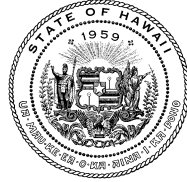


DAVID Y. IGE  
GOVERNOR

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 Will Espero, Chair  
and Members of the Senate Committee on Housing

The Honorable Lorraine R. Inouye, Chair  
and Members of the Senate Committee on Transportation and Energy

Date: Tuesday, February 14, 2017  
Time: 2:55 P.M.  
Place: Conference Room 225, State Capitol

From: Maria E. Zielinski, Director  
Department of Taxation

Re: S.B. 591, Relating to Housing

The Department of Taxation (Department) appreciates the intent of S.B. 591 and provides the following comments for your consideration.

S.B. 591 authorizes Department of Budget and Finance (B&F) to issue general obligation bonds to construct affordable rental units and homes, and allows moneys from the conveyance tax and the county surcharge tax to be used to repay the bonds. The measure is effective on July 1, 2017.

The Department first notes that although the Conveyance Tax Law, Chapter 247, Hawaii Revised Statute (HRS), is administered by the Department, forms and payments are generally submitted to the Bureau of Conveyances (BOC). Therefore, the Department does not report the revenues collected from the conveyance tax and the allocation of the moneys from conveyance tax in its Statement of Tax Operations. The BOC reports conveyance tax revenues and allocates the revenues as specified in Section 247-7, HRS.

The Department, however, notes that it is unclear how much of the conveyance tax is authorized to be used to repay bonds as set forth in Section 2 of S.B. 591. If the Committee wishes to advance the measure, the Department suggests specifying a percentage or an amount of the conveyance tax that may be used to repay bonds issued pursuant to S.B. 591 in the new subsection (c) of Section 247-7, HRS.

The Department defers to B&F on the allocation of the ten percent of the gross proceeds of the City and County of Honolulu's surcharge tax on state tax set forth in Section 3 of this

measure, and on the issuance and usage of the general obligation bonds set forth in Sections 4 to 9 of this measure.

Thank you for the opportunity to provide comments.

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

LAUREL A. JOHNSTON  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN COMMENTS**

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEES ON TRANSPORTATION AND ENERGY  
AND HOUSING  
ON  
SENATE BILL NO. 591

**February 14, 2017**  
**2:55 p.m.**  
**Room 225**

RELATING TO HOUSING

Senate Bill No. 591 authorizes the Director of Finance to issue general obligation (G.O.) bonds for various affordable housing programs and projects and allows moneys collected from the conveyance tax and the county surcharge on State tax to be used to repay the bonds. The Department of Budget and Finance supports the intent to develop more affordable housing to address Hawaii's housing shortage and homelessness problems but offers the following comments.

Section 2 of the bill amends Section 247-7, HRS, by adding a new subsection authorizing moneys collected through the conveyance tax to be used to repay bonds issued pursuant to this measure. Currently, the revenues from the conveyance tax are deposited into the general fund to be used for the purposes of the general fund except for distributions to the Land Conversion Fund and the Rental Housing Revolving Fund, which total the lesser of 60 percent of the annual taxes collected or \$44,800,000. Thus, given the current authorities articulated above for use of the conveyance tax, since G.O.

bonds issued by this bill would be paid for by the general fund, such amendments will make no change in current policy.

Similarly, Section 3 of the bill amends Section 248-2.6, HRS, to allow moneys collected through the county surcharge on State tax to be used to repay bonds issued pursuant to this bill. The 10 percent of gross proceeds kept by the State is also deposited into the general fund for purposes of the general fund and reimbursing costs associated with the assessment, collection, and disposition of the county surcharge on State tax. Once again, since G.O. bonds issued by this bill would be paid for by the general fund, such amendments will make no change in current policy.

Thank you for your consideration of our comments.



**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 TRANSPORTATION AND ENERGY  
SENATE COMMITTEE ON HOUSING**

February 14, 2017 at 2:55 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 591**  
**RELATING TO HOUSING.**

The HHFDC supports S.B. 591 as long as it does not replace priorities requested in the Executive Budget.

