

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

March 14, 2016

TO: The Honorable Representative Mark J. Hashem, Chair
House Committee on Housing

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: SB 2561 SD2 – RELATING TO RENTAL HOUSING

Hearing: Monday, March 14, 2016 at 9:00 a.m.
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, as it seeks to increase the supply of affordable rental housing statewide.

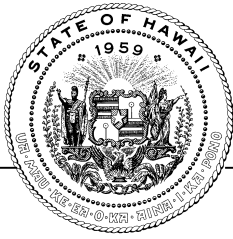
PURPOSE: The purpose of the bill is to establish a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26. The bill also establishes a temporary special action team on rental housing to recommend actions by the Governor, Legislature, and other parties to achieve the goal, and places the team under the Lieutenant Governor's office for administrative purposes and designates the Lieutenant Governor as special action team chair. In addition, the bill appropriates funds for the administration and operation of the special action team on rental housing, including the establishment and filing of a 1.00 FTE temporary planner position.

This measure aligns with Goal 2, Objective 4, Strategy 2 of the Hawaii Interagency Council on Homelessness Strategic Plan to End Homelessness, which is to "expand the supply of affordable rental housing where they are most needed through federal, state, local and private efforts and partnerships."

The Coordinator supports this measure's intent to increase coordination, as well as alignment, between state and local government agencies. If implemented, the

Coordinator respectfully asks that the special action team coordinate with the Governor's office to leverage existing efforts.

Thank you for the opportunity to comment on this bill.



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DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
HOUSE COMMITTEE ON HOUSING
Monday, March 14, 2016
9:00 AM
State Capitol, Conference Room 329

in consideration of
SB 2561, SD 2
RELATING TO RENTAL HOUSING.

Chair Hashem, Vice Chair Jordan, and Members of the House Committee on Housing.

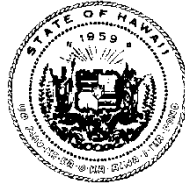
The Office of Planning (OP) supports the intent of SB 2561, SD 2, which establishes an affordable rental housing goal; and establishes a special action team on affordable rental housing that will develop recommendations on actions to promote rental housing.

Due to the time period in which the special action team is to provide final recommendations to the Governor, Legislature, and other parties, OP recommends that the membership of the special action team be a core group of individuals that have the experience and expertise on the topic of affordable rental housing. This core group should also be given the flexibility to invite other state or county agencies, organizations, or entities for their experience and expertise on specific topics including but not limited to, permitting, budgeting, and environmental impacts, and for their feedback on the recommendations as they are being developed.

OP notes that while convening a smaller special action team may be more efficient and effective, resources will be needed to ensure that the development of the recommendations are completed and presented in timely fashion. Therefore, OP supports Section 9 of the measure which speaks to an appropriation for the special action team, provided that such funding does not replace or adversely impact priorities indicated in the Executive Supplemental Budget.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

March 14, 2016 9:00 A.M.
Room 329, Hawaii State Capitol

In consideration of
SB 2561, SD 2
RELATING TO RENTAL HOUSING.

Honorable Chair Hashem and Members of the House Committee on Housing, thank you for the opportunity to provide testimony regarding Senate Bill (SB) 2561, Senate Draft (SD) 2, relating to rental housing.

The Hawaii Public Housing Authority (HPHA) **supports the intent** of this measure to establish a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26; establish a temporary special action team on rental housing to recommend actions by the governor, legislature, and other parties to achieve the goal; place the team under the lieutenant governor's office for administrative purposes and designates the lieutenant governor's office for administrative purposes and designates the lieutenant governor as special action team chair; and make an appropriation.

The HPHA recognizes the challenges of providing affordable housing in the State of Hawaii based on the large number of applications we receive for the public housing and Section 8 programs, and our ever growing waiting lists. Through coordinated interdepartmental efforts that sets forth specific targets and goals, the State is certain to make progress in alleviating the housing crisis. Such efforts are currently taking place under Governor Ige's leadership.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the HPHA's testimony regarding SB 2561, SD2. We thank you very much for your dedicated support.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

March 14, 2016 at 9:00 a.m.
State Capitol, Room 329

In consideration of
S.B. 2561, S.D. 2
RELATING TO RENTAL HOUSING.

The HHFDC **supports the intent** of S.B. 2561, S.D. 2, provided that its passage does not replace or adversely affect priorities set forth in the Executive Supplemental Budget request.

The Governor's housing strategy includes:

- Building homes that people can afford, including rentals, to address the needs of those entering the work force;
- Renovating the state's public housing facilities; and
- On Oahu, identifying state lands near transit stations for housing, employment centers, daycare, senior centers, and community facilities.

Accordingly, HHFDC is willing to participate in any initiative that seeks collaborative solutions to the shortage of affordable housing statewide.

Thank you for the opportunity to testify.

