

**OFFICE OF PLANNING  
STATE OF HAWAII**

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**DAVID Y. IGE**  
GOVERNOR

**LEO R. ASUNCION**  
DIRECTOR  
OFFICE OF PLANNING

Statement of  
**LEO R. ASUNCION**  
Director, Office of Planning  
before the  
**HOUSE COMMITTEE ON HOUSING  
AND  
HOUSE COMMITTEE WATER AND LAND**

Tuesday, February 13, 2018  
10:00 AM  
State Capitol, Conference Room 423

in consideration of  
**HB 2016**  
**RELATING TO HOUSING.**

Chairs Brower and Yamane, Vice Chairs Nakamura and Todd, and Members of the House Committees on Housing and Water and Land.

The Office of Planning (OP) provides the following comments regarding HB 2016 which provides that a county shall not impose an exaction or inclusionary zoning requirement on a housing development offered exclusively for sale to buyers earning less than 140 percent of the area median income.

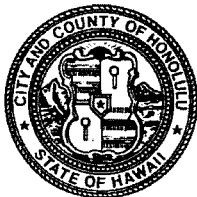
Although OP agrees that the need for affordable housing is at or near critical levels, we are concerned that this measure singles out just one type of project- an exclusive for sale project. We feel that the bill may impact on-going efforts being conducted by the Hawaii Housing Finance and Development Corporation and OP, who are working together with various State and county agencies through the State's Interagency Council for Transit-Oriented Development and Special Action Team on Affordable Rental Housing, to coordinate planning and prioritize investments in affordable housing and transit-oriented development infrastructure on State lands.

Thank you for the opportunity to testify on this matter.

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

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KIRK CALDWELL  
MAYOR



KATHY K. SOKUGAWA  
ACTING DIRECTOR

TIMOTHY F. T. HIU  
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI  
DEPUTY DIRECTOR

February 13, 2018

The Honorable Tom Brower, Chair  
and Members of the Committee on Housing  
The Honorable Ryan I. Yamane, Chair  
and Members of the Committee on Water & Land  
Hawaii House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

**LATE**

**LATE**

Dear Chairs Brower and Yamane, and Committee Members:

**Subject:** House Bill No. 2016  
Relating to Housing

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 2016, which would prohibit: 1) inclusionary zoning requirements on for-sale housing units offered to buyers earning less than 140 percent of the Area Median Income (AMI); and 2) exactions on for-sale housing developments offered exclusively to buyers earning less than 140 percent of the AMI.

The City agrees that we need more innovative ways to address the current affordable housing shortage. We are well aware that more units need to be constructed. However, we cannot agree that the answer lies in taking away time-tested, major tools we have used for the delivery of needed housing. Moreover, the Bill is vague and flawed.

For more than 30 years, the City has tied an affordable housing requirement to rezoning. This has resulted in the delivery of more than 9,000 affordable housing units, both sales and rentals. Currently, the City is expanding this strategy of tying affordable housing construction to market housing construction, at the time of building permit. As reflected in Bill 58 that is pending before the City Council, this strategy was developed with extensive technical analysis and stakeholder conversations. House Bill No. 2016 would intrude on this careful strategy, as it would exempt projects that would otherwise be required to provide affordable housing.

House Bill No. 1866 is confusing in the following ways:

The Honorable Tom Brower, Chair  
and Members of the Committee on Housing  
The Honorable Ryan I. Yamane, Chair  
and Members of the Committee on Water & Land  
Hawaii House of Representatives  
House Bill No. 2016  
February 13, 2018  
Page 2

- It does not assign an entity to be responsible in assuring that the projects meet the income limits
- It does not offer a review process on how a project will be determined to be exempt from inclusionary zoning.
- The real housing need is at 100 percent of area median income (AMI) and below, not 140 percent AMI. This Bill does not encourage production at these levels.
- In fact, the Bill allows all units in a project to be sold within a narrow sales range, just below the 140 percent AMI range, which may not have been the intent.
- The significant reduction in development costs by eliminating mandated affordable units and elimination of "exactions" does not translate into long-term supply of housing at the 140 percent AMI and below. It only produces savings to the developer who may translate to lower sales prices, but will not continue to keep the units at 140 percent AMI and below, with each succeeding re-sale.

Finally, we are concerned that the Bill goes beyond banning inclusionary zoning. It disallows the county from requiring projects to mitigate impacts directly associated with the project. For example, we read the proposed definition of "exaction" to exempt projects from paying sewer connection fees, park dedication fees and water service charges. This means those costs will have to be paid by others.

We would be more supportive if the proposal aimed at the rental housing market, as was done under Act 54, SSL 2017.

In sum, we cannot support House Bill No. 2016 because it severely truncates our ability to help deliver affordable housing, is incomplete on how it will be administered, and may actually reduce the amount of new affordable housing.

Thank you for the opportunity to testify.

Very truly yours,



Kathy K. Sokugawa  
Acting Director

Testimony for  
House Committee on Housing  
Representative Tom Brower, Chair  
Representative Nadine K. Nakamura, Vice Chair

House Committee on Water & Land  
Representative Ryan Yamane, Chair  
Representative Chris Todd, Vice Chair

Tuesday, February 13, 2018, 10:00 a.m. Room 423

**HB 2016 Relating to Housing**

Dear Chairs Brower and Yamane and Members of the Committees:

This testimony is in **STRONG SUPPORT** of HB 2016 that does not impose an exaction or inclusionary zoning requirement on a housing development offered exclusively for sale to buyers earning less than 140 per cent of the area median income.

