

Testimony to the House Committee on Housing Tuesday, March 21, 2017 at 10:40 A.M. Conference Room 423, State Capitol

RE: HOUSE CONCURRENT RESOLUTION 184 AND HOUSE RESOLUTION 108 RELATING TO THE ESTABLISHMENT OF PRODUCTION GOALS AND BENCHMARKS FOR HOUSING PRODUCTION

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** HCR 184 and HR 108, which proposes to establish affordable housing production goals and benchmarks to measure and evaluate affordable housing development and construction progress.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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 Chamber of Commerce Hawaii and the Building Industry Association of Hawaii convened the first "Houseless in Honolulu" event in November of 2015 to raise awareness of one of Hawaii's most pressing issues - home affordability. Then again in November of 2016 we convened our second event, "Still Houseless in Honolulu." The bottom line is we need to build our way out of this crisis by increasing the supply of housing at all price points. 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. Employees 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.

We strongly support the need to provide more government focus on producing more housing units. With our average price of a new home on Oahu in the mid \$700,000.00 range, we need to "BUILD" our 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 resolutions are a step in the right direction and hopefully will provide more housing in Hawaii. We are in support of HCR 184 and HR 108, and appreciate the opportunity to express our views on this matter.

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 4:21 PM
То:	HSGtestimony
Cc:	fromwayne@gmail.com
Subject:	*Submitted testimony for HR108 on Mar 21, 2017 10:40AM*

<u>HR108</u>

Submitted on: 3/19/2017 Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
E. Wayne Johnson	Individual	Support	No

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

nakamura1 - Natalie

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 12:27 PM
То:	HSGtestimony
Cc:	annamaui2008@yahoo.com
Subject:	Submitted testimony for HR108 on Mar 21, 2017 10:40AM
Categories:	Green Category

<u>HR108</u>

Submitted on: 3/19/2017 Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Anna Barbeau	Individual	Support	No

Comments: Please pass this Amendment so that future developers may not develope for-profit sham affordable housing on the backs of the worthy lower income residents who DO work, who DO contribute and DO deserve honesty. Please word the conditions for development with integrity so that residents..and the Hawai'i Government not be taken advantage of. Please maintain Hawai'i FOR Hawai'i residents and do not allow scheming, graft or corruption to infilterate our system. Clean, Hawai'i values of supporting one another need be observed and respected. Thank you for your service to the people of Hawai'i.

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nakamura1 - Natalie

From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 12:53 PM
To:	HSGtestimony
Cc:	annamaui2008@yahoo.com
Subject:	Submitted testimony for HR108 on Mar 21, 2017 10:40AM
Follow Up Flag:	Follow up
Flag Status:	Flagged
Categories:	Green Category

<u>HR108</u>

Submitted on: 3/19/2017 Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Anna Barbeau	Individual	Support	No

Comments: Thank you for allowing my input. Please take seriously this Amendment as people who smoke injure themselves and through their own actions, also inflect injury to others. They are not to be allowed to force children or anyone else to breathe air they have soiled. It is a nasty habit that need be kept away fro public/common areas. Mahalo for your understanding.

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, 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.

From:	mailinglist@capitol.hawaii.gov
Sent:	Friday, March 17, 2017 8:48 PM
То:	HSGtestimony
Cc:	sylviacabralmaui@gmail.com
Subject:	Submitted testimony for HR108 on Mar 21, 2017 10:40AM

<u>HR108</u>

Submitted on: 3/17/2017 Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
sylvia cabral	Individual	Support	No

Comments: So very important that this bill passes. Leave the hippie huis keep those 40 year tenants who are now elder or work force. They planted the trees and should reap the harvest. Otherwise you add more sick old people who say they would rather go to jail than live on the street.they cannot afford high rents. Pass this legis today first reading very important for the health of the people and the burden on the State & County

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From:	mailinglist@capitol.hawaii.gov
Sent:	Sunday, March 19, 2017 10:04 PM
То:	HSGtestimony
Cc:	soseasick@yahoo.com
Subject:	Submitted testimony for HR108 on Mar 21, 2017 10:40AM

<u>HR108</u>

Submitted on: 3/19/2017 Testimony for HSG on Mar 21, 2017 10:40AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
John Massa	Individual	Support	No

Comments: We need more affordable housing. The current real estate up trend or bubble has risen prices well beyond affordable means for the working class. Without affordable housing who will cater to the wealthy who reside here? Hence the need for affordable housing.

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Hawai'i Construction Alliance



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

March 20, 2017

The Honorable Tom Brower, Chair The Honorable Nadine K. Nakamura, Vice Chair and members House Committee on Housing 415 South Beretania Street Honolulu, Hawai'i 96813

RE: Support for the Intent of HCR184/HR108

Dear Chair Brower, Vice Chair Nakamura, 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 support the intent of HCR184/HR108, which urges the State to establish affordable housing production goals and benchmarks to measure and evaluate affordable housing development and construction progress.

As you know, 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."

We have been working with 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. We appreciate your committee's favorable action on the Coalition's bills during this legislative session.

The Hawai'i Construction Alliance and our industry partners are excited to take a leadership role in encouraging the production of rental housing across our state and helping the State to meet the goals set out in HCR184/HR108.

Mahalo,

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Tyler Dos Santos-Tam Executive Director