



SB 2699

Measure Title:	RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S AFFORDABLE HOUSING REQUIREMENT.
Report Title:	Hawaii Community Development Authority; Affordable Housing
Description:	Requires the Hawaii Community Development Authority to implement affordable-housing policies that are in greater conformity with those of the City and County of Honolulu. Effective July 1, 2014.
Companion:	<u>HB1862</u>
Package:	None
Current Referral:	HMS/EGH
Introducer(s):	GALUTERIA



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SEVENTH LEGISLATURE, 2014**

ON THE FOLLOWING MEASURE:

S.B. NO. 2699, RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S AFFORDABLE HOUSING REQUIREMENT.

BEFORE THE:

SENATE COMMITTEES ON HUMAN SERVICES AND ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS AND HOUSING

DATE: Monday, February 24, 2014 **TIME:** 2:50 p.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): David M. Louie, Attorney General, or
Lori N. Tanigawa, Deputy Attorney General

Chairs Chun Oakland and Dela Cruz and Members of the Committees:

The Department of the Attorney General provides the following comments.

The purpose of the bill is to require the Hawaii Community Development Authority (HCDA) to impose minimum restrictions on reserved housing and workforce housing in accordance with those imposed by the City and County of Honolulu (City).

In sections 3 (page 8, lines 22 – page 9, lines 1-3), 4 (page 9, lines 13-16), and 5 (page 10, lines 11-15), the bill amends sections 206E-5(d), 206E-7, and 206E-15(a), Hawaii Revised Statutes (HRS), to include the following proviso:

provided that the authority's rules shall require reserved housing for low- and moderate-income residents in a manner consistent with the city and county of Honolulu's requirements for affordable housing, as set forth in section 206E-101.

We have several concerns regarding this proviso. First, we believe that it is unnecessary to insert the same proviso in three different sections. It is sufficient to include the proviso in one section. We therefore recommend that only section 206E-7, HRS, be amended to include this proviso, as that section specifically governs community development rules.

Second, the phrase, "as set forth in section 206E-101" suggests that the City's requirements for affordable housing are provided for in section 206E-101, HRS. That is not the case. Section 206E-101 defines words and terms used in part III of chapter 206E, HRS, which governs reserved housing loan programs administered by HCDA. We therefore recommend that this phrase be deleted in order to avoid confusion.

Third, this wording does not include a specific reference to the City's requirements for affordable housing. Absent a reference, it is unclear what City requirements are to be implemented. We therefore recommend that this wording be amended to include a specific reference to the City's requirements for affordable housing.

In section 6, page 11, lines 1-7, the bill amends section 206E-101, HRS, to include a new definition that states in relevant part:

“Workforce housing” means housing designated for residents in the low- or moderate-income ranges in housing developments in which seventy-five per cent of residential units in each separate project building are set aside for low- or moderate-income households, with at least 37.5 per cent of the residential units in each separate project building set aside for low-income households[.]

The problem is that the term “workforce housing” is not used in chapter 206E, HRS. It is therefore unnecessary to define a term that is not used.

On page 11, lines 15-20, and page 12, lines 14-19, the bill amends section 206E-101, HRS, to include the following proviso in the definitions for “workforce housing” and “reserved housing:”

provided further that the authority's rules shall be at least as strict and restrictive as the rules of the city and county of Honolulu regarding affordable housing, including terms of restrictions on the transfer of title, the sale of affordable-housing units, and buyback provisions set forth in the city and county of Honolulu's unilateral agreements.

If the intent is to reference the City's Amendment of Affordable Housing Rules for Unilateral Agreements, adopted February 12, 2010, then we recommend that the bill be amended to include a specific reference as follows:

provided further that the authority's rules shall be at least as strict and restrictive as the ~~rules of the~~ city and county of Honolulu's ~~regarding affordable housing~~ Amendment of Affordable Housing Rules for Unilateral Agreements, adopted February 12, 2010, including terms of restrictions on the transfer of title, the sale of affordable-housing units, and buyback provisions ~~[set forth in the city and county of Honolulu's unilateral agreements]~~.

We respectfully ask that, if the Committee is inclined to pass this bill, it do so with appropriate amendments.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA
KALAELOA

Neil Abercrombie
Governor

Brian Lee
Chairperson

Anthony J. H. Ching
Executive Director

461 Cooke Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

SENATE COMMITTEE ON HUMAN SERVICES

AND

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT
OPERATIONS AND HOUSING

ON

Monday, February 24, 2014

2:50 P.M.

State Capitol, Conference Room 016

in consideration of

**S. B. 2699 – RELATING TO THE HAWAII COMMUNITY
DEVELOPMENT AUTHORITY'S AFFORDABLE HOUSING
REQUIREMENT.**

Purpose: To bring the authority's policy on affordable housing into greater conformity with the affordable housing policies of the city and county of Honolulu.

Position: I provide the following comments with respect to the delivery of low, moderate and work force housing units by the Hawaii Community Development Authority (HCDA). These comments represent my own position and not that of the Authority as I have not had the opportunity to elicit their thoughts and collective response.

The HCDA has historically partnered with the Hawaii Housing Finance and Development Corporation (HHFDC) and constructed nearly a thousand

Testimony reflects the view and position of the Executive Director and not that of the Authority.

low income housing units (985) in the Kakaako Community Development District.

These low income rental units are still in operation and are designated as:

- Honuakaha;
- Pohulani;
- Na Lei Hulu Kupuna;
- Kauhale Kakaako; and
- Kamakee Vista.

In March of 2014, the Halekauwila Place low income rental development will welcome 204 new residents. Another 152 low income rental units [i.e., Artspace/Pa`i (80) and Waihonua 2 (72)] are also in the development pipeline. Offsetting nearly 20% (19.5%) of the 1,828 market units being developed at this time in the area and easily the most difficult type of housing to develop, these numbers contradict the assertions contained in the Section 1 Findings of this proposal.

When you add the 162 fee-simple units being offered at Rycroft Terrace and the 52 rental units at 680 Ala Moana to low and moderate income unit totals, the offset of low and moderate income units being developed to market units is just over 31% (i.e., 5570 low/moderate to 1,828 market units).