S.B. 591 creates a mechanism to use conveyance tax collections, and the State's 10 percent deduction from the county surcharge on state tax to repay General Obligation (G.O.) bonds issued for housing. The portion of G.O. Bonds appropriated for HHFDC programs would include unspecified amounts for the Dwelling Unit Revolving Fund (DURF), the Rental Housing Revolving Fund (RHRF), the Rental Assistance Housing Fund, \$450 million for constructing affordable rental units for households between 30 and 140 percent of the area median income in a public-private partnership, and \$400 million for infrastructure construction on or near state lands for transit-oriented developments, with priority given to lands near Aloha Stadium, Leeward Community College, University of Hawaii West Oahu, and in the Iwilei area.

We believe the bill intends to fund the Rental Assistance Revolving Fund (RARF) which is authorized to (1) provide below market interest rate interim construction loans for affordable housing projects; and (2) shallow project-based rental assistance payments for qualified owners of rental projects set aside for low-income households.

Therefore, we respectfully request that on page 5, line 1 of this bill, the reference to "Rental Assistance Housing Fund" be corrected to read "Rental Assistance Revolving Fund."

In the 2016 Session, the Legislature found the RARF balance to be in excess of the immediate needs of the fund. And transferred the \$9,500,000 set -aside for interim construction loans from RARF to the RHRF as of July 1, 2016. Clarification is needed if the intent of this bill is to fund interim construction loans or project-based assistance.

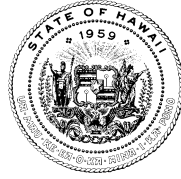
The RHRF provides loans to projects that set aside rental units affordable to low-income families. The RHRF loans fill the financing gap to develop an affordable rental housing project. Since its inception, RHRF awards have been made to 79 affordable rental projects comprising a total of 6,232 units statewide.

In Fiscal Year 2016, the RHRF received approximately \$33,056,876 in conveyance tax revenues, which we anticipate being able to fully utilize to make awards to qualified projects during our 2017 competitive funding rounds. The Executive Budget request includes \$50 million in G.O. Bond funds for the RHRF.

Act 132 broadened the uses of the DURF to include regional state infrastructure construction in conjunction with housing and mixed-use transit-oriented development projects. This funding will enable the state to address a significant barrier to housing development - the lack of roads, water, sewer, drainage, and utilities. The Executive Budget request includes \$50 million in G.O. Bond funds for the DURF.

Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII



JOBIE M. K. MASAGATANI  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI  
LT. GOVERNOR  
STATE OF HAWAII

WILLIAM J. AILA, JR.  
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879  
HONOLULU, HAWAII 96805

**TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEES ON HOUSING AND TRANSPORTATION &  
ENERGY**

**IN SUPPORT OF**

**SB 591 RELATING TO HOUSING**

February 14, 2017

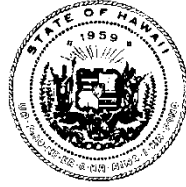
Aloha Chairs Espero & Inouye and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill that authorizes the issuance of general obligation bonds for construction and infrastructure development projects. As it pertains specifically to DHHL, the bill authorizes \$50 million in general obligation bonds for fiscal year 2017-2018 for the purpose of constructing a multiple-unit high rise condominium on land administered by DHHL provided that the units shall be used by eligible homesteaders and that the moneys may be expended for infrastructure or actual building costs.

The Department appreciates any additional funding to support its initiatives as long as it doesn't affect the priorities identified in the Governor's Executive budget request. DHHL requests flexibility for the use of the \$50 million in general obligation bonds for lump sum Hawaiian Home Lands lot development, Statewide. In order to construct a multiple-unit high rise condominium on land administered by DHHL, the Department must first adopt administrative rules that will not be completed within the timeframe provided for in this bill.

Thank you for your consideration of our testimony.

