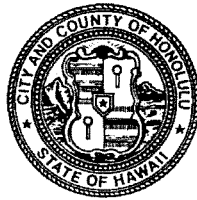


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

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ACTING DEPUTY DIRECTOR

February 7, 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 Bill No. 1549
Relating to Inclusionary Zoning

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 1549, which would prohibit counties from imposing an inclusionary zoning requirement on a housing development offered exclusively for sale to buyers earning 120 percent or less of the area median income. This would take over county roles in zoning and project approvals, as well as in adopting a carefully-crafted policy for affordable housing required for all development types and income levels.

Over the last two years, the City has conducted extensive technical analysis and stakeholder conversations on how much affordable housing should be required in a typical development, and we are preparing to introduce an islandwide affordable housing requirement. Our analysis of development pro formas shows that the amount of affordable housing required should vary by income level, by whether it is for-sale or rental, and whether it is built on-site or off-site. It will give developers several options for compliance, and include significant improvements in how compliance is monitored over time. In all cases, we are proposing a minimum 30-year period of affordability, to build up and maintain a large supply of affordable units over time. This proposed Bill would carve out just one type of project and income level for exemption, and does not seem to require any extended period of affordability in return.

We do defer to the State on determining specific percentages of affordable housing for developments built on State lands or using State funding.

The Honorable Tom Brower, Chair
and Members of the Committee
on Housing
Hawaii House of Representatives
House Bill No. 1549
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Page 2

We believe it is critical for the State to coordinate planning and prioritize its investments in affordable housing and transit-oriented development infrastructure on State lands. The City is eager to continue collaborating with the State on this effort. However, it should not usurp City zoning and project approval functions, or “carve out” one element of the City’s proposed affordable housing requirements. Please defer House Bill No. 1549.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathy Sokugawa", written in a cursive style.

Kathy Sokugawa
Acting Director

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Testimony to the House Committee on Housing**February 7, 2017****9:00 am****Conference Room 423****RE: HB 1548 – Relating to Inclusionary Zoning**

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.B. 1549 which proposes to amend Chapter 46 HRS to prohibit the Counties from imposing an inclusionary zoning requirement on a housing development offered exclusively for sale to buyers earning 120% or less of the area median income. Inclusionary zoning refers to municipal and county planning ordinances or rules that require a given share of new construction to be affordable by people with low to moderate incomes.

We view the proposed bill as an "incentive" to developers who can profitably deliver houses to buyers in the 120% and below AMI group. 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, perhaps it's 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 bill is a step in the right direction that will provide more housing at all price points in Hawaii. We are in strong support of H.B. 1549, and appreciate the opportunity to express our views on this matter.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 9:43 PM
To: HSGtestimony
Cc: MikeGoodman72@Outlook.com
Subject: *Submitted testimony for HB1549 on Feb 7, 2017 09:00AM*

HB1549

Submitted on: 2/4/2017

Testimony for HSG on Feb 7, 2017 09:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Hawaii Kai Homeless Task Force	Support	Yes

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.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



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February 6, 2017

**Testimony to the House Committee on Housing
Tuesday, February 7, 2017
9:00 a.m.
State Capitol - Conference Room 329**

**RE: HOUSE BILL NO. 1549 RELATING TO RELATING TO
INCLUSIONARY ZONING**

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

I am Greg Thielen, President and RME of Complete Construction Services. I am a Small Business Owner and have over 25 years' experience in the Construction Industry. I am also a Past President of BIA Hawaii and serve as the National Area Chair for Hawaii and California for the National Association of Home Builders.

I strongly **SUPPORT** H.B. 1549 which proposes to amend Chapter 46 HRS to prohibit the Counties from imposing an inclusionary zoning requirement on a housing development offered exclusively for sale to buyers earning 120% or less of the area median income. Inclusionary zoning refers to municipal and county planning ordinances or rules that require a given share of new construction to be affordable by people with low to moderate incomes.

Hawaii is in the midst of a housing crisis that is only going to get worse before it can get better. Incentivizing development of homes for the average working families of our State is a huge step in the right direction.

Thank you for the opportunity to provide this testimony.

Sincerely,

Greg Thielen
President/RME

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 7, 2017
TIME: 9:00am
PLACE: Conference Room 423

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

PRP supports the intent of HB 1549, Relating to Inclusionary Zoning, which provides that a county shall not impose an inclusionary zoning requirement on a housing development offered exclusively for sale to buyers earning 120% or less of the area median income.

The shortage of homes is at a crisis level negatively affecting families throughout the State. We encourage the production of much needed homes and we feel this measure creates an incentive for developers to build more housing units and thus, lower housing prices.

Thank you for allowing us to express our views on HB 1549 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.

