

July 25, 2023

The Honorable Tommy Waters
Honolulu City Council
City and County of Honolulu
530 South King Street, Room 202
Honolulu, HI 96813

Dear Council Chair Waters:

Thank you for your July 19, 2023 letter regarding Kuilei Place and transition support for Kapiolani Village Apartments residents. I appreciate the Honolulu City Council's continued dedication to affordable housing and O'ahu residents.

Last week, Governor Green declared that our housing crisis is a statewide emergency. As a kama'āina company, Kobayashi Group considers it our responsibility to contribute to solving this crisis and ensure that Hawai'i residents can build their futures here at home. In 2019, we committed to build one affordable home for every market-rate unit we develop. We are proud to have exceeded this commitment and have built or are actively working on adding 1,249 affordable housing units on O'ahu since 2022.

A crisis of this magnitude will not be solved by pitting one type of affordable housing against another—we need to fully support the building of all affordable housing.

This includes regulated, for-sale projects like Kuilei Place, which will create 1,005 new homes, of which 603 will be sold under the state's affordable housing program. Kuilei Place's 603 price-restricted units must be sold to Hawai'i residents earning between 80% and 140% of the Area Median Income (AMI).

Our portfolio also includes income-restricted, long-term secured rentals like Hale Kalele and Parkway Village at Kapolei for individuals and families earning up to 60% of the AMI.

We approach our commitment to residents of Kapiolani Village Apartments (KVA) with the same dedication and tenacity. We have gotten to know many KVA residents personally and are dedicating the full attention of our team to helping them find new homes.

Commitment to Proactive & Open Communication with KVA Tenants

Throughout the Kuilei Place approval and public input process, we have prioritized communication with KVA residents:

- On October 13, 2022, following Kuilei Place's approval by the Hawai'i Housing and Finance Development Corporation (HHFDC) Board of Directors, all 125

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affected KVA tenants received a letter on the development plans, which included that leases would not be renewed past September 30, 2023. Tenants who moved in after this date did so with an understanding of the redevelopment plans.

- The management office is open Monday-Friday to answer any questions. The resident manager is in contact with KVA tenants on an ongoing basis.
- On May 31, 2023, tenants received additional information on relocation support, including an introduction to the on-site relocation specialist.
- On June 10, 2023, KVA hosted an ice cream social to educate residents on relocation support.
- On June 17, 2023, all affected tenants received a personalized letter reiterating the relocation support package.

Our resident manager, relocation specialist, and other team members remain in constant contact with KVA tenants. Proper end of rental agreement notification has also been provided to all tenants, as required by law. Claims that we are threatening tenants with eviction are entirely false.

Relocation Assistance Offered to KVA Residents

As you stated in your letter, Kobayashi Group is providing a robust relocation assistance “above and beyond what is required by law.” We created this relocation package following consultation with HHFDC and the City Council to assist each tenant with their transition to a new home. Both long-term tenants and tenants who moved in after the redevelopment was announced are eligible for relocation support.

Hawai‘i Revised Statutes §521-71(c) requires providing Kapiolani Village Apartments residents with 120 days advance notice of the end of their lease. However, we provided 352 days advance notice of the end of leases, which is nearly three times longer than the legal requirement.

Both long-term tenants and tenants who moved in after the redevelopment was announced are eligible for relocation support, including:

- \$1,500 in relocation assistance per household at move out;
- August and September rent free;
- Full security deposit refund, less utilities;
- Personal, on-site assistance finding a new home provided to residents free of charge through our relocation specialist;
- Free access to services and educational programs from Hawaiian Community Assets, a U.S. Department of Housing and Urban Development-certified agency that helps families secure and sustain affordable housing;
- A landlord reference letter.

Progress Toward Securing a New Home for Every KVA Resident

We are committed to supporting each tenant in finding a home that fits their needs and budget. We're making good progress—54% of tenants living at KVA at the time of initial notification have found new homes. However, many residents are leveraging our support package and staying put until their leases expire in September.

In October 2022, when Kuilei Place was approved by the HHFDC Board of Directors, all of the 125 affected tenants were notified of the development timeline, which included that leases would not be renewed past September 30, 2023. As of July 25, 55 of the tenants at the time of the initial notification found a new home. 13 additional tenants declined assistance from our relocation specialist to find a new home.

We are diligently working with the remaining 57 long-term tenants to find new housing for them by end of their lease terms.

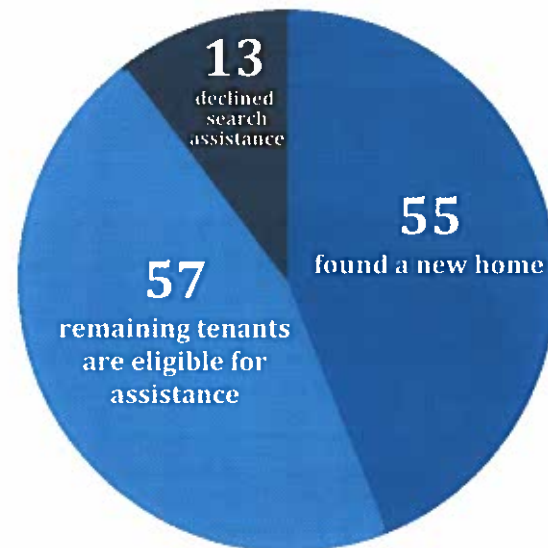
As of July 25, there are 40 remaining tenants who moved into vacant units after the redevelopment was announced. While they moved in with the understanding that their leases would not be renewed past September 30, 2023, they are eligible for relocation assistance. We are working to find new housing for the remaining 33 tenants who moved in after the redevelopment was announced.

Tenants who requested help from our relocation specialist first fill out a questionnaire to narrow down their requested parameters, such as budget and neighborhood. Our relocation specialist researches available units based on these answers and provides them with a list that matches their criteria. He also follows up regularly to provide further assistance.

I would like to assure you that our relocation specialist is diligently providing personalized lists of available units to residents, including both KVA residents who testified at the July 12, 2023 Council hearing.

Long-Term Tenants

Out of 125 tenants at initial notification



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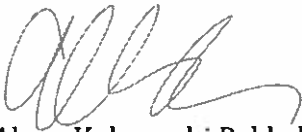
Hawaiian Community Assets identifies individuals and families who would qualify for income-restricted rental housing. HCA also provides housing counseling, renter and home buyer education workshops and more. We engaged their services to provide further resources to KVA tenants interested in applying for income-restricted rental housing.

We appreciate your suggestion to relocate KVA residents to existing Kobayashi Group properties. However, Hale Kalele, our newest income-restricted affordable rental project for those earning up to 60% AMI, is currently fully occupied. It would certainly be an option should units become available.

Kobayashi Group shares your commitment to “ensure that every current resident is empowered to secure a new place of residence.” We have met or exceeded our commitments provided both to HHFDC and the City Council and will continue to do so until this transition is complete.

Should you have any questions, please contact me at alana@kobayashi-group.com or Shane Peters at shane@peters-comm.com.

Sincerely,



Alana Kobayashi Pakkala
Executive Vice President & Managing Partner
Kobayashi Group