DAVID Y. IGE  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

**STATE OF HAWAII**  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

Statement of  
**Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**SENATE COMMITTEE ON HOUSING  
AND  
SENATE COMMITTEE ON TRANSPORTATION AND ENERGY**

**Tuesday, February 14, 2017  
2:55PM  
Room 225, Hawaii State Capitol**

In consideration of  
**SB 591**  
**RELATING TO HOUSING**

Honorable Chair Espero, Honorable Chair Inouye, and Members of the Committee on Housing and Committee on Transportation and Energy, thank you for the opportunity to provide testimony concerning Senate Bill 591, relating to housing.

The Hawaii Public Housing Authority (HPHA) supports SB 591 provided that it does not adversely affect the Governor's priorities. SB591 authorizes the issuance of general revenue bonds for construction and infrastructure development projects to provide affordable housing units for middle class and low income residents; and allows moneys from the conveyance tax and the county surcharge on a state tax to be used to repay the bonds.

The Hawaii Public Housing Authority (HPHA) identified approximately 10,000 units and 9 projects for TOD development. HPHA successfully completed the procurement process and selected three private developers for private-public partnerships. The HPHA has already signed one MDA, two predevelopment agreements and a third MDA is planned in the next couple of weeks. The community engagement process is in the final stages of completion and Environmental Impact Studies will begin shortly for the two largest projects with the third to follow. These ongoing projects will generate more than 3,000 units with the first phase of development anticipated to begin next year. The cost of each project is substantial.



The HPHA respectfully request that the three properties listed under section 5 be removed and that the proposed language remain non-specific as to which properties the bill oversees, thereby allowing us to better negotiate, better leverage the funds and work on the project that will yield us the largest amount of affordable housing units and those ready to start construction.

The HPHA appreciates the opportunity to provide the Senate Committees on Housing and transportation and energy with the HPHA's comments regarding SB 591. We thank you very much for your dedicated support.

# TAX FOUNDATION OF HAWAII

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126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

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**SUBJECT:** MISCELLANEOUS, Earmarks Conveyance Tax to Repay Bonds for Affordable Housing

**BILL NUMBER:** HB 869, SB 591 (Identical)

**INTRODUCED BY:** HB by BROWER; SB by ESPERO, BAKER, S. CHANG, ENGLISH, GREEN, INOUYE, KEITH-AGARAN, KIDANI, K. RHOADS, SHIMABUKURO, Dela Cruz, Harimoto, Ihara, K. Kahele, Kim, Kouchi, Nishihara, Ruderman, Taniguchi, Wakai

**EXECUTIVE SUMMARY:** Authorizes the issuance of general obligation bonds for construction and infrastructure development projects to provide affordable housing units for middle class and low income residents. Allows moneys from the conveyance tax and the county surcharge on state tax to be used to repay the bonds. There is no need, however, for the tax earmarks because any general fund money already can be used to repay the bonds.

**BRIEF SUMMARY:** Authorizes the director of finance to issue approximately \$1.5 billion of new general obligation bonds for housing.

Amends HRS section 247-7 to provide that conveyance tax funds may be used to repay the above bonds.

Amends HRS section 248-2.6 to provide that the 10% of county surcharge collections that the State now retains may be used to repay the above bonds.

**EFFECTIVE DATE:** July 1, 2017.

**STAFF COMMENTS:** General obligation bonds are debts for which the state has pledged its full faith and credit to repay. The state is obligated to pay them out of all the revenues it receives, and the obligation is not limited to funds coming from any particular tax type. The earmarks upon the conveyance tax funds and the 10% surcharge “skim” are unnecessary.

Digested 2/2/2017

**TESTIMONY IN SUPPORT OF SB 591: Housing**

**TO:** Senator (Chair) Lorraine Inouye, Senator (Chair) Will Espero, and  
Members of the Senate Committees on Transportation & Energy, and Housing

**FROM:** Sheila Beckham, CEO; and Jason Espero, Director of Homeless Services

**Hearing:** **Tuesday, February 14, 2016 (2:55pm), Conference Room 225**

Thank you for the opportunity to provide testimony in **support of SB 591**.