I am Lynn McCrory, Senior Vice President of Government Affairs for Pulama Lanai. Pulama Lanai is the entity that was set up by Larry Ellison to work with the community and government as we move the island of Lanai toward sustainability.

Even on an island as small as Lānaʻi, we are in need of housing for our residents. As we add new companies and services to Lānaʻi to grow our economy, we also need to provide housing for the new residents. This bill will allow community members the opportunity to move into workforce housing and their vacant units will provide the affordable housing for other community members.

We need to construct all levels of housing, and this is a start. When extractions and special zoning conditions are added to housing development, they only reduce or eliminate the housing that would have been constructed. The Counties tried that and nothing was built. It all has to make financial sense.

If we want a growing economy, we must provide housing.

We humbly ask that you SUPPORT HB 2016. Mahalo!

Me ke aloha pumehana  
With warm aloha,

Lynn P. McCrory  
Senior Vice President of Government Affairs

**HB-2016**

Submitted on: 2/11/2018 2:20:56 PM

Testimony for HSG on 2/13/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jacqui Hoover	Hawaii Island Economic Development Board	Support	No

Comments:

**HB-2016**

Submitted on: 2/11/2018 2:22:41 PM

Testimony for HSG on 2/13/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Jacqui Hoover	Hawaii Leeward Planning Conference	Support	No

Comments:



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Ph: 808-587-7886  
Toll Free: 1-866-400-1116  
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February 10, 2018

Joint Committees on Housing and Water & Land  
Tuesday, February 13, 2018, 10am  
Conference Room 423

### **HB2016 – Relating to Housing**

Aloha Chairs Brower and Yamane, Vice-Chairs Nakamura and Todd, and Committee Members:

I am submitting testimony on behalf of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency, to **OPPOSE HB2016**.

HB2016 would unnecessarily prohibit our counties from passing legislation that would assist our State in addressing our collective affordable housing crisis. Specifically, it would prohibit our counties from passing legislation to increase affordable homeownership opportunities for our workers and families earning less than 140% the area median income (AMI).

It is clear that counties need the flexibility to meet the specific and unique affordable housing needs of their residents. HB2016 suggests the State can and should be expected to do this work on its own.

#### **Need for Affordable Housing for Our Low- and Moderate-Income Households**

According to the 2016 Hawaii Housing Planning Study<sup>1</sup> conducted by the Hawaii Housing Finance and Development Corporation, the Counties, and the Office of Hawaiian Affairs, nearly 70% of all housing demand in our State is from our low- and moderate-income households earning less than 100% the area median income (AMI). Market priced units are out-of-range for at least 89% of our population. Only 11% of demand is for units priced higher than 140% AMI.

HB2016 disregards these facts and argues that affordable homeownership opportunities should not be available to any of your constituents unless they are earning more than \$109,500 annually as a family of 3. Instead, it makes the argument that homeownership should almost exclusively be an opportunity for 11% of the population that can afford market rate housing.

**If we are to address our dual homeless and affordable housing crises, we need to allow our counties the ability to pass common sense laws that give opportunities for our low- and moderate-income workers and families to access the spectrum of affordable rental and for-sale units. Stopping our counties from engaging in this important work would set a dangerous precedence and leave the State on its own to address the crises.**

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<sup>1</sup> 2016 Hawaii Housing Planning Study,

### **Development of Affordable For-Sale Units is Possible with the Right Tools and Expertise**

There is a narrative in Hawaii that development of for-sale units that are affordable for low- and moderate-income workers and families earning at or below 100% AMI is not possible or “does not pencil out”.

**This narrative is false and misleading. Development of affordable for-sale units is possible with the right tools and expertise. Nonprofit and for-profit developers across the United States have proven this time and time again.**

In fact, on Thursday, February 8<sup>th</sup>, the President and CEO of the [Local Initiative Support Corporation \(LISC\)](#), Maurice Jones, spoke at an Affordable Housing Forum hosted by the Federal Reserve Bank of San Francisco. He shared the extensive tools and expertise their organization provides specifically for the development of affordable housing for families at or below 100% AMI. LISC is a 40-year old nonprofit corporation and the nation’s largest community development intermediary. It has deployed \$17.3 billion and leveraged an additional \$53 billion to support comprehensive work in affordable housing, workforce and economic development, and neighborhood revitalization impacting 7 million low-income persons nationwide. LISC offers grants, loans, training, and technical assistance to both nonprofit and for-profit developers to assist with building affordable housing for households earning at or below 100% AMI.

Jones announced that LISC will be partnering with the Hawaii Community Reinvestment Corporation to establish an office in Hawaii and launch a \$12 million loan fund for affordable housing that would provide the resources necessary to meet county exaction and/or inclusionary zoning requirements.

At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and our renters and homeowners are the most cost burden of any other persons across the United States, HB2016 would only make our homeless and affordable housing crises worse. It would set the rules for making homeownership a luxury for only those earning above 140% AMI contrary to research and data that shows the need for affordable housing in our State is most pronounced for those workers and families earning at or below 100% AMI.

Give our counties the flexibility to join the State in addressing the affordable housing needs of all of our residents - **OPPOSE HB2016.**

Mahalo for your time, leadership and consideration. Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions or need additional information.

