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February 8, 2018

**The Honorable Tom Brower, Chair**

House Committee on Housing  
State Capitol, Room 423  
Honolulu, Hawaii 96813

**RE: H.B. 2731, Relating to Housing**

**HEARING: Thursday, February 8, 2018, at 9:30 a.m.**

Aloha Chair Brower, Vice Chair Nakamura and Members of the Committees,

I am Ken Hiraki, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its almost 9,500 members. HAR **opposes** House Bill 2731, which requires landlords, who rent more than five dwelling units in a multi-family residential structure to unrelated families, to rent a minimum of twenty-five per cent of the dwelling units to extremely low-income families. Provides for exceptions.

This measure would require that 25% of the dwelling units be reserved for a family whose income is below 30% of the area median income. It also specified that the rent charged cannot exceed an unspecified percentage of the families combined gross income. This may have the opposite effect of encouraging affordable rentals in that the remaining tenants would need to make up the difference of the subsidized rent.

In 2015, HAR worked with the State, City and County of Honolulu, and various social service providers to host a Landlord Summit. Since then, Kauai, Maui and the Island of Hawai'i have hosted its own Summits. The goal was to educate landlords on the various government and social service programs that are available. Through the process, it is clear that there is a need for both affordable housing and rentals and we need to work together with property owners on creative solutions and incentives for property owners to address our housing and homelessness issue. By penalizing property owners, even those that are in compliance with existing law, would be counterproductive to these efforts.

Additionally, if the concern is with homes that may be violating occupancy and permitting requirements, HAR would note that the Counties already have the authority to regulate this issue.

Mahalo for the opportunity to testify in opposition to this measure.



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COMMITTEE ON HOUSING

THURSDAY, February 8, 2018, 9:30 AM, room 423

HB 2731, Relating to Housing

**TESTIMONY**

Nina Eejima, Legislative Committee, League of Women Voters of Hawaii

Chair Brower, Vice-Chair Nakamura, and Committee Members:

**The League of Women Voters of Hawaii opposes HB 2731 that requires landlords, who rent more than five dwelling units in a multi-family residential structure to unrelated families, to rent a minimum, of 25 percent of the dwelling units to extremely low-income families.**

We vigorously support creative and innovative approaches to addressing homelessness and affordable housing issues and fully support the role that the Legislature plays in reflecting appropriate and sustainable public policy positions. We note that the proposed bill explicitly recognizes the emergency nature of our current affordable housing shortage, yet the nature of the 25 percent dwelling requirement is draconian and in all respects, inappropriate and unsustainable. While well-intended, this mechanism is misguided: it provides a disincentive for property owners to provide rental in an already tight rental market. In effect, the state is taking private property through a forced rental arrangement that lowers investment returns and eventually adversely affects property values. This would result in fewer rental property investments and ultimately create an even tighter rental housing market.

Thank you for the opportunity to submit testimony.

**HB-2731**

Submitted on: 2/5/2018 5:13:54 PM

Testimony for HSG on 2/8/2018 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez		Support	No

Comments:

**HB-2731**

Submitted on: 2/7/2018 1:00:54 PM

Testimony for HSG on 2/8/2018 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Margaret Maupin		Support	No

Comments:

**LATE**

**HB-2731**

Submitted on: 2/7/2018 2:19:27 PM

Testimony for HSG on 2/8/2018 9:30:00 AM

**LATE**

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
pat gegen		Support	No

Comments:

**LATE LATE**

**HB-2731**

Submitted on: 2/8/2018 9:04:12 AM

Testimony for HSG on 2/8/2018 9:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Scott Foster		Support	No

Comments:

Submitted by Scott Foster for Hawaii Advocates For Consumer Rights