There are also another 1,588 for-sale units that are being developed in Kakaako that are characterized as either reserved or work force housing units. As these units are directed at working individuals and families who represent nearly 40% of our population, creating home ownership opportunities for this population group is a vital element to our community's strategy to address the well documented demand for housing. When these 1,588 units are added to the low/moderate income units being developed, the total amount of qualified income units (2,158) far out strips the number of market units (1,828) being developed.

The stated purpose of this proposal is to "bring the Authority's policy on affordable housing into greater conformity with the affordable policies of the City and County of Honolulu." However, while there are some areas of the City's

policies that might appear favorable, I believe that with respect to overall results and two important areas, current Authority policy is superior to that of the City and County. These two areas include:

- Scope – City & County housing policy is invoked when a zoning change is required. HCDA policy requires that ***any housing development on a parcel greater than 20,000 sf must provide reserved housing.***
- Cash-in-lieu Fees – City housing policy allows for a cash-in-lieu fee to be paid especially for larger projects. The State Legislature recently specifically enacted a prohibition on cash-in-lieu payments, instead requiring that all units are built. It would be a contradiction for this policy to be reversed.

At the conclusion of this building cycle, approximately 37% of all units in the Kakaako Community Development District will be for low and moderate income and working individuals and families. According to the Department of Business and Economic Development and economists, each year the demand for low/moderate and all levels of housing in Honolulu grows by approximately 5,700 units. It is therefore imperative that our entire community be a part of the solution. As HCDA policies and action will produce 2158 low/moderate/work force (with little or no government subsidy) and 1,858 market units, it is my position that the HCDA is a part of the solution and not a part of the problem.

Thank you for the opportunity to provide our comments on this proposal.



KAMEHAMEHA SCHOOLS

February 22, 2014

WRITTEN TESTIMONY TO THE
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, GOVERNMENT OPERATIONS
AND HOUSING

By
Walter F. Thoemmes
Kamehameha Schools

Hearing Date: February 24, 2014
2:50 p.m. Conference Room 16

To: Senator Donovan M. Dela Cruz, Chair
Senator Sam Slom, Vice Chair
Members of the Senate Committee on Economic Development, Government Operations and
Housing

**RE: Comments and Requested Amendment for Senate Bill No. 2699 Relating to the Hawaii
Community Development Authority's Affordable Housing Requirement (the "Bill")**

As an organization dedicated to the education of Native Hawaiians, and longtime steward of legacy lands to perpetuate that mission, Kamehameha Schools (KS) provides the following comments to the Bill.

KS has spent years and valuable resources developing the Kaiāulu 'O Kaka'ako Master Plan (the "Master Plan") for its legacy lands. The Master Plan is more than a set of zoning rules. Instead, it is a plan of holistic and comprehensive development framed by careful study, extensive community input and a commitment to stewardship of our lands in Kaka'ako. Accordingly, the Master Plan is rooted in three core values: (i) a deep understanding and commitment to the surrounding community, its economic and social vitality, and its vested stakeholders; (ii) the creation of a sustainable and vibrant cultural life through sustainable land and building practices; and (iii) as first articulated by the State Legislature in 1976 and re-affirmed by enthusiastic community support in 2004, the cultivation of a mixed-use "urban village" and "urban-island culture" within the Honolulu's core.

These values (and the current Master Plan) were developed in concert with extensive stakeholder meetings and workshops with representatives from the Kaka'ako Improvement Association, the Kaka'ako Neighborhood Board, Enterprise Honolulu and the Hawaii Community Development Authority ("HCDA") solicitation and input over the last ten years. The parties understood that developing an urban village involves substantially more than creating new building structures and constructing residential housing. It requires a commitment to the community and providing the types of urban-island lifestyle choices demanded by those who make Kaka'ako their home. In this way, the Master Plan serves as the community's collective blueprints for the economic and social fabric of Kaka'ako.

Senator Donovan M. Dela Cruz, Chair
Senator Sam Slom, Vice Chair
Members of the Senate Committee on Economic Development, Government Operations and Housing
Testimony relating to Senate Bill No. 2699 Relating to Hawaii Community Development Authority's
Affordable Housing Requirement
February 22, 2014
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Prior to KS' Master Plan application submission to HCDA in November 2008, KS met with HCDA staff, planning professionals, and its greater community to develop the Master Plan. Since then, the public had the opportunity to comment on KS' Master Plan. HCDA took formal action to ensure public input on the plan including (1) mailing almost 12,000 flyers to persons on its "Connections" list, (2) posting the Master Plan on its website, (3) inviting comments from the public through an on-line site and a telephone comment line, (4) holding a community meeting for additional public input, (5) working with KS to address public comments, (6) conducting a contested case hearing (noticed and open to the public), and (7) holding a public hearing for final decision making.

By September 2009, when the Master Plan was adopted, the public had the opportunity to review and comment on the Master Plan for more than nine months and HCDA provided numerous comments to KS on changes to the Master Plan to address public input.

Like blueprints for any major project, changes to carefully crafted rules should not be made in piecemeal without regard to its effects on the whole community. Throughout the formulation of the Master Plan, stakeholders understood the importance, for example, of density in order to create a critical mass within the Master Plan area to ignite and sustain the revitalization of the Kaka'ako area. Simultaneously, planners balanced urban density with natural open public space to promote a healthy and sustainable community with renewed energy and spirit. Thus, spot changes to carefully reviewed plans and rules would undermine the economic and social fabric woven by the community without regard to the consequences on the entire neighborhood. Early entrants into this developing community should not be able to thwart the opportunity for thousands of new residents.

In the past four years, KS has devoted its resources to have its blueprint implemented by the completion of Six Eighty (a reserve housing rental project), its continuing development of the SALT project (with a focus on nurturing developing small businesses), and its work with developers to provide a variety of housing alternatives. KS is asking for these pieces of a complex puzzle be allowed to finally come together to create the urban village with an island-urban culture as envisioned by the Master Plan, for the benefit of the larger community of Honolulu and its residents. Time is of the essence.

