RES24-297
Testimony

MISC. COMM. 40

COUNCIL

COUNCIL Meeting

Meeting Date: Jan 29, 2025 @ 10:00 AM

Support: 0

Oppose: 0

I wish to comment: 1

Name:	Email:	Zip:
Seth Kamemoto	skamemoto@gmail.com	96822
Representing:	Position:	Submitted:
Self	I wish to comment	Jan 25, 2025 @ 10:22 PM

Testimony:

I am testifying on behalf of myself, a Honolulu resident, with COMMENTS to this 201H proposal on Kinau St. Even the best 201H project is quite bad, all things considered. The spot zoning afforded by 201H (and to a lesser extent, Bill 7) gives developers unfair advantages to the detriment of the community as a whole.

The lucky recipients of 201H are allowed to build higher, with higher density and reduced setbacks. They don't pay their fair share in taxes and fees (which would be used to support our city's infrastructure). And additional tax dollars, handed out through HHFDC's financing programs, tend to reward developers the most. They get full development fees (read: profits) while the city gets short-changed.

Speaking of this proposal, the following fees are being waived: building permit fees of over $400k, wastewater facility charge of over $900k, fire department review fees of over $40k, and park dedication requirements with an in-lieu fee valued at over $5.8M. This loss of fee revenue is not free; these city departments will either need more tax dollars, or worse, be forced to do their jobs with less money. In contrast, the developer fee for the proposed project is still a very healthy 8% (a cool $9.9M).

The HUD restrictions for qualification leave many out: one still needs "enough" stable earned income to qualify; one can't be on the brink of bankruptcy, or a full-time student, intermittent gig worker, etc. And due to Honolulu's high area median income (AMI), the defined "affordable housing" pricing is often quite close to market-pricing, so we're not really generating many more truly affordable housing units. Just more overall units, though usually smaller, at a much higher density.

It's worth noting that even the residents who do qualify will be stretched financially to afford the proposed rents, as max rents are pegged to the maximum income in a given band. No one is given the choice to spend less than 30% of their gross income on these rents due to how the rent levels are calculated in relation to the income bands. HUD law forbids taking on additional (paying) roommates, or even additional extended family members who might need a place to stay (for free).

In general, the "value" provided by the 201H process isn't necessarily worth the "cost", in terms of the strain on city infrastructure, the restrictions on prospective tenants, and the use of tax dollars to incentivize housing developers to make themselves richer.

I'd implore this Council to keep charging with the more-holistic plans we have for Honolulu in our soon-to-be-updated PUCDP. In this version of the draft, the Kinau St area is a Focus Area, in the South King & Beretania Corridors, with a targeted density of high-intensity residential. If this comes to fruition, the entire area will become more like the proposed

201H project organically, without having to give out over $7M in fee waivers, and all landowners in the area will have a fair shot at development.

Let's stop spot zoning through bandaids like 201H (and Bill 7), and instead update our zoning maps to reflect our desired long-term growth. Invest in our infrastructure (and maintain taxes and fees to keep them funded) to level the playing field so everyone in our diverse zones can build fairly to the same standards of their respective areas. I'm all for more housing in Honolulu, but I do believe that there's a right way and a wrong way to accomplish this ambitious goal.

Thank you for your attention,
Seth Kamemoto