Waikiki Health (WH) is a 501c3 nonprofit organization with a mission to provide quality medical and social services that are affordable and accessible for everyone, regardless of their ability to pay.

WH manages and operates Next Step Shelter, located in Kakaako Makai. Next Step Shelter has the capacity to provide safe and clean indoor living accommodations 24-hours 7 days a week to nearly 200 homeless individuals and families, prioritizing services to the chronically homeless, vulnerable, veterans, elderly, individuals with HIV/AIDS, and other chronic diseases.

Next Step Shelter's primary goal is to transition its clients into permanent housing and provide support to clients with their housing stability. Many of the people living at Next Step Shelter have extremely low income or no income at all. Public housing (HPHA), rental subsidies, or cheap rentals is the ideal way for Next Step Shelter clients to transition out of homelessness and live their life with dignity and happiness in a permanent place they can call home.

Thank you for your time and consideration.

Sincerely,



Sheila Beckham, RD, MPH



Jason Espero, MPA



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

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## TESTIMONY FOR SENATE BILL 591, RELATING TO HOUSING

**Senate Committee on Housing**  
**Hon. Will Espero, Chair**  
**Hon. Breene Harimoto, Vice Chair**

**Senate Committee on Transportation and Energy**  
**Hon. Lorraine R. Inouye, Chair**  
**Hon. Donovan M. Dela Cruz**

**Tuesday, February 14, 2017, 2:55 PM**  
**State Capitol, Conference Room 225**

Honorable Chair Espero, Chair Inouye, and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in strong support of Senate Bill 591, relating to housing.

Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. According to the National Low Income Housing Coalition's *Out of Reach 2016* report, a full time worker would need to earn \$34.22/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,100 in 2015, with average rent for a 900-square-foot exceeding \$2,200 in 2016. In the past three years alone, Honolulu rent has increased 23.5 percent. While 47 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$14.49/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, according to the Hawai'i Appleseed Center for Law and Economic Justice. Moreover, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs.

We are in the midst of an affordable housing crisis. For context, our state's cost of housing has skyrocketed over the last decade, leaving many families searching for affordable alternatives, in shelters, or on the streets. The median price of condominiums on O'ahu increased 8.3 percent in 2016 to \$390,000, while the median price for single-family homes increased by

6.5 percent to \$735,000, according to the Honolulu Board of Realtors. The cost of a four-bedroom home in urban Honolulu now exceeds \$1.1 million. At least 40 percent of residences in Hawai'i are owner unoccupied, according to the Hawai'i Housing Finance and Development Corporation, meaning that nearly 50 percent—and by some estimates well over half—of Hawai'i homes are investment properties. Many of those properties are owned by mainland and foreign buyers, whose real estate market speculation is a prime driver of Hawai'i's highest-in-the-nation cost of housing.

Homelessness is directly tied to our state's exorbitant cost of living and penchant for catering to people who use the islands as their own private Monopoly board. According to the 2016 statewide *Point In Time Count* (PITC) report, 7,921 houseless persons were counted on a single night in January last year, up 4 percent from 2015. More than half of these persons were unsheltered. O'ahu accounted for 62 percent of the total (4,940 people), up 1 percent from the previous year. Kaua'i saw a 30 percent increase in the homeless population living on its shores (442 people), while the Big Island saw an increase of 12 percent (1,394 people). Overall, our state saw a 12 percent increase in the number of unsheltered homeless individuals and families and, concurrently, a 4.5 percent decrease in the number of sheltered individuals and families. Notably, the size of the houseless population on O'ahu is up 25 percent from 2009, when 3,638 homeless people were counted. Additionally, Department of Education officials said, last January, that 3,576 public school students are homeless. Last year's PITC captured just over half of them. We know, then, that our state's homeless population is not only larger than the statistics show, but growing.