Many provisions of the Bill are in conflict with what has already been approved under the Master Plan. Implementation of the Master Plan is well underway and changing the rules at this point is fundamentally unfair. Accordingly, KS respectfully requests the Bill be amended to provide that: **"Development rights under a master plan permit and master plan development agreement issued and approved by the authority are vested under the community development district rules in effect at the time initially approved by the authority and shall govern development on lands subject to such permit and agreement. These rights are not modified by the provisions hereof."** This addition will confirm certainty for KS' multi-year efforts to deliver housing alternatives in the urban core in reliance on the Master Plan, which is important to keep the current momentum of developing a vibrant, sustainable community of people, culture, business enterprises and natural open spaces.

Thank you for the opportunity to provide our comments and requested amendment on this Bill.



LAND USE RESEARCH
FOUNDATION OF HAWAII

1100 Alakea Street, Suite 408
Honolulu, Hawaii 96813
(808) 521-4717
www.lurf.org

February 23, 2014

Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair
Senate Committee on Human Services

Senator Donovan M. Dela Cruz, Chair
Senator Sam Slom, Vice Chair
Senate Committee on Economic Development,
Government Operations and Housing

Comments, Concerns, Opposition and Suggested Revisions regarding SB 2699, Relating to the Hawaii Community Development Authority (Requires the Hawaii Community Development Authority to implement affordable-housing policies that are in greater conformity with those of the City and County of Honolulu. Effective July 1, 2014).

Monday, February 24, 2014, 2:50 p.m., in Conference Room 016

The Land Use Research Foundation of Hawaii (“LURF”) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF’s missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide **testimony in strong opposition to SB 2699; to express concerns, to recommend revisions; and to offer comments** recognizing some of the complaints, problems and issues relating to the Hawaii Community Development Authority (“HCDA”) that gave rise to this proposed measure and confirming the unparalleled accomplishments and ongoing work being done by HCDA, its staff and working partnerships. Instead of passing this measure in its current form, LURF encourages HCDA, the Legislature, government agencies and the various Kakaako stakeholders to work together to address the affordable housing issues in SB 2699, and fulfill the potential and promise of Kakaako and HCDA.

LURF appreciates the opportunity to express the following **concerns, comments and opposition to SB 2699:**

- There is no justification for changing HCDA’s reserved housing policy to be consistent with the City’s affordable housing policy – The City’s affordable housing requirement is only 30% of total units built, and HCDA’s current approvals will result in 54% of total units built to be affordable reserved housing.

- The City is in the process of considering amendments to its Affordable Housing Policy, thus, changing the existing HCDA rules and development standards to comply with the City's affordable housing requirements will create uncertainty, problems with administration, interpretation and enforcement.
- Based on the prior success of the "in lieu fee" program, this measure should be amended to include a provision to allow HCDA the flexibility to employ "in lieu" fees for reserved/affordable/workforce housing.
- Master Plans and other plans already approved by HCDA, or in the application process, should not be subject to any new affordable housing requirements proposed by this measure.

SB 2699. This bill appears to be well intended, however, it includes mistaken information and analysis regarding affordable and workforce housing as justification to require the HCDA "to adopt affordable housing rules at least as strict and restrictive as those adopted by the City and County of Honolulu ("City"). This measure also proposes the following:

- Proposes to amend Sections 206E-5(d), Hawaii Revised Statutes ("HRS") (Designation of Community Districts; Community Development Plans); 206E-7, HRS (Community Development Rules) and 15(a) HRS (Residential Projects; Cooperative Agreements) to provide that the HCDA's rules shall require reserved housing for low- and moderate-income residents in a manner consistent with the City's requirements for affordable housing, as set forth in section 206E-101, HRS.
- Proposes to amend Section 206E-101, HRS, by adding a new definition "Workforce housing" as follows:

"Workforce housing" means housing designated for residents in the low- or moderate-income ranges in housing developments in which seventy-five per cent of residential units in each separate project building are set aside for low- or moderate-income households, with at least 37.5 per cent of the residential units in each separate project building set aside for low-income households, provided that, as used in this definition:

 - (1) "Low-income" means household income no greater than eighty per cent of the area median income for Honolulu; and
 - (2) "Moderate-income" means household income no greater than one hundred twenty per cent of the area median income for Honolulu;
- Proposes to amend Section 206E-101, HRS, by providing that the HCDA's rules shall be at least as strict and restrictive as the City's rules regarding affordable housing, including terms of restrictions on the transfer of title, the sale of affordable-housing units, and buyback provisions set forth in the City and County of Honolulu's unilateral agreements.

HCDA Background. LURF understands that the HCDA is a State agency that was established to supplement traditional community renewal methods by promoting and coordinating public and private sector community development.

The 1976 State Legislature created the HCDA as a way to plan for the future development of underutilized urban areas of Hawaii. Lawmakers determined these "Community Development Districts" were underused and deteriorating, but had the potential to address the housing and

employment needs of Hawaii's people and to provide great economic opportunities to the State once they were redeveloped.

Upon the creation of HCDA, the Legislature designated the Kaka'ako area of Honolulu as the first "Community Development District." Lawmakers recognized Kaka'ako was severely underdeveloped and underutilized, relative to its central location near urban Honolulu. They foresaw the area's potential and opened the door to tremendous opportunities in providing more housing, parks and open areas, as well as new commercial and industrial space near the downtown core.

The Kakaako Community Development District (KCDD) is composed of approximately 600 acres of land and includes the area bounded by Piikoi, King and Punchbowl Streets and Ala Moana Boulevard, as well as the stretch of waterfront from Kewalo Basin to Forrest Avenue and the Hawaiian Electric Company power plant site in downtown Honolulu.

HCDA's staff, includes professional trained in planning, engineering, architecture, asset management, real estate development, finance, public information and administrative services. The HCDA and its staff serve as an infrastructure developer, landowner, city planner, regulator, and property manager to implement Kakaako's master plan.

Over the years, HCDA has had tremendous success with redeveloping Kakaako's infrastructure, housing, parks and open space and implementing other projects for the benefit of the community. A partial list of HCDA's accomplishments are listed in the paragraph below. No other State or county government agency had had this kind of success.