Sincerely,



Jeff Gilbreath  
Executive Director





*Eric W. Gill, Financial Secretary-Treasurer*

*Gemma G. Weinstein, President*

*Godfrey Maeshiro, Senior Vice-President*

February 10, 2018

Hawaii House of Representatives, Committee on Housing and Committee on Water and Land  
Hawaii State Legislature  
State Capitol  
415 South Beretania Street

### **Testimony in strong opposition to HB 2016**

Chairs Brower and Yamane and Committee Members,

UNITE HERE Local 5, a local labor organization representing 11,000 hotel, health care and food service workers throughout Hawaii, would like to register our **STRONG OPPOSITION** to HB 2016.

**This bill is nothing more than a giveaway to developers.** It takes power away from the counties, their respective councils and their planning departments with no justification.

The success of affordable housing mandates depends largely on the specifics of the rules; but this bill takes a wrecking ball approach to the whole issue. It offers no alternative or replacement, no solution to the affordable housing problem, except for the vague, magical idea that somehow profit-driven land developers will somehow decide on their own to build affordable housing.

There is nothing about this bill which benefits the people of Hawaii. This is a bill to help the greediest of condo developers make more money at the expense of our future. Please oppose it.

Thank you.



**HB2016**  
**RELATING TO HOUSING**  
House Committee on Housing  
House Committee on Water & Land

February 13, 2019

10:00 a.m.

Room 423

The Office of Hawaiian Affairs (OHA) **OPPOSES** HB2016. **OHA believes that this measure may unnecessarily tie the hands of local and state agencies in ensuring much-needed, comprehensive, and tangible relief to the State’s affordable housing crisis.**

As the legislature recognizes, Hawai‘i is in the midst of an affordable housing crisis: recent research indicates a need for 65,000 more housing units by 2025, with nearly one quarter of this demand for units at or below 30% of the Area Median Income (AMI);<sup>1</sup> 53% of this demand is also for units at or below 60% of AMI.<sup>2</sup> Notably, only 11 percent of State’s housing demand is for housing units at or above 140% AMI, or for units that do not meet the State’s current definition of “affordable housing.”<sup>3</sup> **With 48% of households in the State already unable to afford basic household necessities including housing, food, transportation, health care, and child care,<sup>4</sup> the demand for and lack of affordable housing, combined with rising housing costs, require bold and aggressive policies that meaningfully prioritize the housing needs of local residents.**

**Native Hawaiians have significant and unique housing needs, and are particularly affected by the ongoing lack of affordable housing.** Notably, Native Hawaiians are less likely to own a home;<sup>5</sup> Native Hawaiian households are also much more likely to be “doubled up,” with multi-generational or unrelated individuals living together

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<sup>1</sup> See SMS, HAWAI‘I HOUSING PLANNING STUDY, at 34 (2016), *available at* [https://dbedt.hawaii.gov/hhfdc/files/2017/03/State\\_HHPS2016\\_Report\\_031317\\_final.pdf](https://dbedt.hawaii.gov/hhfdc/files/2017/03/State_HHPS2016_Report_031317_final.pdf)

<sup>2</sup> See *id.*

<sup>3</sup> See *id.* at 34.

<sup>4</sup> ALOHA UNITED WAY, ALICE: A STUDY OF FINANCIAL HARDSHIP IN HAWAI‘I (2017)

<sup>5</sup> See OFFICE OF HAWAIIAN AFFAIRS, NATIVE HAWAIIAN HOMEOWNERSHIP HO‘OKAHUA WAIWAI FACT SHEET VOL.2016, No. 1, page 3, *available at* <https://19of32x2yl33s8o4xza0gf14-wpengine.netdna-ssl.com/wp-content/uploads/NH-Homeownership-Fact-Sheet-2016.pdfSheet-2016.pdf>. This figure includes 8,329 DHHL residential lease “owner-occupied” property units. DHHL ANNUAL REPORT 2014, at 47, *available at* <http://dhhl.hawaii.gov/wpcontent/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf>. For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 41.2%, 15.5 percentage points below the statewide rate.

in single households.<sup>6</sup> Furthermore, Native Hawaiian households are more than three times more likely have a ‘hidden homeless’ family member than all state households.<sup>7</sup>

OHA appreciates that this measure seeks to facilitate the development of housing units to meet our unprecedented demand for housing. **However, promoting the development of residential units that are priced at or near 140% AMI, as proposed by this measure, may not meet the actual housing needs of Native Hawaiians or residents of the state.** Again, 25% of the state’s projected housing demand will be for those earning 30% of the AMI, and over half of the demand will be for those earning 60% of the AMI or less; **notably, an individual earning 140% AMI would be making up to \$102,620 per year.**<sup>8</sup> Incentivizing developments that could be comprised entirely of for-sale units priced at 140% AMI may also fail to provide meaningful affordable housing opportunities to a cross-section of all income levels, as required by the State Plan.<sup>9</sup>

The State must ensure that development policies appropriately prioritize meaningful affordable housing relief for its residents. **Restricting or removing the counties’ ability to provide such relief, including through a prohibition on inclusionary zoning policies, would run counter to the State’s obligations to facilitate such relief, and ensure a full range of opportunities for low-income, moderate-income, and gap group households.**<sup>10</sup>

For these reasons, we respectfully request that the Committees **HOLD** HB2016. Mahalo for the opportunity to testify on this matter.

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<sup>6</sup> 24.8% of Native Hawaiian households, compared to 9.6% of state households include more than two generations or unrelated individuals. SMS, *supra* note 1, at 70.