TO: Rep. Mark Hashem, Chair
and Members of the Committee on Housing

FROM: Rev. Bob Nakata and Catherine Graham, Co-Chairs
FACE Housing Task Force and the Housing Now Coalition

RE: Testimony in Support of SB2561, SD2
Hearing: Monday, March 14, 2016
Time: 9:00 a.m.

Chair Hashem and Members of the Committee on Housing; thank you for this opportunity to speak in strong support of this bill, SB2561, SD2. It is a remarkably strong bill because it sets a production goal, not a planning goal, of 22,500 affordable rental units by 2026. If passed, it is a very strong commitment for the highest levels of State government to meet the severe crisis in affordable rental housing and homelessness. It lays down a challenge to the powers that be in Honolulu to go beyond lip service to the thousands of homeless who populate and clog our streets with their bodies and bodily waste and die at the rate of one a week.

This bill will move us beyond temporary shelters like the Weinberg Villages, Next Step Shelters, and container villages to permanent affordable housing. It will not stop at temporary, halfway measures but truly permanent solutions.

We urge you to respond by passing this good bill for further improvements so the action team can produce a workable plan with the resources to meet its production goal of 22,500 affordable rental units in ten years.



CATHOLIC CHARITIES HAWAII

TESTIMONY in SUPPORT of SB 2561 SD2: RELATING TO HOMELESSNESS

TO: Representative Mark J. Hashem, Chair, Representative Jo Jordan, Vice Chair, and Members, Committee on Housing

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: **Monday, 3/14/16; 9:00 AM; CR 329`**

Chair Hashem, Vice Chair Jordan, and Members, Committee on Housing:

Thank you for the opportunity to provide written testimony **in support of SB 2561, SD2**, which would establish a goal of developing or vesting the development of at least 22,500 affordable rental units by 12/31/26. It would also establish a special action team to recommend actions to the governor, legislature and other parties, as well as making an appropriation. I am Betty Lou Larson representing Catholic Charities Hawaii. We are also a member of Partners in Care.

Catholic Charities Hawai`i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai`i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai`i. A priority for advocacy this year is affordable housing and homelessness.

Catholic Charities Hawaii supports the intent of this bill and urges further discussion since it would put added focus on how to achieve the production of the 22,500 units of rental housing that are needed in our State. We support the amendments made to SD1. We are encouraged that the Legislature is seriously looking at a comprehensive plan and has found that this requires the concentrated attention of state government at the highest levels.

Amendment Suggested: For page 5, lines 14-16; Section 4, (2), (B): We suggest that the rent per unit be based on the standards set for Low Income Housing Tax Credit projects vs specifying that each family would pay no more than 30% of their monthly income for rent. By fixing the maximum rent allowed based on the LIHTC standards (e.g for households at 30% AMI, 40% AMI, 50% AMI, etc.), more financial stability is created for projects. Projects can project the revenue stream needed for repairs and reserves under the LIHTC system. Long term sustainability also benefits from set rents vs the rent changing when each new tenant moves into the project.

Thank you very much for hearing and considering this important bill to provide immediate action and a concentrated effort at the top levels of state government to achieve the 22,247 affordable rentals needed in our state. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



BIA-HAWAII

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THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the House Committee on Housing Monday, March 14, 2016 9:00 am State Capitol - Conference Room 329

RE: S.B. 2561 S.D.1 – Relating to Rental Housing.

Dear Chair Hashem, Vice-Chair Jordan, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA Hawaii is in **strong support** of S.B. 2561 S.D. 2, which proposes to establish a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26. Establishes a temporary special action team on rental housing to recommend actions by the governor, legislature, and other parties to achieve the goal. Places the team under the lieutenant governor's office for administrative purposes and designates the lieutenant governor as special action team chair.

The Department of Business, Economic Development and Tourism forecasted demand for additional housing units by county is 25,847 units for Honolulu, 19,610 for Hawaii, 13,949 for Maui, and 5,287 for Kauai during the 2015-2025 period (DBEDT Report—Measuring Housing Demand in Hawaii, 2015-2025).

The Building Industry Association of Hawaii and the Chamber of Commerce of Hawaii convened a conference (Houseless in Honolulu) in November of 2015 to raise awareness of one of Hawaii's most pressing issues - home affordability. With the median home price in the Islands now \$730,000, the repercussions are having a major impact on Honolulu's economy.

Without a solution to the State's shortage of residences, the number will soon surpass a million dollars. Every uptick in prices has increasing economic impact. Housing at all price points is desperately needed if we are to maintain the State's economic equilibrium. If potential employees cannot find affordable homes they will choose not to move to Hawaii and current residents affected by stratospheric home prices will leave. Employers across all spectrum of enterprises are already feeling the pinch. Mid-level employees are especially hard hit. Educators, medical professionals, and small businesses are especially hard hit.

We applaud the Legislature in taking this bold step to address the housing situation in Hawaii. We truly believe that in order to address the current "Housing Crisis," there needs to be a shift in the focus of how government views housing development and move from our current "Regulatory" stance to a more "Production Oriented" stance. For example, this shift would have the City and County of Honolulu adopt a goal of approving an average of 2,500 new residential units each year over the next 10 year period to address the project 25,847 unit demand.