Kakaako Projects Approved by HCDA and Completed

- 133 Waimanu
- 720 Kapiolani
- 909 Kapiolani
- Children's Discovery Center
- Comp USA
- Hawaiki tower
- Hoku
- Honuakaha
- John A Burns School of Medicine
- Kamakee Vista
- Kauhale Kakaako
- Keola Lai
- Koolani
- Moana Pacific
- Na Lei Hulu Kupuna
- Nauru Tower
- One Archer Lane
- One Waterfront Plaza
- Pacific Park Plaza
- Pacifica
- Pohulani
- Royal Capitol Plaza
- The Imperial Plaza
- Ward Entertainment Center
- Word of Life

Additional Responsibilities Assigned to HCDA by the Legislature. Over the years, HCDA has been so successful that the Legislature has assigned it yet more responsibilities:

- **Kalaeloa Community Development District.** In 2002, the State Legislature voted to transfer the development responsibility from the Barbers Point Naval Air Station Redevelopment Commission to HCDA, and as a result, HCDA also assumed the role of the redevelopment authority for the 3,700-acre Kalaeloa Community Development District (Kalaeloa). Kalaeloa encompasses all of the land within the former Barbers Point Naval Air Station, including land retained by the Navy and land conveyed to other Federal agencies. The 2002 State Legislature voted also approved the addition of new HCDA board members to represent the Kalaeloa District.
- **Kewalo Basin Harbor.** In March 2009, HCDA assumed the operation and management of the Kewalo Basin Harbor.
- **Heeia Community Development district.** In 2011, the State Legislature passed Act 2010, Session Laws Hawaii 2011, which made Heeia the third designated Community Development District under HCDA.

Ongoing HCDA Projects. HCDA is currently involved with a number of on-going projects, including, but not limited to the following:

- *Construction of essential infrastructure* such as roadways and utilities.
- Parks and open space development, including the *Kakaako Waterfront Park, Gateway Park and Kewalo Basin Park*, totaling 44 acres.
- Construction and promotion of the *Kakaako Waterfront Park Amphitheater- Concert Venue*.
- *Kakaako Waterfront Park concert performance donations to Kakaako-based non-profit organizations and charities* such as the Children's Discovery Center, KUPU, Next Step Shelter and the Voyager School.
- *Kakaako Beautification* efforts, including HCDA staff and volunteers.
- *Kakaako Homeless Outreach Program*, staffed by HCDA staff and volunteers from the Waikiki Health Center, Life 360 and KUPU.
- Establishing a *Kakaako Jobs Training Program* with the Department of Human Services to provide a venue to employ and train homeless persons to complete a specific scope of services within the KCDD.
- A *Security Deposit Matching Fund* to help persons in the Job Training program provide a security deposit for a new apartment.
- *Transit Oriented Development Overlay* for KCDD.
- *Market and affordable housing projects* (see attached list and 2012 HCDA Annual Report).
- *Kewalo Basin community stakeholders' advisory group*.
- Active *Kewalo Basin operations and management* by HCDA and its harbor agent has increased slip occupancy from 30% (prior to HCDA) to nearly 100% and generated a positive cash flow.
- Lease negotiations with a restaurateur regarding *the former Charter Boat Building* fronting Ala Moana Boulevard.
- Consideration of proposals for the use of *the former McWayne Supply Store site* at Kewalo Basin.
- *Kalaeloa Advisory Team* to engage stakeholders from Kaena to Ewa, with regular meetings since 2007.
- *Kalaeloa Landowners and Stakeholders Summit*, since 2010.
- *Base Realignment and Closure Land Conveyances*.

- Completion of the *Kalaeloa Federal Bureau of Investigations Complex* in 2012.
- Approval of the plans and funding for the new *Kalaeloa 12 –kv underground Enterprise Energy Corridor Project*, working with the State Department of Transportation and Hawaiian Electric Company.
- The HCDA's *Kalaeloa East Energy Corridor Project*, and working with Navy Facilities staff on securing the necessary roadway and utility easements for the new corridor.
- *Kalaeloa Solar 1 and 2 Photovoltaic Projects*.
- Hunt Companies' *Kalaeloa Renewable Energy Park Project*.
- Kalaeloa Sustainable Net-Zero Community Pilot Projects, with the National Renewable Energy Laboratory.
- Ongoing development of the *Kalaeloa Heritage Park Plan* with the Kalaeloa Heritage and Legacy Foundation.
- *Heeia Meadowlands Restoration Project*, a public-private partnership between the HCDA and non-profit *Kakoo Oiwi*, to restore HCDA's 400+ acre Heeia Meadowlands.

LURF's Position. LURF members include the major land owners and developers across the State of Hawaii, who engage in a wide array of diverse enterprises and activities ranging from conservation and preservation lands, Important Agricultural Lands and agriculture, providing energy, including renewable energy, residential, commercial and resort development. LURF and its members understand that the public may have differing views and may react in different ways, however, there is a belief and hope that the public and our governing bodies – the administration and its agencies and the legislative branch will act rationally, fairly and in the public interest. Under the circumstances, LURF **opposes** SB 2699, based on the following:

- **There is no justification for changing HCDA's reserved housing policy to be consistent with the City's affordable housing policy – The City's affordable housing requirement is only 30% of total units built, and HCDA's current approvals will result in 54% affordable reserved housing.** According to statistics provided by HCDA, the projects now under construction, or already approved by HCDA will create 1,828 market units, and 2,158 reserved (affordable) housing units in the Kakaako area, which will be affordable to Hawaii's working families. HCDA's reserved housing requirements will result in the MAJORITY of units built in Kakaako, or specifically, fifty-four percent (54%) of total units to be affordable to families making 140 percent of the average median income (AMI), or less. By comparison, the City's affordable housing policy requires only thirty percent (30%) of total units to be affordable (140% AMI or less). Thus, based on the facts, LURF believes that a large part of this measure is unjustified and unnecessary; and LURF respectfully recommends deletion of the provisions in SB 2699 requiring conformity or consistency with the City's affordable housing policies.
- **The City is in the process of considering amendments to its Affordable Housing Policy, thus, changing the existing HCDA rules and development standards to comply with the City's affordable housing requirements will create uncertainty, problems with administration, interpretation and enforcement.** The City's Administration and City Council are currently considering major changes to its Affordable Housing Policy; and changing the HCDA reserved housing rules to be consistent with the City's Affordable Housing Policy, would cause confusion and problems with agency interpretation, approval and enforcement and unintended consequences. Thus, LURF respectfully recommends the deletion of the provisions in SB 2699 requiring conformity or consistency with the City's affordable housing policies.