<sup>7</sup> 14.1% of Native Hawaiian households, compared to 4.2% of state households have a hidden homeless family member. *Id.*

<sup>8</sup> See HHFDC 2017 INCOME, SALES, AND RENT GUIDELINES, HONOLULU COUNTY INCOME SCHEDULE BY FAMILY SIZE available at [http://dbedt.hawaii.gov/hhfdc/developers/copy2\\_of\\_copy\\_of\\_copy2\\_of\\_copy\\_of\\_income-sales-rent-guidelines/](http://dbedt.hawaii.gov/hhfdc/developers/copy2_of_copy_of_copy2_of_copy_of_income-sales-rent-guidelines/). At 140% AMI, a family of four would earn \$146,440 a year.

<sup>9</sup> *Id.* at 75.

<sup>10</sup> See Hawaii State Plan, HRS §226.



*Building strength and stability through shelter*

February 12, 2018

Joint Committees on Housing and Water & Land  
Tuesday, February 13, 2018, 10am  
Conference Room 423

HB2016 – Relating to Housing

Aloha Chairs Brower and Yamane, Vice-Chairs Nakamura and Todd, and Committee Members:

I am submitting testimony on behalf of Hawai'i Habitat for Humanity and the six local Habitat for Humanity offices across the state, to **OPPOSE HB2016**.

HB2016 would unnecessarily prohibit our counties from passing legislation that would assist our State in addressing our collective affordable housing crisis. Specifically, it would prohibit our counties from passing legislation to increase affordable homeownership opportunities for our workers and families earning less than 140% the area median income (AMI).

Hawaii's counties need the flexibility to meet the specific and unique affordable housing needs of their residents. HB2016 suggests the State can and should be expected to do this work on its own.

Hawai'i's need for affordable housing for low- and moderate-income households is desperate. HB 2016 will become a barrier to addressing the housing needs for hardworking families across the state who are experiencing extreme housing security needs. County governments are in a position of providing resources and legislation that will successfully address the housing needs within their communities.

Homeownership specifically will help families earning 100% or less of the Area Median Income stabilize their housing situation permanently and start to reverse the cycle of poverty by providing an asset that can be leveraged to improve health and educational challenges that are also affected by inadequate housing.

According to the 2016 Hawaii Housing Planning Study<sup>1</sup> conducted by the Hawaii Housing Finance and Development Corporation, the Counties, and the Office of Hawaiian Affairs, nearly 70% of all housing demand in our State is from our low- and moderate-income households earning less than 100% the area median income (AMI).

Market priced units are out-of-range for at least 89% of our population. Only 11% of demand is for units priced higher than 140% AMI. HB2016 disregards these facts and argues that affordable homeownership opportunities should not be available to any of your constituents unless they are earning more than \$109,500 annually as a family of 3. Instead, it makes the argument that homeownership should almost exclusively be an opportunity for 11% of the population that can afford market rate housing.

If we are to address our dual homeless and affordable housing crises, we need to allow our counties the ability to pass common sense laws that give opportunities for our low- and moderate-income workers and families to access the spectrum of affordable rental and for-sale units. **Stopping our counties from engaging in this important work would set a grave precedence and leave the State, which is already over-burdened, on its own to address the crises.**

There is also narrative in Hawaii that development of for-sale units that are affordable for low- and moderate-income workers and families earning at or below 100% AMI is not possible or “does not pencil out”.

This narrative is false and misleading. Development of affordable for-sale units is possible with the right tools and expertise. Nonprofit and for-profit developers across the United States have proven this time and time again. Habitat for Humanity has been providing homeownership opportunities across the country for families earning 60% AMI and below since 1976. Nearly two million homes have been built or renovated for Habitat homebuyers, who have story after story of successes with their home owners.

In Hawaii, Habitat has partnered with over 500 families to build single-family ownership units over the last 30 years. Habitat is on target to nearly double this number in the next five years, providing Hawaii’s hard working families an opportunity that our state policy makers, and developers say is not possible.

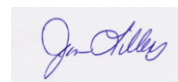
We believe with the right tools, partners and expertise, the current housing crisis in Hawai’i can be addressed. None of us can do it alone, but working together we can start to make a difference in turning the crisis around and providing community opportunities that provide everyone in Hawaii a decent place to call home.

Counties, community organizations, nonprofit and for-profit developers must unite in addressing the needs of every community across the state. It’s the only way to stop and reverse this desperate spiral that is making housing a crisis for the very people we need in our communities: laborers, teachers, healthcare providers, servers and hospitality workers and more.

Please vote for Hawai’i’s people and oppose HB2016! Give our counties the flexibility to join the State in addressing the affordable housing needs of all of our residents!

Mahalo for your time, leadership and consideration. Please contact me at 808-847-7676 or [jean@hawaiihabitat.org](mailto:jean@hawaiihabitat.org) should you have any questions or need additional information.

Sincerely,



Jean Lilley  
Executive Director

Habitat for Humanity Hawaii Island  
Habitat for Humanity Leeward Oahu  
Habitat for Humanity Maui

Honolulu Habitat for Humanity  
Kauai Habitat for Humanity  
Molokai Habitat for Humanity

**HB-2016**

Submitted on: 2/12/2018 9:48:51 AM

Testimony for HSG on 2/13/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Catherine Susan Graham	FACE/Housing Now Coalition	Oppose	Yes

Comments:

Aloha, Legislators,

As an affordable housing advocate, I am firmly opposed to HB2016. If the developers' claim, that building whatever kind of housing they wanted would decrease our housing crisis, were true, then we would not have a housing crisis. The majority of the building that has been done recently has been high end condos that have NOT decreased our housing crisis.

