

SD1 DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

LEONARD HOSHIJO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET, ROOM 321

HONOLULU, HAWAII 96813

www.labor.hawaii.gov

Phone: (808) 586-8844 / Fax: (808) 586-9099

Email: dlir.director@hawaii.gov

March 30, 2017

To: The Honorable Gilbert S.C. Agaran-Keith, Chair,
The Honorable Karl Rhoads, Vice Chair, and
Members of the Senate Committee on Judiciary and Labor

The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair and
Members of the Senate Committee on Ways and Means

Date: Thursday, March 30, 2017
Time: 9:50 a.m.
Place: Conference Room 211, State Capitol

From: Linda Chu Takayama, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 1179 HD2 SD1 Relating to Housing

I. OVERVIEW OF PROPOSED LEGISLATION

DLIR supports the intent of the provisions of HB1179 HD2SD1 pertaining to prevailing wages as an initiative to draw private sector financing, development and operation of workforce rental housing, into addressing the recognized deficit in Hawaii's housing inventory. The current 104-2(h), Hawaii Revised Statutes (HRS), relating to projects financed with the proceeds of special purpose revenue bonds, allows for an alternative wage based on the terms of collective bargaining agreements, which provides a means to protect Hawaii industry standards and laborer and mechanic standards.

DLIR support for the measure is predicated on the understanding that it is not a categorical exemption from prevailing wages, but provides one alternative for a specific form of one type of construction. DLIR notes that the thousands of units of government assisted low-income rental housing, including public housing and private nonprofit or for profit housing, have been successfully developed in compliance with chapter 104, HRS, and/or federal Davis-Bacon prevailing wages, and HB1179 HD2SD1 does not seek to change that.

II. CURRENT LAW

Section 104-2, HRS, requires all public works construction in excess of \$2,000 to pay laborers and mechanics working on the construction project the prevailing wages set by the DLIR Director, although housing projects with a cost under \$500,000, developed under chapter 201H, HRS, by a non-profit corporation are exempt from the Wages and Hours of Employees on Public Works Law, chapter 104, HRS.

III. COMMENTS ON THE HOUSE BILL

The Department supports the provisions of HB1179 HD2 SD1 pertaining to prevailing wages to assist in the building of affordable housing in Hawaii and defers to HHFDC and the Department of Taxation (DoTAX) on the provisions pertaining to the housing and tax laws.

DLIR offers the following amendments, which are consistent with the Department's testimony in the previous committee (HOU).

1. Page 9, lines 10-13 (2)(A) beginning at "under" replace with:

and for which a chapter 201H-36(a)(5)

prevailing wage for the laborers and mechanics employed

for this construction project has been approved by the

director; or

2. Page 9, lines 14-19 to page 10, line 5 replace with the following:

(B) A project labor agreement with the group whose wages

are reflected in the Hawaii prevailing wage schedule

for which chapter 201H-36(a)(5) prevailing wages for

the laborers and mechanics employed for this

construction project has been approved by the

director; and

(3) The qualified person or firm has received no other direct

or indirect financing for this construction project from

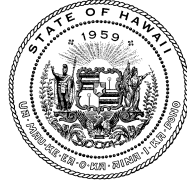
any other governmental contracting agency including the Hawaii housing finance and development corporation; and the terms of the chapter 201H-36(a)(5) prevailing wages shall be deemed the prevailing wages serving as the basis of compliance with this chapter for work on the project."

DLIR also recommends replacing "special prevailing wage" with "chapter 201H-36(a)(5) prevailing wages" on page 4, line 20.

DLIR would consider a sunset provision as non-disruptive to operations, recognizing that for workforce rental housing financing and development, a substantial period of time would have to be provided, and allowance made for projects deemed to be in the "pipeline" at the time of sunset.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Gilbert S.C. Keith-Agaran, Chair
and Members of the Senate Committee on Judiciary and Labor

The Honorable Jill N. Tokuda, Chair
and Members of the Senate Committee on Ways and Means

Date: Thursday, March 30, 2017
Time: 9:50 A.M.
Place: Conference Room 211, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 1179, H.D. 2, S.D. 1, Relating to Housing

The Department of Taxation (Department) appreciates the intent of H.B. 1179, H.D.2, S.D.1, to increase affordable housing and defers to the Hawaii Housing Finance and Development Corporation (HHFDC) on the merits of this bill. The Department provides the following comments for your consideration.