- **Section 206E-4 (18), HRS, should be amended to allow cash payments in-lieu of providing reserved housing.** Notwithstanding the above, LURF believes that there is one possible revision to the HCDA rules which could assist in more affordable and workforce housing in Kakaako – and that is the HCDA should amend its rules to include an alternative to allow developers to provide “*in lieu fees*” to HCDA to allow the development of reserved housing. The following is a list of **Kakaako Reserved Rental Projects supported by cash payments “*in lieu*” of constructing reserved housing:**
 - ✓ Halekauwila Place: 204 reserved high rise rental apartments at 60% AMI.
 - ✓ Kamakee Vista: 225 reserved high rise rental apartments at 80% AMI.
 - ✓ Pohulani: 262 reserved senior high rise rental apartments at 80% AMI.
 - ✓ Honuakaha: 93 reserved senior rental apartments at 60% AMI.
 - ✓ Kauhale Kakaako: 267 reserved high rise rental apartments at 80% AMI.

Based on the above prior successes of the “in lieu fee” program, this measure should be **amended to include** a provision to allow HCDA the flexibility to employ “**in lieu” fees** for reserved affordable housing:

(18) Allow satisfaction of [~~any~~] affordable housing requirements imposed by the authority upon any proposed development project through the construction of reserved housing, as defined in section 206E-101, by a person on land located inside or outside the geographic boundaries of the authority's jurisdiction; provided that the authority shall [~~not~~] permit any person to make cash payments in lieu of providing reserved housing, [~~except~~] including, but not limited to account for any fractional unit that results after calculating the percentage requirement against residential floor space or total number of units developed.

- **Master Plans and other plans already approved by HCDA, or in the application process, should not be subject to any new affordable housing requirements.** HCDA has already approved various Master Plans for the Kakaako area, and there are several projects which are currently in the approval process. It would be unfair to change HCDA’s reserved housing laws and rules “in the middle of the game” for land owners and developers which already have approved Master Plans and reserved housing requirements and have multiple projects to be approved in the future pursuant to those already approved Master Plans, or projects which are currently in the approval process. Under the circumstances, if this measure proceeds, LURF respectfully recommends that all projects which are subject of existing Master Plan approvals, or currently in the HCDA approval process be exempted from all provisions requiring conformity or consistency with the City’s affordable housing policies be deleted from SB 2699.

For the reasons stated above, LURF **must strongly oppose SB 2699**, and respectfully requests that this bill **be amended, or held in Committee**.

Thank you for the opportunity to present testimony regarding this matter.



Testimony of Cindy McMillan
The Pacific Resource Partnership

Committee on Human Services
Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair

Committee on Economic Development, Government Operations and Housing
Senator Donovan M. Dela Cruz, Chair
Senator Sam Slom, Vice Chair

SB 2699 – TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY'S AFFORDABLE
HOUSING REQUIREMENT
Monday, February 24, 2014
2:50 AM
Conference Room 016

Dear Chairs Chun Oakland and Dela Cruz, Vice Chairs Green and Slom and members of the
Committees:

The Pacific Resource Partnership (PRP) is a labor-management consortium representing over
240 signatory contractors and the Hawaii Regional Council of Carpenters.

PRP opposes SB 2699, which requires the Hawaii Community Development Authority (HCDA)
to implement affordable-housing policies that are in greater conformity with those of the City
and County of Honolulu.

PRP understands the need for a significant amount of housing that Hawaii's middle-income
families can afford. Because the current supply of housing is low, the prices are out of reach
for many working individuals and families. Population growth will only make the problem
worse.

However, changing the definition of "workforce housing" as proposed in this bill will not help
the situation. In fact, it will make it worse.

February 24, 2014

Testimony Opposing SB 2699 – Hawaii Community Development Authority's Affordable Housing Requirement

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HCDA's mission and jurisdiction are not the same as those of the City and County of Honolulu. The City is far larger and must accommodate all different types of land uses and growth. HCDA, on the other hand, is very focused on urban redevelopment in Kakaako. What works in the City as a whole is not appropriate for Kakaako.

Second, "workforce housing" is specifically for people who make too much to qualify for subsidized housing, but they can't afford the luxury products, either. For a project to qualify as "workforce housing" it must meet three criteria:

- 75% of the units must be priced for buyers earning no more than 140% of the area median income (AMI);
- It must receive no financial assistance from the federal, state or county; and
- Units must be a certain size to ensure affordability. For this reason, workforce-housing units are typically smaller than luxury units.

It is very important to note that any "workforce housing" project must line up private financing. This financing will not be available if the new definition of "workforce housing" is adopted as proposed because lending institutions know that people in the "moderate" (less than 120% of AMI) and "low" income ranges (less than 80% of AMI) cannot afford to buy the units. Private lenders will not give money to a project they know will lose money.

If there is no "workforce housing," developers will only build luxury units or they will build subsidized housing. There will be no housing for those in the middle-income bracket. This will make the housing situation even worse than it is today.

Finally, the HCDA was created to encourage redevelopment in the urban core with the expectation that workforce housing would be included. Providing homes for the gap-income group in Kakaako will help prevent urban sprawl. Kakaako is within walking distance from the business district of downtown Honolulu and the tourism capital of Waikiki. Also, Kakaako will be well served by public transit (both bus and rail), and it already has existing infrastructure and roadways.

Kakaako redevelopment is about creating a live-work-play community. Residents will be able to walk or bike to work, the grocery store, doctor's office, dining and entertainment. They will have shorter commute times and will be able to save money on transportation costs. "Workforce housing" – as presently defined – will play a critical role in making Kakaako a thriving community.

For the reasons mentioned, we respectfully ask for you to defer SB 2699. Thank you for allowing us to share our opinion with you.