Even with developers building "Affordable Housing" at the 140% AMI level, our crisis is not lessened. We have a very large number of residents making less than 60% AMI who also need a place to live. Inclusionary Zoning regulations help insure that housing is built for this population, a population that the developers will only reluctantly build for when mandated to do so. Inclusionary Zoning rules are essential for this purpose.

Please do not let this bill move forward.



February 12, 2018

Joint Committees on Housing and Water & Land  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

**LATE**

Hearing: Tuesday, February 13, 2018

Time: 10:00AM, Room: 423

Subject: HB2016 – Relating to Housing, Inclusionary Zoning

### TESTIMONY IN OPPOSITION

Chairs Brower and Yamane, Vice Chairs Nakamura and Todd and Committee Members:

As a 50 year old non-profit developer, manager and advocate of affordable rental housing, EAH Housing is strongly opposed to HB2016. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI). HB2016 proposes to prohibit the counties of Hawaii from imposing exactions or inclusionary zoning requirements on for-sale housing for buyers at 140% of the AMI and below.

EAH has been able to remain in business for 50 years, in part, because of inclusionary requirements imposed by the numerous counties in which we work. Recent studies on Hawaii's housing needs have shown that those **most in need of housing** are those with incomes at **80% and below of the AMI**. Roughly 68% of the demand for housing is attributed to those income levels. Twenty-one percent (21%) of the demand for housing is attributed to income levels from 80% - 120% of the AMI. The remaining 11% of demand is attributed to income levels of 140% and above of the AMI.

We have to ask ourselves how Hawaii's affordable housing crisis was created – why do we have such a huge demand for housing at the lower income levels? Historically, we have seen that without any requirements to build at the lower income levels, developers will build to the highest income level that the market will allow. In the case of HB2016 that would be 140% of AMI.

Not only do we need housing now, we also need to create an inventory of both rental and for-sale housing at the lower income levels for future generations so that every generation is not faced with the same housing shortage as our population continues to grow. Inclusionary zoning is a key element in providing long term affordability and housing to the lower AMI levels. **HB2016 is counterproductive towards helping to solve our housing crisis.**

Sincerely,

Kevin R. Carney, (PB), NAHP-E, RB-16444  
Vice President, Hawaii  
EAH Housing, RB-16985



# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committees on Housing and Water and Land  
Tuesday, February 13, 2018 at 10:00 A.M.  
Conference Room 423, State Capitol**

**LATE**

**RE: HOUSE BILL 2016 RELATING TO HOUSING**

Chairs Brower and Yamane, Vice Chairs Nakamura and Todd, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2016, which waives exaction requirements and zoning requirements for housing projects where all units are affordable to persons and families with household income at or below one hundred forty per cent of the area median income.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ 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.

As is stated in the bill, Hawaii is experiencing a severe housing crisis right now. Various government studies confirm the need for upwards of 60,000 new housing units over the next ten years.

While the State Legislature is aware of the problem, the need to increase the production of new housing units is entirely a county matter. The purpose of this bill is to allow the private sector to increase the supply of "workforce housing" units priced for the average working family in Hawaii, by reducing impediments for housing development projects. The bill focuses on housing for households with income at or below one hundred forty per cent of area median income. A healthy housing market provides opportunities for housing at all price points. Increasing the supply of "workforce housing," will allow families who are in "affordable housing" now to step up into these higher priced units and thus free up the affordable units for families at those income levels.

We believe the proposed bill is a step in the right direction if our goal is to increase the supply of housing at all price points in Hawaii.

Thank you for the opportunity to testify.



**HB-2016**

Submitted on: 2/12/2018 11:51:55 AM

Testimony for HSG on 2/13/2018 10:00:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Amy Wake	Trinity United Methodist Church	Oppose	No

Comments:

February 12, 2018

Joint Committees on Housing and Water & Land Tuesday, February 13, 2018, 10am  
Conference Room 423

HB2016 – Relating to Housing

Aloha Chairs Brower and Yamane, Vice-Chairs Nakamura and Todd, and Committee Members:

I am submitting testimony on behalf of myself and my church: Trinity United Methodist Church in Pearl City, to OPPOSE HB2016.

HB2016 would unnecessarily prohibit our counties from passing legislation that would assist our State in addressing our collective affordable housing crisis. Specifically, it would prohibit our counties from passing legislation to increase affordable homeownership opportunities for our workers and families earning less than 140% the area median income (AMI).

In the past few years, we have noticed a trend. Several members of our church have had to move to the mainland or work 2-3 jobs because there is not enough affordable housing in Hawaii. As a church and as a state, we are losing not only our young people, but also retired couples who can't afford to live in the state they love.

Affordable housing should be a priority for any construction here in Hawaii. There is no other way to keep Hawaii, Hawaii.

Sincerely,

Rev. Amy C. Wake



# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

**LATE**

Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting HB 2016: Relating to Housing  
House Committees HSG/WAL

Scheduled for Hearing on February 13, 2018, 10 AM in Conference Room 423

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*Hawai'i Appleseed Center for Law and Economic Justice Hawai'i Appleseed is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.*

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Hawaii Appleseed Center for Law and Economic Justice strongly opposes passage of HB 2016 which would prohibit our counties from passing legislation to increase affordable homeownership opportunities for our workers and families earning less than 140% the area median income (AMI).

This type of interference in the counties responsibility to chart appropriate ways forward to deal effectively with the housing crisis is unproductive but also destructive as we grapple with appropriate local responses required to find the best way forward to resolve our housing dilemma.