The time for deliberation is over. It's time to act. The 2016 Hawai'i Housing Planning Study prepared for the Hawai'i Housing Finance and Development Corporation found that the islands need more than 24,500 additional housing units over the next five years, more than 80 percent of which is needed to meet the demand of people who qualify for affordable housing, namely individuals earning no more than \$98,560 or families of four earning up to \$140,700 per year. Though our state is committed to a goal of building 22,500 affordable rental housing units in the next 10 years, figures from HHFDC show that over the past two years, we have added only approximately 1,000 affordable rental units. Further plans are finalized for a mere 3,240 more rentals by 2022. Analysts believe that boosting the overall housing supply, as this bill does, will lower home prices—and, in turn, rent—for all residents, an ancillary benefit that cannot be overstated in our undersaturated, luxury-driven, “investor first” housing market.

We need housing now. Mahalo for the opportunity to testify in support of this bill.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance



Hunt Development Group, LLC  
737 Bishop Street, Suite 2750  
Honolulu, Hawai'i 96813  
Office: 808-585-7900

Senator Lorraine Inouye, Chair  
Senator Donovan Dela Cruz, Vice Chair  
Senate Committee on Transportation and Energy

Senator Will Espero, Chair  
Senator Breene Harimoto, Vice Chair  
Senate Committee on Housing

**RE: SB 591 – Relating to Housing – *In Support***  
**Tuesday, February 14, 2017**  
**Conference Room 225; 2:55 PM**

Aloha Chairs Inouye and Espero, Vice Chairs Dela Cruz and Harimoto and Members of the Committees:

Hunt Companies is in support of SB 591 which authorizes the issuance of general obligation bonds for construction and infrastructure development projects to provide affordable housing units for middle class and low income residents.

There is a critical need for affordable housing in urban Honolulu. Hunt Companies is in the process of executing a Master Development Agreement with the Hawaii Public Housing Authority to redevelop Mayor Wright Homes to a mixed income neighborhood. We have spent almost a year on master planning which involved extensive community outreach including discussions with current tenants, community stakeholders, various departments within the City and County of Honolulu and policy makers. In addition to replacing the current 364 public housing units, the plan could add approximately 2,100 more rental units over the next ten years. We anticipate building approximately 500 units in phase one with groundbreaking in 2018.

This bill will help provide critically needed funding in an effort to address the state's housing shortage while maximizing Mayor Wright Home's prime location in Downtown Honolulu's TOD area. The redevelopment of Mayor Wright Homes provides an unprecedented opportunity for 2,500 rental units to replace the existing public housing and serve as a powerful catalyst of urban TOD renewal. In order to achieve this vision, we ask that you consider amending Section 5 of SB 591 to apply to residents earning up to 120% AMI.

Thank you for the opportunity to submit testimony in support of this measure.

Thomas Lee  
Senior Vice President  
Hunt Companies, Hawaii Division

## TESTIMONY

Senator William Espero, Chairperson  
Senate Housing Committee (HOU)  
SB591  
February 14, 2017  
2:55 P.M.  
State Capital Conference Room 225

Aloha,

Senator William Espero and Primary Senate Housing Committee sponsors of SB591 for affordable housing in Hawaii.

My name is Derek Williams, and I am the only son of an emeritus US Scientist and a long-time champion for public education in America (S. Jeffress Williams & Cheryl S Williams). I have lived in Kailua for more than a decade with my wife and 2 children. Since 2004 I have helped Hawaii public educators and UH faculty as a Retirement Planning Specialist. ([www.RetireHi.com](http://www.RetireHi.com)).

My mentor Mike Douglass, a previous chair of D.U.R.P. (Department of Urban & Regional Planning, UH Manoa); is at the forefront of smart and resilient city planning, and has supported my affordable housing initiatives and educational outreach. With a passion for sustainable living, systems architecture, and social change in the last few years I founded 2 modular, prefab, affordable housing companies [www.HawaiiADU.com](http://www.HawaiiADU.com) [www.NuHouse.us](http://www.NuHouse.us)

I share this “promotional background” that you may seriously consider not only my broad support of SB591 but also critically examine several specific plans I have developed which boost affordable housing while simultaneously generating positive revenue for the State and local economy.