While the legislation focuses on the State's rental housing program, we believe that setting production goals at the County level will at the very least, show our residents that government understands the problem and is attempting to do something about it. Without a significant shift in the mindset of state and local government from overly regulating to increasing production, the supply of housing will never reach the projected demand and based on simple economics, prices will rise at all housing price points.

We are in strong support of S.B. 2561 S.D. 2, and appreciate the opportunity to express our views on this matter.



March 11, 2016

Representative Mark Hashem, Chair
Representative Jo Jordan, Vice Chair
Committee on Housing

Support of SB 2561, SD2 Relating to Rental Housing. (Establishes a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26. Establishes a temporary special action team on rental housing to recommend actions by the governor, legislature, and other parties to achieve the goal. Places the team under the lieutenant governor's office for administrative purposes and designates the lieutenant governor as special action team chair. Makes an appropriation.)

HSG Hearing: Monday, March 14, 2016, 8:30 a.m., in Conf. Rm. 329

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 express its **support for SB 2561, SD2.**

SB 2561, SD2. This measure would establish a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between January 1, 2017 and December 31, 2026. Establishes a temporary Special Action Team on Rental Housing (Special Action Team) to recommend actions by the Governor, Legislature, and other parties to achieve the goal. Places the Special Action Team under the Lieutenant Governor's Office for administrative purposes and designates the Lieutenant Governor as the Special Action Team chair; and makes an appropriation.

LURF's Position and Comments. LURF **supports SB 2561, SD2.** Over the past thirty-five years, LURF's members have built the most affordable and market housing in the State of Hawaii.

After reviewing this measure and hearing testimony, the Senate Housing Committee, has found that for the period from 2015 to 2025, Hawaii will require an additional 64,700 housing units to meet projected long-term housing demands. Of this amount, 22,247 households of all income levels will require rental units. The lack of rental housing supply leads to higher rents for households of all income levels, leaving all tenants with less disposable income, increasing the personal stress of tenants, reducing tenant quality of life, and exacerbating the population overcrowding and homelessness problems. The Senate Housing Committee has concluded that given these consequences, the lack of affordable rental housing requires the concentrated attention of state government at the highest level and the establishment of specific goals related to affordable rental housing.

Based on the above, LURF **supports SB 2561, SD2,** and respectfully urges your favorable consideration.

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



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Housing
Monday, March 14, 2016 at 9:00 A.M.
Conference Room 329, State Capitol**

LATE

RE: SENATE BILL 2561 SD2 RELATING TO RENTAL HOUSING

Chair Hashem, Vice Chair Jordan, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** SB 2561 SD 2, which proposes to establish a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26. Establishes a temporary special action team on rental housing to recommend actions by the governor, legislature, and other parties to achieve the goal. Places the team under the lieutenant governor's office for administrative purposes and designates the lieutenant governor as special action team chair.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Department of Business, Economic Development and Tourism forecasted demand for additional housing units by county is 25,847 units for Honolulu, 19,610 for Hawaii, 13,949 for Maui, and 5,287 for Kauai during the 2015-2025 period (DBEDT Report—Measuring Housing Demand in Hawaii, 2015-2025).

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Without a solution to the State's shortage of residences, the number will soon surpass a million dollars. Every uptick in prices has increasing economic impact. Housing at all price points is desperately needed if we are to maintain the State's economic equilibrium. If potential employees cannot find affordable homes they will choose not to move to Hawaii and current residents affected by stratospheric home prices will leave. Employers across all spectrum of enterprises are already feeling the pinch. Mid-level employees are especially hard hit. Educators, medical professionals, and small businesses are especially hard hit.

We applaud the Legislature in taking this bold step to address the housing situation in Hawaii. We truly believe that in order to address the current "Housing Crisis," there needs to be a shift in the focus of how government views housing development and move from our current



Chamber of Commerce HAWAII

The Voice of Business

“Regulatory” stance to a more “Production Oriented” stance. For example, this shift would have the City and County of Honolulu adopt a goal of approving an average of 2,500 new residential units each year over the next 10 year period to address the projected 25,847 unit demand.

While the legislation focuses on the State’s rental housing program, we believe that setting production goals at the County level will at the very least, show our residents that government understands the problem and is attempting to do something about it. Without a significant shift in the mindset of state and local government from overly regulating to increasing production, the supply of housing will never reach the projected demand and based on simple economics, prices will rise at all housing price points.

We are in strong support of S.B. 2561 SD 2, and appreciate the opportunity to express our views on this matter.

jordan3-Kevin

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 13, 2016 10:16 PM
To: HSGtestimony
Cc: bourcier@hawaii.edu
Subject: Submitted testimony for SB2561 on Mar 14, 2016 09:00AM

LATE

SB2561

Submitted on: 3/13/2016

Testimony for HSG on Mar 14, 2016 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Camille Bourcier	Individual	Support	No

Comments: I support this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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