The crisis in affordability is affecting thousands of Hawaii residents every day. It limits their opportunities for personal self-achievement, safety and economic security. According to many studies the need for housing is enormous with about 65,000 more housing units needed by 2025. More startling is that nearly one quarter of this demand for units at or below 30% of the Area Median Income (AMI) and 53% of the demand for units at or below 60% of AMI and another 15% at or below 80% of AMI. Not surprisingly only 11 percent of State's housing demand is for housing units at or above 140% AMI, or for units that do not meet the State's current definition of "affordable housing."

The economic challenges faced every day by our low and moderate income residents are overwhelming. The cost of living they cope with is the highest in the nation with housing, food, energy costs all surpassing that in every other state. The wages our workers receive are also the lowest in the nation when cost of living is factored in. They also face the second highest tax burden among states with 45% of all state general revenues coming from the GET, which is one of the most regressive tax systems imaginable. The result is that according to the recent Aloha United Way ALICE report as well as a poll conducted by our program 48% of our residents are living pay check top paycheck.

Development of affordable for-sale units is possible with the right tools and expertise. Some housing developers have suggested that development of for-sale units that are affordable for low- and moderate-income workers and families earning at or below 100% AMI is not possible or "does not pencil out". This suggestion is self-serving and just wrong according to the

facts. For profit and non profit developers have been producing affordable housing across the nation by using creativity, cost savings where appropriate in the design, location and choice of materials

The authors of HB 2016 may seek to assist the development of housing however prioritizing housing for units that are priced at or near 140% of AMI will do little to aid in addressing our crisis since only the demand for such housing is dwarfed by the demand for those living at or below 80%.

Limiting counties ability to emphasis dealing with the real demand for housing below 80% of AMI will not only favor the wealthiest of our citizens but will ignore the state's responsibility to do all in its power to help our residents most in need of assistance by ensuring that our housing policies provide meaningful affordable housing opportunities to a cross-section of all income levels, as required by the State Plan.

We urge you to reject **HB 2016 as not only bad policy but also inappropriate interference in the responsibilities of our counties to develop land use development that will meet the needs of all of their residents.**

Aloha,  
Victor Geminiani  
Co-Executive Director

**LATE**

**LATE**



**Parents And  
Children Together**

BUILDING THE RELATIONSHIPS THAT MATTER MOST

**TO: Chairs Brower and Yamane, Vice Chairs Nakamura and Todd and Members of the House Committees on Housing and Water and Land**

**FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)**

**DATE/LOCATION: February 13, 2018; 10:00 a.m., Conference Room 423**

**RE: TESTIMONY IN OPPOSITION OF HB 2016 – RELATING TO HOUSING**

**We submit this testimony in opposition to HB 2016 – Relating to housing.** While we understand that this bill will have strong support from some in our community, we feel that this bill does not support the majority of Hawaii's residents who would benefit from opportunities for affordable housing. This bill would unnecessarily prohibit our counties from passing legislation that would assist our State in addressing our collective affordable housing crisis. By doing so, this would affect affordable housing opportunities for those earning less than 140% AMI, which is almost 90% of Hawaii's population.

As an agency working primarily with low-income individuals and families, we see the daily challenges these families face in securing affordable housing. Inventory for affordable housing is low and market priced units leave these individuals and families, along with 89% of Hawaii's population, completely priced out of the housing market. Development of affordable for-sale and rental units is increasing necessary, particularly in Hawaii where homelessness is the highest in the nation and, especially for our low- and moderate-income earners. Nearly 70% of all housing demand in our State is from low- and moderate-income households earning less than 100% of the area median income (AMI).

If we truly intend to address the affordable housing, counties should be afforded the flexibility of meeting the affordable housing needs of their residents and joining the State in addressing the needs of our communities. Counties should be able to create opportunities for our low- and moderate-income workers and families to have access to affordable rental and for-sale units.

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 18,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 16 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, child and adolescent behavioral health programs, sex trafficking intervention, and community building programs.

We hope that you will consider the limitations that this bill will place on our counties and the effects it will have on limiting the opportunities for many of Hawaii's residents. Thank you for the opportunity to testify in **opposition to HB 2016**, please contact me at (808) 847-3285 or [rkusumoto@pacthawaii.org](mailto:rkusumoto@pacthawaii.org) if you have any questions.



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**Testimony to the House Committees on Housing; and Water & Land  
Tuesday, February 13, 2018  
10:00 am  
State Capitol, Room 423**

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**RE: HB 2016 – Relating to Housing**

& Yamane, Vice-Chairs Nakamura & Todd, & 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. 2016 which waives exaction requirements and zoning requirements for housing projects where all units are affordable to persons and families with household income at or below one hundred forty per cent of the area median income.

As is stated in the bill, Hawaii is experiencing a severe housing crisis right now. Various government studies confirms the need for upwards of 60,000 new housing units over the next ten years.

While the State Legislature is aware of the problem, the need to increase the production of new housing units is entirely a county matter. The purpose of this bill is to allow the private sector to increase the supply of "workforce housing" units priced for the average working family in Hawaii, by reducing impediments for housing development projects. The bill focuses on housing for households with income at or below one hundred forty per cent of area median income. A healthy housing market provides opportunities for housing at all price points. Increasing the supply of "workforce housing," will allow families who are in "affordable housing" now to step up into these higher priced units and thus free up the affordable units for families at those income levels.