Testimony of
Sharon Y. Moriwaki
Before the
Senate Committee on Human Services and on Economic Development, Government Operations and
Housing

Monday, February 24, 2014, 2: 50 p.m., Conference Room 016

**In Strongly Support of SB 2699,
Relating to the Hawaii Community Development Authority's
Affordable Housing Requirement**

Chair Dela Cruz, Chair Chun Oakland, and Members

My name is Sharon Moriwaki. I am a resident of Kaka'ako and president of Kaka'ako United, an organization of citizens concerned about Kaka'ako's future. We thank you for hearing from those impacted how "affordable housing" rules don't provide housing in Kaka'ako – contrary to the media ads that are continuously running. The "affordable" housing being built is not affordable to 80% of Honolulu's people. SB2699 is an important step in correcting this problem before the state and our residents lose any opportunity to build Kaka'ako right and for our residents.

We have entrusted HCDA -- the state agency designated by statute as the steward of Kaka'ako -- to implement the law –Chapter 206E, HRS. One of its major goals was to create "communities which serve the highest needs and aspirations of Hawai'i's people." (see Chapter 206E-1). One of the major unmet needs is suitable affordable --"low or moderate" income -- housing.

Chapter 206E-4(18) allows affordable housing requirements to be met by "reserved housing" defined as housing in the "low or moderate" income ranges...as the authority may adopt by rule. This is the crux of the problem we face today. In the past years, developers have been able to build high-end developments without building to meet the "vast unmet needs" of our community. Why? Because the HCDA has adopted its own rule to define "moderate and low income" to mean "any unit up to 140% of the Area Median Income." HUD's CDBG program defines "moderate" as from 80-50% below AMI; and the city standard provides 20% below 120% AMI, with at least 10% below 80% AMI. Just to put this in perspective, the approximate income of a family of four at 140% AMI is \$ 137,060; at 120% AMI it's \$117,480; and at 80% it's \$78,300. The median income is \$86,300. HCDA's standard is out of reach for most of Honolulu's workforce.

Additionally, if the developer builds out his units where 75% of the building is called "workforce housing," it only has to price units low enough so that the same 140% of AMI household that HCDA targets for "reserved" housing can purchase it--meaning a unit priced at \$662,000. For that non-concession, HCDA will approve whatever concession the developer needs—double density, height, closeness between buildings, even escaping LEED requirements-- and other bending of the rules without consideration for the toll it takes on neighbors nor on the infrastructure; and, on top of all of this additional profit accruing to the developer, the community sees no benefits-- no impact fees for the additional burden it creates; no new parks; no funding for schools.

SB2699 is the first step at providing guidance to HCDA to meet the community's needs for affordable housing and to create a system to ensure that the developer will build true affordable housing for our residents in the urban core –housing aimed at least at the 120% of AMI and the 80% of AMI household income levels in return for the concessions HCDA is offering.

We agree with the income limits required in SB 2699 and believe they are not onerous; they are followed by developers when they build in other communities outside the HCDA districts. It will also ensure community benefits accrue from the incredibly lucrative development currently occurring at intense speed

without adequate assessment on whether the infrastructure can bear it.

Specifically, we believe that the following provisions in SB2699 will benefit all of Hawai'i as it will more aggressively tackle our affordable housing crisis:

- 1) defining "workforce housing" as truly for Hawai'i's workforce, with "low income" meaning no greater than 80% of AMI; and "moderate income" as no greater than 120% AMI, similar to the districts outside of HCDA's jurisdiction;
- 2) locating affordable housing within Kaka'ako; and
- 3) preventing "flipping" to the benefit of investors rather than to Hawai'i's working class by enforcing rules on the transfer of title, sale of units, and buyback consistent with those required by the county.

Based on the foregoing, we strongly urge the passage of SB2699.

Thank you for the opportunity to testify.

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
John & Rita Shockley	FREE ACCESS COALITION	Support	No

Comments: Aloha! Please pass this bill to limit the Hawaii Community Development Authority's unbridled use of it's office powers to promote residential and commercial development with little regard to basic civil engineering groundwork or community input. We were hoping the legislature would simply stop funding the HCDA and leave building approvals to the C&C zoning commission and appropriate State and Federal agencies who have guidelines and enforcement policies of public land use laws. Mahalo for listening. John Shockley FREE ACCESS COALITION 672-6535

Malama Makaha

February 19, 2014

TO: Senate Committee on Economic Development, Government Operations and Housing

SUBJECT: Testimony in Support of SB 2699

Dear Committee Members,

Malama Makaha supports SB 2699 and all efforts to curb the HCDA's currently unbridled, semi-autonomous authority. The HCDA does not properly represent the communities for which it serves. Its operations and decisions are not transparent nor reflect testimony it has received over the past year; it continues to ignore the will of the people.

HCDA must be required to implement affordable housing policies that conform with those of the City and County of Honolulu. A larger percentage of low income and moderate income units must be made available in developments managed and approved by the HCDA. Moreover, a clearer definition of what constitutes "reserved" and "workforce" housing is required, including a strict enforcement of these categories, without waiver or conversion over any period of time.

Mahalo Nui Loa,



AL Frenzel
Malama Makaha
84-933 Alahele St.
Waianae, HI 96792
(808) 343-4916

February 19, 2014

TO: Senate Committee on Economic Development, Government Operations and Housing

SUBJECT: Testimony in Support of SB 2699

Dear Committee Members,

I support SB 2699 and all efforts to curb the HCDA's currently unbridled, semi-autonomous authority. The HCDA does not properly represent the communities for which it serves. Its operations and decisions are not transparent nor reflect testimony it has received over the past year; it continues to ignore the will of the people.

HCDA must be required to implement affordable housing policies that conform with those of the City and County of Honolulu. A larger percentage of low income and moderate income units must be made available in developments managed and approved by the HCDA. Moreover, a clearer definition of what constitutes "reserved" and "workforce" housing is required, including a strict enforcement of these categories, without waiver or conversion over any period of time.

Mahalo,

A handwritten signature in black ink, appearing to read 'AL Frenzel', written in a cursive style.

