

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

2016 OFFICERS

PRESIDENT
CRAIG WASHOFSKY
SERVCO HOME & APPLIANCE
DISTRIBUTION

PRESIDENT-ELECT
EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

VICE PRESIDENT
DEAN UCHIDA
SSFM INTERNATIONAL, INC.

TREASURER
MICHAEL WATANABE
JW, INC.

SECRETARY
PETER ELDRIDGE
RAYNOR OVERHEAD DOORS &
GATES, INC.

SPECIAL APPOINTEE-BUILDER
PAUL D. SILEN
HAWAIIAN DREDGING
CONSTRUCTION CO, INC

SPECIAL APPOINTEE-BUILDER
MARK KENNEDY
HASEKO CONSTRUCTION
MANAGEMENT GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE
GARY T. OKIMOTO
HONOLULU WOOD TREATING, LLC

IMMEDIATE PAST PRESIDENT
RICHARD HOBSON, JR.
GENTRY HOMES, LTD.

CHIEF EXECUTIVE OFFICER
GLADYS MARRONE
BIA-HAWAII

2016 DIRECTORS

ANTHONY BORGE
RMA SALES

BEAU NOBMANN
HPM BUILDING SUPPLY

DOUGLAS E. PEARSON
CASTLE & COOKE HOMES
HAWAII, INC.

CHRIS CHEUNG
CC ENGINEERING &
CONSTRUCTION, INC.

CLIFTON CRAWFORD
C&J CONTRACTING, INC.

CURT KIRIU
CK INDEPENDENT LIVING BUILDERS

DWIGHT MITSUNAGA
DM PACIFIC, INC.

JACKSON PARKER
D.R. HORTON, SCHULER DIVISION

JENNIFER ANDREWS
COLDWELL BANKER PACIFIC
PROPERTIES

MARK HERTEL
INTER-ISLAND SOLAR SUPPLY,
OAHU-MAUI-HAWAII-KAUAI

MARSHALL HICKOX
HOMEWORKS CONSTRUCTION, INC.

SARAH LOVE
BAYS LUNG ROSE & HOLMA

MAILING
P.O. BOX 970967
WAIPAHU, HAWAII
96797-0967

STREET
94-487 AKOKI STREET,
WAIPAHU, HAWAII 96797

P 808.847.4666
F 808.440.1198
E INFO@BIAHAWAII.ORG

WWW.BIAHAWAII.ORG

Testimony to the Senate Committee on Ways & Means

Monday, February 29, 2016

9:15 a.m.

State Capitol - Conference Room 211

RE: SB 2822 SD1: Relating to Hawaii Housing Finance & Development Corporation.

Dear Chair Tokuda, Vice-Chair Dela Cruz, 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. 2822 which proposes to allow the Hawaii Housing Finance and Development Corporation (HHFDC) to develop mixed-use developments in partnership with state and county departments and agencies.

The Building Industry Association of Hawaii and the Hawaii Chamber of Commerce 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.

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).

We 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.

The most significant barrier to increasing the supply of housing at all price points is the lack of infrastructure capacity. The proposed bill will allow HHFDC to assist in developing infrastructure needed to support future growth especially along the 20 mile transit corridor on Oahu.

We are in strong support of S.B. 2822 and appreciate the opportunity to express our views on this matter.



February 28, 2016

Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Senate Committee on Housing

Comments and Support of SB 2822, SD1 Relating to the Hawaii Housing Finance and Development Corporation. (Enables the Hawaii Housing Finance and Development Corporation to *partner with state and county departments and agencies* to develop *mixed-use* developments in which housing is a significant component. Repeals the limitation on the Hawaii Housing Finance and Development Corporation's determination of the price of the sale or lease of commercial, industrial, or other facilities displaced by the Corporation.)

WAM Hearing: Monday, February 29, 2016, 9:15 p.m., in Conf. Room 211

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. LURF's mission 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 **strongly supports SB 2822, SD1**, which proposes to enable the Hawaii Housing Finance and Development Corporation (HHFDC) to *partner with other state and county departments and agencies* to develop *mixed-use* developments in which housing is a significant component.

SB 2822, SD1. This purpose of this bill is to enable the HHFDC to develop mixed-use developments in partnership with other state and county departments and agencies, as well as to further the objective of encouraging walking and active areas by locating affordable housing, jobs, shops, and services within close proximity. This bill defines "Mixed-use development" as a development that contains affordable residential dwelling units that may be combined with governmental, educational, commercial, cultural, institutional, or industrial uses; is approved by the county in which the project is located; and is subject to: chapter 104, 40 United States Code sections 3141, 3142, 3143, 3144, 3146, and 3147; or a project labor agreement by law or contract in the construction of the project.

LURF's Position and Comments. SB 2822, SD1 will *update end expand* HHFDC's authority to team with other state and county departments and agencies to create "mixed use" projects, which encourage smart growth, and the development of compact, higher-density communities consisting of walkable areas with housing for a variety of income levels, retail and industrial businesses, commercial and industrial jobs, transportation, and government services located in close proximity.

Under current law, the HHFDC is authorized to develop certain types of housing and facilities *in partnership with only two government agencies*: the Department of Education and the Department of Accounting and General Services. This measure would *expand* HHFDC's authority to use its development powers in partnership with *all other state and county governmental agencies*.

Also, under the current section 201H-44, Hawaii Revised Statutes, the HHFDC is authorized to develop (*traditional*) commercial, industrial, and other properties in connection with the development of any dwelling units if it determines that the uses can be "an integral part of the development and can help to preserve the lifestyles of the purchasers of dwelling units in the development." However, "traditional" zoning and land use designations are no longer adequate to meet current development trends. *Mixed-use* developments are especially beneficial for low- and moderate-income households because they reduce transportation costs, traffic congestion, and the number of vehicles miles traveled by community residents. This bill would *broaden* HHFDC's authority to create *mixed-use* developments in which housing is a significant component.

For the reasons set forth above, LURF is **in strong support of SB 2822, SD1**, and respectfully urges your favorable consideration of this bill.

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