Among other things, this measure expands the types of rental housing projects that can be exempted from the general excise tax (GET) to include projects where:

- All available units are for households with incomes at or below one hundred forty per cent of the area median family income as determined by the United States Department of Housing and Urban Development (HUD); and
- At least twenty per cent of available units are reserved for households with incomes at or below eighty per cent of the area median family income as determined by the HUD.

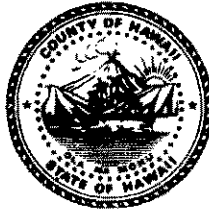
The measure has a defective effective date of July 1, 2030.

Under section 201H-36, Hawaii Revised Statutes, HHFDC certifies that a housing project is entitled to the GET exemption. Only after receiving such certification can a taxpayer claim the GET exemption. As the regulatory agreements and the determination of whether a taxpayer is eligible for the exemption remain with HHFDC, this measure will not have a substantial administrative impact on the Department.

The Senate Committee on Housing adopted the Department's requests to make Section 3 effective for taxable years beginning after December 31, 2017 to allow sufficient time for the necessary form and instruction changes, and as currently written, the Department will be able to implement the measure.

Thank you for the opportunity to provide comments.

Harry Kim
Mayor



Wil Okabe
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i
Office of the Mayor

25 Aupuni Street, Suite 2603 • Hilo, Hawai'i 96720 • (808) 961-8211 • Fax (808) 961-6553
KONA. 74-5044 Ane Keohokalole Hwy., Bldg. C • Kailua-Kona, Hawai'i 96740
(808) 323-4444 • Fax (808) 323-4440

March 28, 2017

Senator Gilbert S.C. Keith-Agaran, Chair
Committee on Judiciary and Labor
Hawai'i State Capitol
Honolulu, HI 96813

Senator Jill N. Tokuda, Chair
Committee on Ways and Means
Hawai'i State Capitol
Honolulu, HI 96813

Dear Chair Keith-Agaran, Chair Tokuda, and Committee Members:

**RE: HB 1179 HD 2 SD 1
Relating to Housing**

I am pleased to testify in support of HB 1179, HD2, SD1, which is meant to help private developers create more affordable rental housing in Hawaii.

The cost of housing has reached a point where too many of Hawaii's people are priced out of the market. That truism is often applied to the purchase price of housing, but the problem clearly applies to the rental market as well.

HB 1179, HD2, SD1 offers a way in which to make a dent in the cost of construction, which in turn will be reflected in the rental price of the constructed units. We therefore urge passage of HB 1179 with an early effective date.

Respectfully submitted,

Wil Okabe
Managing Director

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 30, 2017

TO: HONORABLE GIL KEITH AGARAN, CHAIR, HONORABLE KARL RHOADS, VICE CHAIR, COMMITTEE ON JUDICIARY AND LABOR

HONORABLE JILL TOKUDA, CHAIR, HONORABLE DONOVAN DELA CRUZ, VICE CHAIR, COMMITTEE ON WAYS AND MEANS

SUBJECT: **SUGGESTED AMENDMENTS TO H.B. 1179, HD2, SD1, RELATING TO HOUSING.** Expands the types of rental housing projects that can be exempt from general excise taxes. Allows the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects. Effective 7/1/2030. (SD1)

Public Decision Making

DATE: March 30, 2017
TIME: 9:50 a.m.
PLACE: Capitol Room 211

Dear Chair Keith-Agaran, Chair Tokuda, Vice Chair Rhoads, Vice Chair Dela Cruz and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over five hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

GCA supports the intent of this measure and **has suggested amendments** to ensure that all who are interested in delivering an affordable housing project are able to utilize the proposed tax exemption and not be depending upon whether the contractor belongs to a union or not. In order to address this GCA **has suggested amendments.**

HB 1179, HD2, SD1 proposes to increase the types of rental housing projects that can be exempted from general excise taxes, while requiring that in order to qualify for such one would have to be subject to the terms of a collective bargaining agreement. We appreciate the intent of this legislation particularly the need to increase the delivery of affordable housing rentals and the proponent's willingness to reduce the wage and benefits to go under the prevailing wage rate which is triggered by Chapter 104 for projects utilizing federal tax credits. GCA understands the need to increase the number of available rental housing units and supports addressing ways in which to address this dire need in our state, however the bill as drafted provides special tax exemptions to some and not to all.

GCA suggests the following amendments to Section 2 of the bill to ensure that all interested in producing more affordable homes can benefit from the general tax exemption.

