



1299 Ocean Avenue, Suite 1000  
Santa Monica, California 90401

October 28, 2020

The Honorable Ron Menor  
Committee on Zoning, Planning and Housing  
Honolulu City Council  
City & County of Honolulu  
530 S. King Street  
Honolulu, HI 96813

**RE: Resolution 20-270 – The Residences at Bishop Place Affordable Housing 201H Project  
(2020/GEN-9)  
October 29, 2020 Special Meeting**

Aloha Chair Menor, Vice Chair Waters and members of the committee:

I am Kevin Crummy, the Chief Investment Officer of Douglas Emmett. I would like to thank the Zoning, Planning and Housing Committee for considering our project, the Residences at Bishop Place, at this special meeting. I also want to thank Kathy Sokugawa and the Department of Planning and Permitting (“DPP”) team for all of their hard work during these very unconventional times and extraordinary circumstances. Throughout the pandemic and the stay at home orders, we have worked side by side with the DPP to open Phase 1 of the project and to complete the review and recommendation by the DPP of our 201H application. With the City Council's approval, we will be able to continue working with the DPP to finalize our Affordable Housing Agreement and Marketing Plan so that we can provide the community with new affordable housing units as quickly as possible.

We would like to respectfully request that the council remove the requirement of recording an easement on a neighboring property in which Douglas Emmett has a ground lease interest with approximately 66 years of remaining term. Our fee interest and our leasehold interest were developed under a Conditional Use Permit for Joint Development (the “JDA”). The JDA results in DPP treating the parcels within the JDA as one zoning lot so easements in favor of parcels within the JDA have not been required and should not be required for shared uses, such as access, parking and loading.

The office building located on our fee interest at 1132 Bishop Street is being converted to 493 affordable and workforce rental apartment units. It currently relies on access, parking and loading on our leasehold interest in 1143 Fort Street Mall, however, no easement has ever been recorded as it was not needed due to the JDA and should not be needed now.

The leasehold lot currently relies on two additional parcels owned by Douglas Emmett for access to its parking lot and access to its lower level parking area. We have had no issues with access, parking and loading since the building opened in 1992 and no easement exists for this access. We have financed the building multiple times and no lender has ever asked for an easement to be recorded.

Removing the easement requirement will also alleviate concerns raised by the representative of the fee owner of our leasehold interest. The representative wrote a letter to Council Chair Kobayashi and the City Council opposing our Request for Exemptions and asking for a delay due to the requirement to grant an access easement over its leased fee. However, as stated above, we do not believe that an easement is required because of the JDA and our 28 year history of shared access between the parcels.

I urge the council to act upon our request and not delay the delivery of critically needed affordable housing which we are bringing to the market despite the pandemic (in partnership with the City). We therefore respectfully request that the City Council adopt Resolution 20-270 with an amendment to remove the requirement of the easement.

Finally, I am happy to report that Phase 1 has been very well received and is 100% leased. I will be available to answer any questions you may have regarding Phase 2 and subsequent phases of the project.

Mahalo for your consideration.

A handwritten signature in black ink, appearing to read 'Kevin A. Crummy', with a long horizontal line extending from the end of the signature.

Kevin A. Crummy  
Chief Investment Officer