AL Frenzel
84-933 Alahele St.
Waianae, HI 96792
(808) 343-4916

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Bernard Nunies	Individual	Support	No

Comments: The current regulations of Reserved and Workforce housing used by the HCDA does not provide truly affordable housing for the working class of Oahu. Instead it sets the income maximum so high that the majority of Honolulu cannot afford to buy these units. Additionally, 'workforce' housing units can be purchased by investors and flipped for a profit after being open to qualified purchasers for only 60 days. I strongly support SB2699 as it aligns the definition of reserved and workforce housing with the City's definition of low and moderate income family. This will allow more people to actually be able to afford living in Kakaako.

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Cara Kimura	Individual	Support	No

Comments: I support SB2699 because the HCDA's current rules for "affordable" housing in Kakaako do not adequately serve the average local homebuyer and do not have provisions to dissuade flipping or investment buyers who will rent out their units rather than live in them. Owner-occupants have a vested interest in their community and will help us build Kakaako into the vibrant livable neighborhood that Hawaii deserves. As an example, the first phase of 801 South Street, the first project to be built under HCDA's workforce housing rules in Kakaako, only sold 65% of its units to qualified workforce buyers even though rules required the project to set aside 75% for this group. Despite this deficiency, a second tower was approved with the developer citing "overwhelming demand." I urge this legislature to investigate who is actually buying these workforce housing units -- units that were marketed as homes for the working people of Hawaii. This bill provides a legislative means to ensure a better supply of truly affordable housing for the people of Hawaii.

SB2699

Submitted on: 2/20/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Clara K Morikawa	Individual	Support	No

Comments: Reserved housing policies must be consistent with our City and County affordable housing requirements.

SB2699

Submitted on: 2/19/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
connie smyth	Individual	Support	No

Comments:

SB2699

Submitted on: 2/19/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
douglas valenta	Individual	Support	No

Comments:

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Okamura	Individual	Support	No

Comments: The present work force housing rule allows for too many modifications that favor developers over community. The double density provision lead to the demise of the historic eligible Advertiser Building. I support this legislation to prevent abuse in the future.

SB2699

Submitted on: 2/21/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Gerry Fujii	Individual	Support	No

Comments:

Testimony of Grace Y. Ishihara
To the
Committee on Human Services
And
Committee on Economic Development, Government Operations and Housing
Monday, February 24, 2014
Senate Bill 2699
Relating to the Hawaii Community Development Authority's Affordable Housing Requirement

Chair Person Oakland and Vice Chair Green and Members of the Committee on Human Services

Chair Person Dela Cruz and Vice Chair Slom and Members of the Committee on Economic Development, Government Operations and Housing

My name is Grace Ishihara and I am a resident of Kakaako. Thank you giving me this opportunity to submit my testimony. **I strongly support Senate Bill 2699.**

After dealing with HCDA, i.e., doing months of research to back up my testimonies, attending public hearings to submit my testimonies, taking time off from work; I realized that HCDA was not listening to the community. They had no intentions to engage the community because their decision to approve the development was made before the hearings.

After the last hearing - I had to look up the definition of "democracy"

U.S. president **Abraham Lincoln** (1809-1865) defined democracy as: «**Government of the people, by the people, for the people**»

I personally think that somewhere along the line, "greed" and "selfishness" has changed the meaning of democracy in our State.

Please show the people that we have a Democratic Government. Let the peoples' voices be heard!

It is time to seriously consider the HCDA's rules for the various affordable-housing policies. With all this media coverage and focus about "affordable housing" and "let's keep the country, country" by building friendly, walk able areas in Honolulu is a FARCE that the developers and construction industry is promoting. The rules with HCDA regarding affordable and workforce housing has to be changed to conform to those of the City and County of Honolulu. **And let us not wait till next year or 2050 for it become effective.**

Clearly, when you look at the HCDA rules, the criteria for workforce housing was not meant for the true workforce of Hawaii. In fact I don't think there is a requirement that you have to be a resident of Hawaii, let alone being a citizen of the United States of America.

HCDA has granted variances to the developer of the 801 South Street (Towers A and B) based on the fact that they are going to provide workforce housing. They allowed them to increase the density and the height of the buildings. The big question is – are they REALLY providing workforce housing to the people

of Hawaii? When selling the units in Tower A – the developers had their potential buyers sign testimonies to HCDA supporting Tower B before the Tower B plans were even announced to the public!

It took one resident of Kakaako to analyze HCDA’s “workforce” housing rules and to find out that they were using incorrect assumptions in their calculations. The calculations were skewed to accommodate the developer’s so-called workforce housing prices. When this was brought up at a public hearing, the HCDA Chairman accused the resident that he was throwing all kinds of reasons on the wall to see which one will stick to delay the project. (December 4, 2013 public hearing at HCDA).

The rules need to be changed so that ---

- All of HCDA’s affordable housing rules should be at least as strict as all of the City of Honolulu’s rules for affordable housing. And, going forward, the rules should also follow any changes to City policy. (This includes, but is not limited to, terms of transfers, sale, and buyback. No “flipping” of affordable units should be allowed for quick profit.)
- Low income should mean household income no more than 80% of the area median income (AMI).
- Moderate income should mean household income no more than 120% of the AMI.
- Workforce housing should mean housing with 37.5% of units set aside for residents earning 120% or less of AMI, and 37.5% of units set aside for those earning 80% or less of AMI.
- Reserved housing should follow the City’s definition.

Thank you for the opportunity to submit my testimony.

Grace Ishihara
Ue-wale0903@hotmail.com

SB2699

Submitted on: 2/19/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

Testimony For the Senate Committee on Human Services and the Senate Committee
on Economic Development, Government Operations and Housing
February 24, 2014, Monday, 2:50pm, Conference Room 16

SB 2699, Relating To HCDA's Affordable Housing Requirement

My name is Louise Black. I have lived in Kaka`ako for the past 15 years. I support SB 2699 to require HCDA to implement affordable-housing policies that are in greater conformity with those of the City and County of Honolulu.

An example of the "workforce affordability" sham is 801 South Street, Tower A. HCDA accepted the developer's assumptions and data for calculations of affordability that do not stand up to current statistics or common sense, i.e. bank loan rates (2.9% vice 5.5% that banks are using to qualify 801 South Street units), underestimated mortgage insurance premiums, underestimated real property taxes, unbelievably low association dues, no homeowners insurance.