My priorities and reasoning for support for SB591 are based on my knowledge and experience for the need and challenges in the sustainability of affordable housing in Hawaii:

I vehemently support SB591 and am confident the issuance of general obligation bonds for construction and infrastructure development projects aimed at affordable housing can not only effect positive social change but also strengthen the state’s fiscal revenue and strengthen Hawaii’s economic future all in ONE. I also support the use of funds to assist current eligible homeowners to build Accessory Dwelling Units (ADUs) as a prime initiative towards significantly increasing the number of affordable rental units for long term residents of Hawaii.

I believe that the moneys identified from conveyance tax, county surcharge on state tax, and general excise tax, can be used to repay the bonds, but even if they do not, I have a plan which will both generate positive revenue for the state AND repay the bonds without the need for additional reliance on other much needed tax revenue streams.

Mahalo for your time and consideration,

Derek Williams  
808-292-3434 - [d@dwvc.us](mailto:d@dwvc.us)

# Hawai'i Construction Alliance

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

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February 13, 2017

The Honorable Will Espero, Chair  
The Honorable Breene Harimoto, Vice Chair  
and members  
Senate Committee on Housing  
415 South Beretania Street  
Honolulu, Hawai'i 96813

The Honorable Lorraine R. Inouye, Chair  
The Honorable Donovan M. Dela Cruz, Vice Chair  
and members  
Senate Committee on Transportation and Energy  
415 South Beretania Street  
Honolulu, Hawai'i 96813

## **RE: Support for SB591, Relating to Housing**

Dear Chairs Espero and Inouye, Vice Chairs Harimoto 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.

The Hawai'i Construction Alliance is extremely concerned about the chronic deficiency of affordable rental and for-sale 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.

As such, we **support SB591**, which authorizes the issuance of general obligation bonds for construction and infrastructure development projects to provide affordable housing units for middle class and low income residents, and allows moneys from the conveyance tax and the county surcharge on state tax to be used to repay the bonds.

We wish to **comment specifically in support** of Sections 1, 4, 5, 6, 7, 8, and 9. We have no comments at this time on Sections 2, 3, 10, 11, or 12, but may choose to add further comments on these sections at future committees.

In Section 1, we specifically appreciate and agree with the legislature's recognition that "the cost of housing and the lack of affordable rentals and properties for sale are two of the most pressing issues facing the State." In Sections 4, 5, 6, 7, 8, and 9, we specifically appreciate the legislature's willingness to authorize more bonds in this low interest rate environment to fund various housing programs and projects. The specific projects or types of projects identified in Sections 5, 6, 7, 8, and 9, if carried out expediently, will make a significant impact on the demand for low- and moderate-income housing in the state.



We appreciate the introducers and co-sponsors of this measure for their willingness to “think big” in dealing with the very critical issue of affordable housing in Hawai‘i. We look forward to continuing discussion on how best to create low- and moderate-income housing for families all across the state.

**In closing, we ask for your committee’s favorable action on SB591, Relating to Housing.**

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](mailto:execdir@hawaiiconstructionalliance.org)

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 7, 2017 7:04 AM  
**To:** TRE Testimony  
**Cc:** arbeit@hawaiiantel.net  
**Subject:** Submitted testimony for SB591 on Feb 14, 2017 14:55PM

**SB591**

Submitted on: 2/7/2017

Testimony for TRE/HOU on Feb 14, 2017 14:55PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Wendy Arbeit	Individual	Support	No

Comments: It's about time. Clearly, unlike the past, developers can no longer be relied upon to provide anything but luxury housing, so the State must step in to stem our increasing housing shortage for ordinary folk and the homeless.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)

February 5, 2017

Senator Will Espero, Chair  
Senator Breene Harimoto, Vice Chair  
Senate Committee on Housing

Senator Lorraine R. Inouye, Chair  
Senator Donovan M. Dela Cruz, Vice Chair  
Senate Committee on Transportation and Energy

**RE: SB591**

**RELATING TO HOUSING.**

Authorizes the issuance of general obligation bonds for construction and infrastructure development projects to provide affordable housing units for middle class and low income residents. Allows moneys from the conveyance tax and the county surcharge on state tax to be used to repay the bonds.