We believe the proposed bill is a step in the right direction if our goal is to increase the supply of housing at all price points in Hawaii.

We are in strong support of H.B. 2016, and appreciate the opportunity to express our views on this matter.

**LATE**

**LATE**

Testimony of  
Sharon Y Moriwaki  
Before the  
House Committees on Housing and  
Water & Land  
Tuesday February 15, 2018, 10:00 a.m., Conference Room 423

**In Opposition to HB 2016, Relating to Housing**

Dear Chairpersons Brower, Yamane and Members

My name is Sharon Y Moriwaki. I have been a resident of Kakaako for the past 10 years and am president of Kaka'ako United, a citizen voluntary group working to ensure quality development in the Kaka'ako Community Development District. I oppose HB 2016 which undermines the efforts to build housing that your constituents can afford.

The counties currently require that when developers gain the benefits of greater building heights or density that go with re-zoning, they give back to the community something to pay for that re-zoning. Why delete this reasonable ask?

As HB 2016 correctly points out, over 75% of current housing demand is for homes priced below 80% of area median income (AMI). It is unfathomable to propose, as does HB 2016, that the way to build affordable housing is to *build unaffordable housing instead!* This, in the hope that somewhere down the line, the person moving into a \$1 million dollar apartment (the average price of an apartment in Kaka'ako's Ae'o condominium) is thereby going to free a unit for a family making \$75,650 a year.

The people, acting through their government, should continue to demand that developers dedicate at least a small share of their units to families earning less than 80% of median income — for the 75% of the population who need the housing — in exchange for the zoning changes that benefits developers. Representatives of the people should be committed to doing the work for those who elect them. This is not happening or going to happen if you pass HB 2016.

Understand. Nothing prevents any developer from building market-priced units under current zoning laws. But if developers want new zoning to build near a City-financed rail system, for example, they should be required to make a portion of those units available at affordable prices.

Philosophically, having people of mixed incomes living together is good for our community. And then there is human decency. The housing crisis is real. Honolulu has the nation's most unaffordable housing. Honolulu pays the cost of this problem by shipping our children off to the mainland in search of affordable homes, and by having more homeless per capita on our streets and in our parks than does any other place in the country.

Why would you pass HB 2016 rather than legislation that requires affordable housing for where the need is – for those earning less than 140% AMI and even less.

For the above reasons, we respectfully urge this bill be held. Thank you for the opportunity to testify.

Douglas Meller  
2615 Aaliamanu Place  
Honolulu, Hawaii 96813  
douglasmeller@gmail.com

## **Testimony Opposing HB 2016, Relating to Housing**

Submitted to House Committee on Housing and House Committee on Water and Land  
10 AM, February 13, 2018 Hearing in Conference Room 423

I strongly oppose HB 2016 provisions which would prohibit ALL zoning and permitting exactions on new upper-middle income housing developments. It is unfair to tax middle and low-income Hawaii taxpayers to mitigate impacts from new upper-middle income housing development. Moreover, the bill's lack of definitions will ensure years of litigation. Local county zoning and permitting exactions commonly include (but are not limited to) fees and offsite utility capacity improvements for new hook-ups to county water, sewer, and drainage systems; improvements to mitigate traffic impacts at nearby intersections on state highways and county roads; documentation and mitigation of impacts to Hawaiian archaeological resources; and storm-water retention to protect other property.

On the other hand, I support HB 2016 provisions which concern "inclusionary zoning". It is unfair, counterproductive, and arguably unconstitutional (because the exaction does not mitigate development impacts), to require new upper-middle income housing developments to subsidize less pricy housing.





**HB-2016**

Submitted on: 2/12/2018 11:21:23 AM  
Testimony for HSG on 2/13/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Rich	Individual	Oppose	No

Comments:

February 12, 2018

Joint Committees on Housing and Water & Land Tuesday, February 13, 2018, 10am  
Conference Room 423

**HB2016 – Relating to Housing**Aloha Chairs Brower and Yamane, Vice-Chairs Nakamura and Todd, and Committee Members: My name is Linda Rich. I am submitting testimony as a private citizen. I am a social worker, a member of the Housing Now Coalition of Faith Action for Community Equity(FACE) and I sit on the Community Impact Council of Aloha United Way. **I STRONGLY OPPOSE HB2016, and I urge you to do the same.**

HB2016, which would prohibit our counties from passing legislation that would assist our State in addressing our collective affordable housing crisis, represents the exact opposite of what is needed to address the critical lack of truly affordable housing for a large portion of our population. This bill would prohibit our counties from passing legislation to increase affordable homeownership opportunities for our workers and families earning less than 140% the area median income (AMI). This group has the greatest need for housing. According to the 2016 Hawaii Housing Planning Study<sup>1</sup> conducted by the Hawaii Housing Finance and Development Corporation, the Counties, and the Office of Hawaiian Affairs, **nearly 70% of all housing demand in our State is from our low- and moderate-income households earning less than 100% the area median income (AMI). Market priced units are out-of-range for at least 89% of our population. Only 11% of demand is for units priced higher than 140% AMI.**

HB2016 disregards these facts and argues that affordable homeownership opportunities should not be available to any of your constituents unless they are earning more than \$109,500 annually as a family of 3. Instead, it makes the argument that homeownership should almost exclusively be an opportunity for 11% of the population that can afford market rate housing. Our children are leaving Hawaii because they can't buy a home. The number of working families who are homeless is growing. We have thousand of working families who want a permanent home. They are not looking to buy then sell in a few years to move up to more luxury. They simply need a place to safely raise their children.

