations from the report are 1) hiring a special assistant to the Mayor on housing; 2) creating opportunities for increased densities; and 3) using existing city programs and resources, such as underutilized tax exempt multi-revenue bonds. For a full copy of the report, go to [www.HiCentral.com/CityAffairsUpdate](http://www.HiCentral.com/CityAffairsUpdate).

## JOIN THE CITY AFFAIRS "GET ACTIVE HUI"

Help us capitalize on our grassroots strength by joining the **City Affairs "Get Active Hui."** Together — we'll advocate on issues that help the industry and stop those that would hurt your business, or the consumers you serve. You'll receive breaking news on emerging issues, stay up-to-date on legislation that impacts the real estate industry, read about the important local issues being debated at Honolulu Hale, and take action by contacting council members and other elected officials.

Contact HAR Government Affairs Director Alicia Maluafiti at 733-7060 ext. 108, or email [amaluafiti@hawaiiirealtors.com](mailto:amaluafiti@hawaiiirealtors.com).

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## VOLUNTEER

The CAC monitors county council proposals which impact the real estate industry; recommends legislative and regulatory positions to the HBR leadership and Board of Directors; prepares and presents testimony consistent with adopted HBR positions to legislative, administrative and regulatory bodies; increases the effectiveness of HBR with governmental officials; and educates and informs members about legislative initiatives.

The City Affairs Committee works on behalf of HBR members and the real estate industry. If you're interested in joining CAC, please contact HAR Government Affairs Director Alicia Maluafiti at 733-7060 ext. 108, or send an email to [amaluafiti@hawaiiirealtors.com](mailto:amaluafiti@hawaiiirealtors.com).