DATE: Tuesday, February 14, 2017

TIME: 2:55 PM

PLACE: Conference Room 225, State Capitol  
415 South Beretania Street

Aloha,

My name is Teal Sargent. I am a long term resident on the island of Kaua'i, Hawai'i. I am a mother, part-time employee and I am currently pursuing a Masters degree in Social Work at the Myron B. Thompson School of Social Work. It is great pleasure that I write today to **strongly support** SB591, which authorizes the issuance of general obligation bonds for construction and infrastructure development projects to provide affordable housing units for the middle and low class income residents. In the last couple of years the cost of housing and lack of affordable rentals and properties for sale has become a leading issue across the State. The lack of housing has created the rental costs to rise causing the sudden increase in the homeless population.

As a full time student, part-time employee and long term resident in Hawai'i this bill directly affects my family's future on the island. The lack of rentals has driven up the cost of rent making it difficult for a middle class family to adequately provide for their families. The rising cost of rentals coupled with the already high cost of living here in Hawai'i has put a strain on my family's income and has made my future as a homeowner nearly impossible. I fear that one day the cost to live in my hometown will be too expensive to live in.

I strongly encourage the legislature to support SB591 as it will allow many families the opportunity to provide safe and healthy homes for their families.

Mahalo for the opportunity to testify.

Sincerely,  
Teal Sargent  
P.O. Box 366  
Kilauea, Hi 96754

Aloha,

I am writing in support of:

**Senate Bill 591**, relating to affordable housing on **February 14 (Tuesday) at 2:55 pm in State Capitol Conference Room 225**. This bill proposes a massive infusion of badly needed capital in the amount of \$2 billion to build affordable housing.

As an Urban Planner educated in Honolulu I am in support of all efforts to create affordable housing, especially where infill, increased density, and mixed socio-economic neighborhoods are the result. For these reasons this bill works especially well in conjunction with Hawaii's ADU legislation. Together these bills create benefits for all stakeholders....home owners create rental income on their existing property, banks can create new loan products, the city profits through permits and taxes and of course those in dire need of affordable housing have increased options.

Thank you for supporting Bill 591.

Dr. Shanah Trevenna  
808-772-1874  
2957 Kalakaua Avenue  
Honolulu, Hawaii

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 13, 2017 11:49 AM  
**To:** TRE Testimony  
**Cc:** jen.mather@gmail.com  
**Subject:** \*Submitted testimony for SB591 on Feb 14, 2017 14:55PM\*

**SB591**

Submitted on: 2/13/2017

Testimony for TRE/HOU on Feb 14, 2017 14:55PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jennifer Mather	Individual	Support	No

Comments:

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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## TESTIMONY

Senator William Espero, Chairperson  
Senate Housing Committee (HOU)  
SB591

February 14, 2017

2:55 P.M.

State Capital Conference Room 225

Aloha,

I'm Deborah Toth-Dennis, and although I have 40 plus years of extensive work experience in the Mental Health, Homelessness, Transition, Substance Use and Abuse, and Affordable Housing fields both locally and nationally, today I am not providing professional testimony. Today I am providing individual testimony in support of all 12 sections of SB591, Report Title: Affordable Housing; Hawaii Housing Finance Development Corporation; Hawaii Public Housing Authority; Department of Hawaiian Home Lands; Conveyance Tax; Appropriation.

It is not my intent to down grade the importance of all the professional experts, service providers, and contractors that face the challenges in trying to develop and provide those in need with affordable housing in Hawai`i. However, as someone who has straddled the fence as both a professional provider and an individual who has been a recipient requiring assistance in all the aforementioned areas, including the need for affordable housing, I believe my personal need and support of SB591 provides a clearer facet of clarity and commitment.

As a Native Hawaiian, who has lived most of my life in Hawai`i, I have been blessed with the support of a good family, who have done their best to survive and provide a quality of life for each generation of our Ohana. However, I am increasingly challenged each year with the ongoing economic generational acculturation that is suffocating the quality of life of our Ohana, us as individuals, and most important our future generations.

I as a Kapuna, who should be basking in my golden years of retirement, will only dream/worry about experiencing any level of that reality without jeopardizing the financial future of my child, grandchildren, and other family members who will be economically burdened with the responsibility of my care for basic needs of housing and food when I can no longer work, afford the rent I am barely able to pay now and there is no availability of affordable housing that my social security will cover.

Although I owned my own home in Hawai`i at one time and for too many reasons to share now, I can assure you that my life journey is surely reflective of too many other Kapuna's and even younger generations, who currently no longer have a home or will not have in the near future.

Affordable Housing is the priority because for me, my Ohana, and the people of Hawai`i who are homeless, one paycheck away from being homeless, or facing the reality of future homelessness due to challenges of age, illness, lack of job security, over-crowding of multi generation living, and the highest cost of living that increases with each year. We are all naive if we believe that each of us is not vulnerable to the possibility of homelessness. We must commit to change the direction of housing (home) in Hawai`i to an affordable opportunity for everyone.

## TESTIMONY

In addition, the lack of a system with the infrastructure to engage and work with those who typically recycle the same way of doing business, who have become prisoners in a box that has prevented the paradigm shift that is necessary to see and do things differently and creatively must stop. We must open the door to the future with new and/or additional facets of community ownership for development and sustainability. We must have opportunity to care and support each other so we can equally shine with the pride and aloha for who we were, who we should be, but who we will lose as a people and community of diverse rich cultures if we do not collaboratively come together to prioritize the commitment and funding for the basic need of affordable housing for all.

I support SB591, the issuance of general obligation bonds for construction and infrastructure development projects to provide affordable housing units for middle class and low income residents. I also support the use of funds to provide opportunities and incentives to current homeowners to build Assisted Dwelling Units (ADU's) as an additional solution to land availability and cost to support creative affordable housing for those who can't qualify currently for home ownership.

I believe that the moneys identified from conveyance tax, county surcharge on state tax, and general excise tax, can be used to repay the bonds.

Mahalo,

Deborah F. Toth-Dennis  
808-783-7909  
[dtothdennis@gmail.com](mailto:dtothdennis@gmail.com)  
909 Mokapu Blvd.  
Kailua, HI 96734



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, February 7, 2017 11:04 PM  
**To:** TRE Testimony  
**Cc:** toddyukutake@gmail.com  
**Subject:** Submitted testimony for SB591 on Feb 14, 2017 14:55PM

**SB591**

Submitted on: 2/7/2017

Testimony for TRE/HOU on Feb 14, 2017 14:55PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Todd Yukutake	Individual	Oppose	No

Comments: I oppose SB591. Hawaii taxpayers cannot afford the 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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Aloha.

I am Deborah Kimball. I have advocated increased low-income housing for over 20 years. The need has risen as Section 8 projects have disappeared and thousands of Section 8 vouchers have proven unusable. LITC has produced a pathetic fraction of the needed low-income units.

The community can and does do a decent job donating food and clothing for those in need, but how many donated homes have you heard of? Growing numbers of low-income folks have been punished for years by governments' grossly inadequate responses to housing needs.

Nothing will reduce the miseries of folks facing way too little low-income housing except a lot of new or refurbished low-income housing.

Please pass this bill to help thousands of families. Get the housing done--as quickly as possible, with no excuses.

Mahalo for your attention and active caring.