(i) when:

(1) The Hawaii housing finance and development corporation has approved and certified for exemption from general excise taxes a qualified person or firm involved with a newly constructed, or moderately or substantially rehabilitated project under section **201H-36(a)(4) and 201H-36(a)(5)**;

(2) The qualified person or firm has entered into a contract with a general contractor or subcontractors whose workforce is subject to either:

(A) A collective bargaining agreement with a bona fide labor union and for which a special prevailing wage schedule for the laborers and mechanics employed for the construction project has been approved by the director; or

(B) **An agreement for which a special prevailing wage schedule is not less than per cent of the current prevailing wage rates for laborers and mechanics employed for the construction project and has been approved by the director;** and

(3) The qualified person or firm has received no other direct or indirect financing for the construction project from any other governmental contracting agency including the Hawaii housing finance and development corporation ; then the terms of the ~~collective bargaining~~ agreement and associated provisions shall be deemed the prevailing wages and terms serving as the basis of compliance with this chapter for work on the project; provided that the special prevailing wage classification and the associated provisions shall be deemed the prevailing wages and terms serving as the basis of compliance with this chapter; provided that this subsection does not affect the director's enforcement powers in subsection (g)."

Furthermore, GCA recommends the following amendment to Section 3 of the bill as proposed amendment in Section 201H-36:

(5) Developed ~~under a contract described in section 104-2(i)(2)~~ by a qualified person or firm to provide affordable rental housing where all available units are for households with incomes at or below one hundred forty per cent of the area median family income as determined by the United States Department of Housing and Urban Development, of which at least twenty per cent of the available units are for households with incomes at or below eighty per cent of the area median family income as determined by the United States Department of Housing and Urban Development; provided that the tax credit established under this paragraph shall be available for taxable years beginning after December 31, 2017."

Further the GCA recommends that a special prevailing wage rate set by the initial project utilizing such general excise tax exemption shall apply to all future construction projects developed under this chapter.

The proposed amendments would allow for equity and a more competitive bidding environment for all interested contractors who may be interested in delivering the much needed affordable housing rental units. Furthermore, it would leave it up to the private parties to negotiate what the wage for the respective trades would be without disqualifying anyone from being eligible for the general tax exemptions.

For these reasons, we respectfully request your consideration of the proposed amendments.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA'KO
KALAELOA

David Y. Ige
Governor

John Whalen
Chairperson

Jesse K. Souki
Executive Director

547 Queen Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

STATEMENT OF

JESSE K. SOUKI, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE
SENATE COMMITTEE ON JUDICIARY AND LABOR AND WAYS AND
MEANS

Thursday, March 30, 2017
9:50 A.M.
State Capitol, Conference Room 211

in consideration of
HB1179, HD2, SD1 – RELATING TO HOUSING

Chairs Keith-Agaran and Tokuda, Vice Chairs Rhoads and Dela Cruz, and members of the committee.

The Hawaii Community Development Authority (HCDA) offers the following **comments** on HB1179, HD2, SD1.

This testimony reflects my view alone. The Hawaii Community Development Authority (HCDA) has not acted on this measure. In my capacity as the HCDA Executive Director, I respectfully offer the following **comments** on HB1179, HD2, SD1.

This bill would make rental housing projects aimed at families in the 80 to 140 percent Area Median Income (AMI) range more affordable to construct and would encourage the private sector to develop units at the lower end of the affordability market. Rental housing for families in the 80 to 140 percent AMI is in strong demand. However, few projects are targeted to those families, in large part due to the cost of construction in Hawaii.

This bill is a private sector effort by the Rental Housing Coalition (that includes labor unions) to address issues of cost-effectiveness for these projects.

The proposal supports HCDA's legislative mandate to create mixed use districts where residential development integrates a mixture of residents with varying incomes, ages, and family groups.

Thank you for the opportunity to provide **comments** on this bill.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

March 29, 2017

The Honorable Gilbert S.C. Keith-Agaran, Chair
The Honorable Karl Rhoads, Vice Chair
and members
Senate Committee on Judiciary and Labor
415 South Beretania Street
Honolulu, Hawai'i 96813

The Honorable Jill N. Tokuda, Chair
The Honorable Donovan M. Dela Cruz, Vice Chair
and members
Senate Committee on Ways and Means
415 South Beretania Street
Honolulu, Hawai'i 96813

**RE: Strong Support for HB1179 HD2 SD1 SD1, Relating to Housing,
and support for amendments proposed by DLIR**

Dear Chairs Keith-Agaran and Tokuda, Vice Chairs Rhoads and Dela Cruz, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Laborers' International Union of North America, Local 368; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We **strongly support HB1179 HD2 SD1**, which would expand the types of rental housing projects that can be exempted from general excise taxes and allow the terms of collective bargaining agreements and associated provisions to be deemed the prevailing wages and terms serving as the basis of compliance with Chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects.

The Hawai'i Construction Alliance is extremely concerned about the chronic deficiency of rental apartment housing across the state. Simply put: the shortage of units for working moderate- and lower-income households is at a crisis level. Said shortage is negatively affecting families throughout the entire community, including our members, many of whom fall within the 80-140% AMI "middle income range."

Along with our partners in the banking, development, landowning, contracting, architecture, and engineering communities, we have formed the "Hawai'i Rental Housing Coalition," with the aim of identifying and carrying out concrete private-sector steps to make a meaningful impact on the economics of building and operating rental housing for families in the 80-140% AMI range. Through HB1179 HD2 SD1, we are seeking the State's assistance in this effort as well.

HB1179 HD2 SD1 would expand the existing general excise tax exemptions for allowable construction, development, and financing costs for projects wherein at least twenty percent of available units are for households whose incomes are at or below 80%AMI, and wherein all remaining units are households whose incomes are at or below 140%AMI. Compliance with these affordability requirements would be governed by HHFDC through the existing regulatory agreement process found in HRS §201H-36(b).

We believe that relief from general excise tax would immediately improve the economics of constructing, developing, and financing these types of rental housing projects.

Among the many concrete steps from the private sector is a commitment from the Hawai‘i Construction Alliance unions to work to negotiate a special wage rate and benefits package to build rental housing projects meeting the same qualifications as described above.

In order to ensure that the Hawai‘i Construction Alliance unions – or other unions who wish to participate – can negotiate a special wage rate and benefits package to build such rental housing projects, we are seeking to amend HRS §104 as part of HB1179 HD2 SD1. We understand that the Department of Labor and Industrial Relations has offered several amendments to help clarify how prevailing wages would be treated for these projects.

We support the amendments being proposed by the Department of Labor and Industrial Relations, which are:

1. **Page 9, Lines 10-13 (2)(a)**, beginning at “under,” replace with:

“and for which a chapter 201H-36(a)(5) prevailing wage for the laborers and mechanics employed for this construction project has been approved by the director; or”

2. **Page 9, Lines 14-19 to Page 10, Line 5**, replace with:

“ (B) A project labor agreement with the group whose wages are reflected in the Hawaii prevailing wage schedule for which chapter 201H-36(a)(5) prevailing wages for the laborers and mechanics employed for this construction project has been approved by the director; and

(3) The qualified person or firm has received no other direct or indirect financing for this construction project from any other governmental contracting agency including the Hawaii housing finance and development corporation; and

the terms of the chapter 201H-36(a)(5) prevailing wages shall be deemed the prevailing wages serving as the basis of compliance with this chapter for work on the project.”

The Hawai'i Construction Alliance is excited to take a leadership role in encouraging the production of rental housing across our state. We ask your committees to join us in this effort by taking favorable action today on HB1179 HD2 SD1.

Please do not hesitate to contact me should you have any questions.

Mahalo,

A handwritten signature in black ink that reads "Tyler Dos Santos-Tam". The signature is written in a cursive, flowing style.

Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org

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

**SENATE COMMITTEE ON JUDICIARY AND LABOR
SENATE COMMITTEE ON WAYS AND MEANS**

March 30, 2017 at 9:50 a.m.
State Capitol, Room 211

In consideration of
**H.B. 1179, H.D. 2, S.D. 1
RELATING TO HOUSING.**

The HHFDC supports H.B. 1179, H.D. 2, S.D. 1, which expands the General Excise Tax (GET) exemption for certified or approved housing projects pursuant to sections 201H-36 and 237-29, HRS, to include rental housing projects for households at or below 140 percent of the area median income (AMI), of which at least 20 percent of units are set-aside for households at or below 80 percent AMI, with a collective bargaining agreement described in proposed section 104-2(i)(2), HRS.

HHFDC is willing and able to expand its GET exemptions program to accommodate these types of affordable rental housing projects. We defer to the Departments of Labor and Taxation as to the bill's impact on their respective programs.

Thank you for the opportunity to provide written comments in support of this bill.

Testimony of
Christopher Delaunay, Government Relations Manager
Pacific Resource Partnership

THE SENATE
THE TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2017

COMMITTEE ON JUDICIARY AND LABOR
Senator Gilbert S.C. Keith-Agaran, Chair
Senator Karl Rhoads, Vice Chair

COMMITTEE ON WAYS AND MEANS
Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair

NOTICE OF DECISION MAKING

DATE: Thursday, March 30, 2017
TIME: 9:50 am
PLACE: Conference Room 211

Aloha Chairs Keith-Agaran & Tokuda, Vice Chair Rhoads & Dela Cruz, and Members of the Committees:

Pacific Resource Partnership strongly supports HB 1179, HD2, SD1 with the Department of Labor and Industrial Relation's suggested amendments.

The shortage of units for working moderate-and lower-income household is at a crisis level negatively affecting families throughout the community including families in the 80-140% AMI range.

HB 1179, HD2, SD1 would expand the existing general excise tax exemptions for allowable construction, development, and financing costs for projects wherein at least 20% of available units are for households whose incomes are at or below 80% AMI, and wherein all remaining units are households whose incomes are at or below 140% AMI. GET reduction along with wage reductions will provide developers with incentives to produce critically needed affordable rental housing projects.



(Continued From Page 1)

Thank you for allowing us to express our strong support on HB 1179, HD2, SD1 and we respectfully request your favorable consideration.

About PRP

Pacific Resource Partnership (PRP) is a not-for-profit organization that represents the Hawaii Regional Council of Carpenters, the largest construction union in the state, and more than 240 of Hawaii's top contractors. Through this unique partnership, PRP has become an influential voice for responsible construction and an advocate for creating a stronger, more sustainable Hawaii in a way that promotes a vibrant economy, creates jobs and enhances the quality of life for all residents.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Broaden Affordable Housing Exemption

BILL NUMBER: HB 1179, SD-1

INTRODUCED BY: Senate Committee on Housing

EXECUTIVE SUMMARY: Allows another category of affordable housing project, but only where the contractor uses union labor. This bill shows where two policy initiatives may collide: the policy to encourage the construction of affordable housing, and the policy to mandate that construction workers be paid the prevailing wage on public works projects.

SYNOPSIS: Amends HRS section 104-2, part of Hawaii’s “Little Davis-Bacon Act,” to provide that a properly submitted collective bargaining agreement with a general contractor or subcontractors that applies to a certified affordable housing project, or a properly submitted project labor agreement that is approved by DLIR as meeting the Hawaii prevailing wage schedule, will determine the “prevailing wages and terms” for purposes of compliance with chapter 104. If the prevailing wages and terms are not set in this manner, they shall be not less than the wages payable under federal law to corresponding classes of laborers and mechanics employed on public works projects in the State that are prosecuted under contract or agreement with the federal government.

Amends HRS section 237-29 to add a new eligible category of affordable housing project, namely one developed under a contract described above by a qualified person or firm to provide affordable rental housing where all available units are for households with incomes at or below one hundred forty per cent of the area median family income as determined by the United States Department of Housing and Urban Development (HUD), of which at least twenty per cent of the available units are for households with incomes at or below eighty per cent of the area median family income as determined by HUD.

Makes a conforming amendment to HRS section 201H-36.

EFFECTIVE DATE: July 1, 2030, applies to taxable years beginning after December 31, 2017.

STAFF COMMENTS: Currently, the HHFDC may certify affordable rental housing projects under HRS 201H-36 as qualifying for the exemption under HRS 237-29.

One of the existing categories of affordable housing projects that can be certified is an affordable rental housing project where at least 50% of the available units are for households with incomes at or below 80% of the area median family income, of which at least 20% of the available units are for households with incomes at or below 60% of the area median family income.

The proposed additional category is an affordable rental housing project where all available units are for households with incomes at or below 140% of the area median family income, of which at least 20% of the available units are for households with incomes at or below 80% of the area median family income. However, it appears that to qualify for this category the developer would need to use a union contractor whose collective bargaining agreement or project labor agreement was properly submitted to DLIR under Hawaii's Little Davis-Bacon Act.

If the policy goal is to build more affordable housing, we need to be wary of attaching conditions to the goal that would bog down the process. In 2015, lawmakers authorized \$10 million to cool the sweltering classrooms in our public schools, but added so many requirements that the request for proposals to the industry for school cooling looked more like a novel than a pamphlet. Schools couldn't use the money to go down to the local hardware; the work called for was a lot more complicated. Thus, the \$10 million initiative to cool the schools turned out to be a miserable failure. Only about 200 Hawaii classrooms were cooled by the end of 2015, nowhere near the 1000 classrooms promised.

Digested 3/24/2017