Developers have proven their preference for high cost speculative projects that do not significantly add to the inventory of housing options for lower income families. It is only through both county and state regulation that developers will build affordable housing.

**If we are to address our dual homeless and affordable housing crises, we need to allow our counties the ability to pass common sense laws that give opportunities for our low- and moderate-income workers and families to access the spectrum of affordable rental and for- sale units. Stopping our counties from engaging in this important work would set a dangerous precedence and leave the State on its own to address the crises.**

1 2016 Hawaii Housing Planning Study,

Developers have claimed that building for-sale units that are affordable for low- and moderate-income workers and families earning at or below 100% AMI is not possible or “does not pencil out”. I urge you not to buy into that narrative. Nonprofit and for-profit developers across the United States have proven time and time again that it IS possible.

At a time when Hawaii has the highest homeless rate per capita of any state in the nation and our renters and homeowners are the most cost burden of any other persons across the United States, HB2016 would only make our homeless and affordable housing crises worse. It would set the rules for making homeownership a luxury for only those earning above 140% AMI contrary to research and data that shows the need for affordable housing in our State is most pronounced for those workers and families earning at or below 100% AMI.

Give our counties the flexibility to join the State in addressing the affordable housing needs of all of our residents - **OPPOSE HB2016.**

**LATE**

**HB-2016**

Submitted on: 2/12/2018 1:06:42 PM

Testimony for HSG on 2/13/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Ellen Godbey Carson	Individual	Oppose	No

Comments:

I am active with IHS and FACE Housing Now in trying to create more affordable housing to address our crises in homelessness and lack of affordable housing.

Please vote AGAINST HB2016, as it would prohibit our counties from passing legislation to increase affordable homeownership opportunities for our workers and families earning less than 140% the area median income (AMI). We need more, not fewer, options to create affordable housing for those in the 80-120% AMI range.

If we are to address our dual homeless and affordable housing crises, we need to allow our counties the ability to pass common sense laws that give opportunities for our low- and moderate-income workers and families to access the spectrum of affordable rental and for- sale units. Stopping our counties from engaging in this important work would set a dangerous precedence and leave the State on its own to address the crises.

Thank you

**HB-2016**

Submitted on: 2/12/2018 6:22:55 PM

Testimony for HSG on 2/13/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
douglas valenta	Individual	Oppose	No

Comments:

Do not allow development that marginalizes the vast majority of Oahu families.

**LATE**  
**LATE**

**HB-2016**

Submitted on: 2/12/2018 9:02:12 PM

Testimony for HSG on 2/13/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kathy Jaycox	Individual	Oppose	No

Comments:

**LATE**

**LATE**

Committee: Housing/Water & Land  
Hearing Date/Time: Tuesday, February 13, 2018  
Place: Conference Room 423, State Capitol



**Re: HB 2016 – Relating to Housing**

Aloha Chairs Brower and Yamane, Vice-Chairs Nakamura and Todd, and Committee Members:

I oppose HB 2016. This bill will not help the people of Hawaii. The legislature should not prevent the counties from using inclusionary zoning requirements to increase affordable housing units. The counties need this flexibility to develop more housing in their counties. Studies have shown the inclusionary zoning does work.

Development of Affordable For-Sale Units is Possible with the Right Tools and Expertise There is a narrative in Hawaii that development of for-sale units that are affordable for low- and moderate-income workers and families earning at or below 100% AMI is not possible or “does not pencil out”. This narrative is false and misleading. Development of affordable for-sale units is possible with the right tools and expertise. Nonprofit and for-profit developers across the United States have proven this time and time again. In fact, on Thursday, February 8th, the President and CEO of the Local Initiative Support Corporation (LISC), Maurice Jones, spoke at an Affordable Housing Forum hosted by the Federal Reserve Bank of San Francisco. He shared the extensive tools and expertise their organization provides specifically for the development of affordable housing for families at or below 100% AMI. LISC is a 40-year old nonprofit corporation and the nation’s largest community development intermediary. It has deployed \$17.3 billion and leveraged an additional \$53 billion to support comprehensive work in affordable housing, workforce and economic development, and neighborhood revitalization impacting 7 million low-income persons nationwide. LISC offers grants, loans, training, and technical assistance to both nonprofit and for-profit developers to assist with building affordable housing for households earning at or below 100% AMI.

Jones announced that LISC will be partnering with the Hawaii Community Reinvestment Corporation to establish an office in Hawaii and launch a \$12 million loan fund for affordable housing that would provide the resources necessary to meet county exaction and/or inclusionary zoning requirements.

At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and our renters and homeowners are the most cost burden of any other persons across the United States, HB2016 would only make our homeless and affordable housing crises worse. It would set the rules for making homeownership a luxury for only those earning above 140% AMI contrary to research and data that shows the need for affordable housing in our State is most pronounced for those workers and families earning at or below 100% AMI.

40 years ago, I purchased a moderate-income condominium. I have lived in this unit my entire adult life. This purchase provided me the security to pursue my advanced teaching degrees as well as take leadership positions in the teaching profession and community groups. People in Hawaii need to have the same opportunity I had to live in their own homes.

I urge you to oppose HB2016. Let the counties do their work.

Submitted by: Karen Ginoza as an individual

**LAT LATE**

**HB-2016**

Submitted on: 2/13/2018 9:59:21 AM

Testimony for HSG on 2/13/2018 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Rachel L. Kailianu	Individual	Support	Yes

Comments: