Hello Chair and Members of the subcommittee?

My name is Giovanni Mola, I am a vice president at Coastal Rim Properties

Coastal Rim Properties is a family run real estate development firm, owned by my father, Franco Mola.

Our first development in the state of hawaii was village four of Kapolei, Kekuilani,

The Kekuilani village project consisted of 609 homes and apartments built for local working families.

In the mid 1990s, we developed Kulana hale, a 176 unit affordable senior rental building on the corner of s beretania and kalakaua.

Kulana Hale was Hawaii's first privately owned low income housing tax credit project.

In 2013, we decided to purchase three properties throughout Honolulu to develop affordable highrise projects on.

Our project in Kakaako, 803 Waimanu, located next to Imperial Plaza and BMW, is a 153 unit, 7 story, affordable condominium project, with all but a few units available for those making between 80% to 140% of the area median income.

We have a DURF financing commitment through the HHFDC, the Hawaii housing finance and development corporation, for around $11 million dollars. *durf (dwelling unit revolving fund)*

We are about to proceed with the HHFDC lottery sale process.

On 929 Pumehana st, we have a 180 unit, 21 story, condominium project, located in the Mccully/moilili area.

The project is 60% affordable for those making between 80% to 120% of the area median income.

We are currently awaiting HHFDC approval to began the lottery sale process for the units.

There is a DURF financing commitment on this project through the HHFDC for approximately $14 million dollars.

In Kapolei, located on WAKEA st across from Island Pacific academy, on a 3 acre block, we have mixed use project consisting of 2 affordable senior rental towers.

The towers are 150 feet tall, and will contain 300 residential units.

The units will be available for seniors making between 30% to 60% of the area median income.

This project is made possible by state and federal tax credits, DURF financing, and tax exempt bonds.

The groundbreakings for all three of our existing projects should happen in quarter 4 of 2017 and early 2018.

They are all fully entitled and we have received all necessary financing commitments.

On all three, we are currently finishing up working drawings at the building department and expect to receive all of the required building permits in the next few months.

Looking forward, we are in the process of buying one, but possibly 2 or three sites in the downtown area of Honolulu.

I would like to build a subsidy free rental high rise for those making between 80 to 120 % % of the area median income.

On these properties, we will either be using a multi year escrow or doing a joint venture with the landowner, so that we can minimize risk on the entitlement side. The political risk in the downtown district is especially high and we are needing to be extremely cautious.

We shouldn't have to worry about political opposition when we want to build an affordable project in Honolulu, but that is our number one risk.

Forgetting the cost of the property in itself, we spend millions of dollars in predevelopment cost before even attaining entitlement for an affordable project.

One redundant step that needs to be removed is the EIS needed to apply for a 201h or 201g zoning exemption through the hhfdc.

An EIS, environmental impact statement is needed for projects when using state and federal money.

With the affordable nonsubsidized rental i want to build downtown though,, again with no state or federal monies, I still need to attain an environmental impact statement.

That is highly unnessessary, and is a major, major time and money cost, that needs to be removed from the requirements in building an affordable project in this state- UNLESS ONE IS USING SUBSIDIES IN WHICH IT IS REQUIRED ANYWAY.

open space.

That is called an open space bonus.

For example, In bmx-4, the zoning most common in the downtown area, your FAR can go

from the limit of 4- to a scalable max of 7.5, and all you have to do is provide a certain amount of open space.

Zero entitlement, and you can almost double your density automatically.

we need to enable that for affordability.

Making that happen would make building affordable housing the easiest thing in the world for us, in comparison to the nightmare it is today.

Development Standard		District				
		Resort	B-1	B-2	BMX-3	BMX-4
Maximum density (FAR) resort district only		**Lot area (sq. ft.)** Less than 10,000 10,000-30,000 Over 30,000		**FAR calculation** FAR = (.00006 x lot area) + 0.4 FAR = (.00002 x lot area) + 0.8 FAR = 1.4		
Maximum density (FAR) for other districts		See above	1.0	2.5	2.5	4.0
Open space bonus	**Available**	No		Yes see Sec. 21-3.110-1(c)	Yes see Sec. 21-3.120-2(c)	
	Max FAR	n/a	n/a	3.5	3.5	7.5
Maximum height (feet)		per zoning map	40	per zoning map	per zoning map	per zoning map, see Sec. 21-3.120-1 for additional height
Height setbacks		per Sec. 21-3.100-1(c)	per Sec. 21-3.110-1(c)		per Sec. 21-3.120-2(c)	

60%	80%	100% AMI	120% AMI
Property Tax Abatements	Property Tax Abatements		
Park dedication and sewer fees waived.	Park dedication and sewer fees waived.		
Reduced Setbacks	Reduced Setbacks		
No open space requirement	No open space requirement		
GET Exemptions	GET Exemptions		
Earn 2x salable “in lieu” credits	Earn 1x salable “in lieu” credits		
1.5x height	1.25x height	No Exemptions	No Exemptions
3x FAR	2.5x FAR	1.5x FAR	1.25x FAR