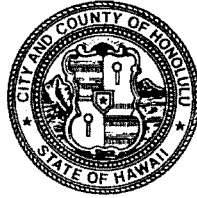


DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8000 • FAX: (808) 768-6041  
DEPT. WEB SITE: [www.honolulu.dpp.org](http://www.honolulu.dpp.org) • CITY WEB SITE: [www.honolulu.gov](http://www.honolulu.gov)

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MAYOR



KATHY K. SOKUGAWA  
ACTING DIRECTOR

TIMOTHY F. T. HIU  
ACTING DEPUTY DIRECTOR

February 28, 2017

The Honorable Tom Brower, Chair  
and Members of the Committee on Housing  
Hawaii House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Brower and Committee Members:

Subject: House Concurrent Resolution No. 32  
Relating to Affordable Housing Incentives

The Department of Planning and Permitting (DPP) **supports** House Concurrent Resolution No. 32, which encourages counties to provide incentives, such as waiving infrastructure capacity costs and permitting fees, for affordable housing developers.

Over the last two years, the City has conducted extensive technical analysis and stakeholder conversations, and we are preparing to introduce an islandwide affordable housing requirement, as introduced by Mayor Kirk Caldwell in his State of the City speech. This requirement will be accompanied by incentives, such as waiving sewer hook-up fees, park dedication fees, and DPP building permit and plan review fees for affordable units. The Caldwell administration also is proposing to waive real property taxes for rental projects. Of course, the proposed waivers will need to be reviewed and adopted by City Council.

We believe it is critical for the State and City to provide developer incentives for affordable housing production. We support House Concurrent Resolution No. 32.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathy Sokugawa".

Kathy Sokugawa  
Acting Director

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**Testimony to the House Committee on Housing****Tuesday, February 28, 2017****10:30 a.m.****Conference Room 423**

**RE: HOUSE CONCURRENT RESOLUTION NO. 32 REQUESTING THE COUNTIES TO CONSIDER PROVIDING INCENTIVES, SUCH AS WAIVING INFRASTRUCTURE CAPACITY COSTS AND PERMITTING FEES, FOR DEVELOPERS TO DEVELOP HOUSING FOR HOUSEHOLDS EARNING LESS THAN EIGHTY PERCENT OF THE AREA MEDIAN INCOME**

Chair Brower, Vice-Chair Nakamura, and members of the committee:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII is in strong support of H.C.R. 32 which requests the Counties to consider providing incentives, such as waiving infrastructure capacity costs, and permitting fees for developers to develop housing for households earning less than eighty percent of the area median income (AMI).

We applaud the legislature for taking the appropriate steps to incentivize the development of more housing. Other incentives should also be considered, such as

1. Waiver of sewer, water and permitting fees;
2. Waiver of GET; and/or,
3. Transfer of real property taxes to the developer for a fixed period of time to make building for the lower income groups (i.e. 80% to 100% and below AMI) economically feasible.

These incentives could be bundled in different situations that would make building homes for the lower income target groups economically feasible.

With our current housing crisis, it is time to move away from using "blunt instruments" such as inclusionary zoning and exactions in an attempt to build more housing, and move toward incentivizing developers to build more affordable housing using the fees, access to infrastructure, density bonuses, and other tools that government has at their disposal.

With our average price of a new home on Oahu in the mid \$700,000.00 range, we need to build its way out of our current housing crisis by increasing the supply of housing at all price points. A healthy housing market allows people to purchase housing at price ranges they can afford and as their income improves, provides them with the opportunity to "move up" the housing ladder.

The proposed resolution is a step in the right direction that hopefully will provide more housing at all price points in Hawaii. We are in strong support of H.C.R. 32, and appreciate the opportunity to express our views on this matter.



February 26, 2017

From: George S. Massengale

To: House Committee on House

Date: Hearing February 28, 2017 at 10:30 A.M.

Subj: HCR32, INFRASTRUCTURE CAPACITY COST AND PERMITTING FEE WAIVERS

### **TESTIMONEY IN SUPPORT**

Chair Brower, Vice Chair Nakamura and members to the Committee on Housing. I am here today on behalf of Hawaii Habitat for Humanity Association, and our seven Habitat affiliates located throughout the state, to testify in support of HCR32.

I am sure that the Committee is well aware that infrastructure cost for raw land is costly. In addition, permitting cost can add thousands of extra dollars to the cost of a home. For a nonprofit housing developer of ownership housing like Habitat for Humanity, or EAH Housing Corporation, a developer of affordable rental housing, this cost is prohibitive.

I would also note for the Committee that because of high infrastructure cost our respective organizations in the past have had to decline offers of free land, or hold abeyance the development and construction on certain parcels already in our possession. HCR32 if enacted, could potentially reduce infrastructure costs thus reducing the overall housing construction cost considerably.

In closing we would ask that you move this bill forward. HCR32 is a well thought out resolution that has the potential to increase our affordable housing stock for our low income residents and families.

Respectfully,

A handwritten signature in black ink, appearing to read "George S. Massengale".

George S. Massengale  
Director, Community Engagement

**LATE**

HCR 32

REQUESTING THE COUNTIES TO CONSIDER PROVIDING INCENTIVES, SUCH AS WAIVING INFRASTRUCTURE CAPACITY COSTS AND PERMITTING FEES, FOR DEVELOPERS TO DEVELOP HOUSING FOR HOUSEHOLDS EARNING LESS THAN EIGHTY PERCENT OF THE AREA MEDIAN INCOME.

## **Support**

I am Shirley David. I serve as chair of the Hawaii Island Advisory Board of Catholic Charities Hawaii and I am also a member of Community Alliance Partners (CAP), Continuum of Care representing St. Michael's Catholic Church in Kailua Kona.

Last Fall CAP and members of the faith based community sponsored two family homelessness summits to bring together members of the faith based community to look for solutions to house families who are unhoused or under housed. There was agreement that there is a serious shortage of affordable housing in all areas of the Big Island.

Anything the legislature can do including encouraging counties to provide incentives for developers to build affordable housing will help make a dent in our serious shortage of affordable housing.

Please vote to move HCR 32 ahead.

*Shirley David*

808 756-1633

Shirleydavid49@gmail.com

Testimony of  
Christopher Delaunay  
Pacific Resource Partnership



HOUSE OF REPRESENTATIVES  
THE TWENTY-NINTH LEGISLATURE  
REGULAR SESSION OF 2017

COMMITTEE ON HOUSING  
Representative Tom Brower, Chair  
Representative Nadine K. Nakamura, Vice Chair

NOTICE OF HEARING

DATE: Tuesday, February 28, 2017  
TIME: 10:30 am  
PLACE: Conference Room 423

Aloha Chair Brower, Vice Chair Nakamura, and Members of the Committee:

PRP **supports** HCR 32, requesting the Counties to consider providing incentives, such as waiving infrastructure capacity costs and permitting fees, for developers to develop housing for households earning less than eighty percent of the Area Median Income.

The shortage of affordable housing units is at a crisis level negatively affecting families throughout the State. There are significant barriers to increasing the supply of housing in Hawaii which consist of the lack of infrastructure capacity, high cost of living, and the delay in development projects to name a few. We believe providing incentives for developers will help to build more affordable housing units in the State.

Thank you for allowing us to express our support on HCR 32 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.*