Also, what's with the developer selling "workforce affordable" units at market price if the units are not sold within 60 days? There is also nothing in place to keep the unit at the "workforce affordable" price when the first owner wants to sell. Shouldn't the unit stay available at the affordable price so that other people in the workforce can purchase the unit? The building is going to be there for decades! There will always be younger workers moving up who will need an affordable place to live!

I urge you to pass SB 2699.

Mahalo for considering this testimony,

Louise M. Black

SB2699

Submitted on: 2/18/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
lynne matusow	Individual	Support	No

Comments: This is a very important measure. I attended a public meeting at the Capitol several months ago where it was clear that the HCDA is using a perverted formula. In written replies to questions from the meeting, Anthony Ching stated that the income levels are based on married couples, "that singles do not buy, they rent." How preposterous. Their fictional levels which are more than those looking to purchase can afford, must be replaced by the sensible levels and requirements used by the City and County of Honolulu. Please pass this bill. lynne matusow 60 n. beretania, #1804 honolulu, hi 96817 531-4260

SB2699

Submitted on: 2/19/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Matt Johnson	Individual	Support	No

Comments:

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Matson	Individual	Support	No

Comments:

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Pam Metthe	Individual	Support	No

Comments: I have lived in Kaka'ako for 26 years. When I purchased my 'reserved housing' unit, I understood the guidelines and rules for these units. It all made sense and I was grateful to be able to purchase a home. I don't understand the guidelines for the 'affordable' units being built in Kaka'ako under the authority of HCDA. These units can be flipped after only a year of residence, the developer is exempt from rules regarding density and proximity to other buildings by using the word 'affordable' and there is a question as to whose definition of 'affordable' is being used. I support SB2699 because there should be a uniform definition of 'affordable' and 'workforce' housing, and the rules regarding this housing, in all of urban Honolulu and because HCDA on its own is not consistent in following its own rules. I urge you to pass SB2699. Thank you for your consideration.

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Paula B Tadaki	Individual	Support	No

Comments: I support this bill. If HCDA is granting increased density because the project is "Workforce Housing", then in return it should be required to reserve at least 75% for low to moderate income households.

SB2699

Submitted on: 2/22/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Dulcich	Individual	Comments Only	No

Comments: I support SB2699. The way it stands now, what they call affordable is not affordable to the majority of people living and working in Hawaii. As far as reserved housing, when a developer gets a variance to move the reserved housing to another location, sales and construction for the reserved should begin at the same time the market rate housing starts. Who is workforce?--young professionals or cashiers, store greeters, utility meter readers, maids, etc. The condos being developed are for people not residents of Hawaii, they are catering to the global market and investors.

SB2699

Submitted on: 2/20/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Ron Okamura	Individual	Support	Yes

Comments: Thank you for the opportunity to express my concern on HCDA's definition of affordable and workforce housing. HCDA should be required to implement affordable housing policies that are in greater conformity with those of the City and County of Honolulu. Because of a porous workforce housing definition, developers are allowed many modifications as well as doubling of density at the expense of neighboring residences and the community. As shown by HCDA's recent decision to permit the over-massed 801 South (phase II), the project lacks adequate recreational space and a mid pedestrian thoroughfare. It is not LEED compliant and has many unresolved community issues such as unsafe curb cuts, questionable infrastructure, negative traffic impact, and units that are NOT affordable. I strongly support 2699.

SB2699

Submitted on: 2/21/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald Taniguchi, Pharm.D.	Individual	Support	No

Comments:

Testimony of

Wayne Takamine

Before the Senate Committees on Human Services and
Economic Development, Government Operations and Housing

Monday, February 24, 2014

Senate Bill 2699 Relating to the Hawaii Community Development Authority's Affordable
Housing Requirement

My name is Wayne Takamine and I am in support of SB2699 because it addresses rules for reserved housing projects that may satisfy affordable housing requirements located inside or outside HCDA district. This bill should define reserved housing projects for low and moderate income residents by making it consistent with City and County affordable housing requirements. It will also define "workforce housing" as projects in which 75% of residential units are reserved for low or moderate income households.

"Low-income" is defined as no greater than 80% of Honolulu median income.

"Moderate-income" is defined as no greater than 120% of Honolulu median income.

Respectfully,

Wayne Takamine
Honolulu

The following testimony is back-up to the same testimony filed via the Legislature's website because I'm not sure if that method worked okay.

TESTIMONY SUPPORTING SB2699 BY KAKAAKO RESIDENT WEBSTER NOLAN

As a 20-year resident and condo owner in Kakaako, I strongly support SB2699 because it establishes clear definitions of low-cost and moderate-cost housing as well as a way to sharply limit "flipping" (purchasing and reselling units for quick profits) and thereby encourage an increase of owner-occupancy residential units in Kakaako.

Existing HCDA rules governing affordability are ambiguous, sometimes in conflict with other rules, and tend to encourage speculation rather than to incentivize owner-occupancy for Hawaii residents in low- and moderate-income brackets.

By requiring HCDA to act in conformity with well-established City housing affordability policies and practices, SB2699 offers a legislative way to address increasingly dangerous income disparity in our society. The bill also clarifies definitions of affordability or ownership qualifications, thereby eliminating, or at least reducing, the unconstitutionally vague language of existing statutes and rules.

I urge these committees to pass SB2699 with an effective date as early as possible.

Webster Nolan
876 Curtis St. #1005
Honolulu HI 96813

SB2699

Submitted on: 2/19/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Wendy Arbeit	Individual	Support	No

Comments: Please support this bill to insure that more affordable housing is included in the rush to build Kaka'ako for the rich. The guidelines set by C&C work more for the benefit of our present residents than do those set by the present HCDA with its "community" members made up exclusively of developers and labor with their own narrow interests. HCDA needs to be curbed. This bill will help.

SB2699

Submitted on: 2/23/2014

Testimony for HMS/EGH on Feb 24, 2014 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
William Lee	Individual	Support	No

Comments: HCDA rules on affordable housing should be equal to or greater than the City and County of Honolulu. Work force housing should be defined in better detail to assure that the real work force community are the ones purchasing units. I support SB2699