

DAVID Y. IGE  
GOVERNOR OF  
HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committee on  
WAYS AND MEANS**

**Wednesday, February 20, 2019  
10:05 AM  
State Capitol, Conference Room 211**

**In consideration of  
SENATE BILL 1, SENATE DRAFT 1  
RELATING TO HOUSING**

Senate Bill 1, Senate Draft 1 proposes to establish the ALOHA Homes Program under the Hawaii Housing Finance and Development Corporation (HHFDC) to facilitate the development of low-cost homes for sale to Hawaii residents on state-owned and county-owned land near rail stations of the Honolulu rail transit system, to be known as the urban redevelopment district. The bill also proposes to establish guidelines within the urban redevelopment district and provisions related to the sale of leasehold interest of ALOHA homes. The bill proposes to exempt land set aside or leased to the HHFDC from the definition of public lands in Section 171-2, Hawaii Revised Statutes (HRS). The measure also proposes to establish the ALOHA Homes Revolving Fund and authorizes the HHFDC to adopt rules pursuant to chapter 91, HRS. Senate Draft 1 incorporates many amendments, including an amendment to specify that lands no longer needed for affordable residential leasehold units shall be returned to the previous owner of the lands. **This amendment addresses the previous comments the Department of Land and Natural Resources (Department) had on this measure.** The Department has no further comments.

Thank you for the opportunity to comment on this measure.

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

February 20, 2019 at 10:00 a.m.  
State Capitol, Room 211

In consideration of  
**S.B. 1, S.D. 1**  
**RELATING TO HOUSING.**

The HHFDC **supports the intent** of S.B. 1, S.D. 1, which is intended to utilize state lands to substantially increase the housing supply. We are willing to continue working with the Legislature on refining this measure.

Thank you for the opportunity to provide written comments on this bill.



**Testimony to the Senate Committees on Ways & Means  
Wednesday, February 20, 2019 at 10:05 A.M.  
Conference Room 211, State Capitol**

**RE: SENATE BILL 1 SD1 RELATING TO HOUSING**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber is in support of SB 1 SD1, which proposes to establish the ALOHA homes program under the Hawaii Housing Finance and Development Corporation to facilitate the development of low-cost homes for sale to Hawaii residents on state-owned and county-owned land near rail stations of the Honolulu rail transit system, to be known as the "Urban Redevelopment District." Establishes guidelines within the urban redevelopment district and provisions related to the sale of leasehold interest of ALOHA homes. Exempts land set aside or leased to the Hawaii Housing Finance and Development Corporation from the definition of public lands in section 171-2, HRS. Establishes and appropriates funds into and out of the ALOHA homes revolving fund. Authorizes the Hawaii Housing Finance and Development Corporation to sell the leasehold interest in residential condominium units located on state lands for lease terms of 99 years.

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.

This bill consolidates many of the ideas and initiatives we have been strong proponents of over the last few years. This type of consolidated and focused effort is required by the State in order to build out way out of our housing crisis by increasing the supply of housing at all price points.

We support and encourage more dialogue on the bill especially on some of the specific action items. We support the purpose of focusing on low-cost, high-density leasehold houses on government lands located along the transit corridor. We do suggest that to avoid "gentrification," a mix of incomes and price points be provided.

We have also been a strong supporter of using the existing HCDA statutes to redevelop the State lands along the transit corridor as the redevelopment efforts would mirror what has happened in Kakaako. Incorporating the language from HCDA's statutory authority is a step in the right direction, there is no need to reinvent the wheel with new legislation.

We also support the idea that this effort should be "revenue neutral" as there is an opportunity to monetize government assets along the transit corridor. However, we believe there will be a need for the State to make a substantial upfront investment, especially in developing infrastructure capacity. Without this type of investment, redevelopment of the government owned lands will not be realized.



# Chamber of Commerce HAWAII

*The Voice of Business*

While the bill mentions the need for “mixed use development,” we believe there should be an emphasis on creating opportunities for knowledge based employers to locate along the transit corridor to bring knowledge based jobs and create a truly Live-Work-Play mixed use community.

We support the residency requirement and the idea of requiring those interest to register to vote. Interesting concept and worthy of a discussion as it relates to housing in Hawaii.

We also are in strong support of the need for the state to develop a 99 year leasehold condominium program as it will provide for a new market for the use of government lands. We would suggest that this program be vetted with the land reform act to insure the lands remain government owned in perpetuity.

Thank you for the opportunity to testify.

**SB-1-SD-1**

Submitted on: 2/19/2019 9:11:38 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:



Legislative Testimony

**SB1 SD1**  
**RELATING TO HOUSING**  
Senate Committee on Ways and Means

February 20, 2019

10:05 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) Beneficiary Advocacy and Empowerment Committee will recommend that the Board of Trustees offer the following **COMMENTS** on SB1 SD1, which seeks to address the urgency of Hawai'i's affordable housing crisis. OHA appreciates the opportunity to be a meaningful part of the dialogue informing the development of this measure, and respectfully requests the following amendments be made (i) to make benefits to Native Hawaiians more concrete by requiring, rather than permitting, transfers of ALOHA Homes units to OHA and/or DHHL; (ii) to ensure that lease term lengths are reasonably set; and (iii) to clarify that state-owned lands set aside from the Governor or leased to the Hawaii Housing Finance and Development Corporation (HHFDC) remain consistently protected against inappropriate alienation.

First, OHA appreciates this measure's explicit consideration of the state's responsibilities to the Department of Hawaiian Home Lands (DHHL) and its native Hawaiian beneficiaries, as well as the state's fiduciary obligation to uphold the interests of Native Hawaiians in Public Land Trust lands that may be developed under the ALOHA Homes program; however, OHA offers for the committee's consideration, amendments that would guarantee that Native Hawaiians will realize benefits under the program. To better guarantee that Native Hawaiians as well as DHHL are able to realize the benefits of the ALOHA Homes program, OHA respectfully urges the inclusion of statutory language that would require, rather than permit, ALOHA Homes housing units to be transferred to OHA or DHHL. OHA understands that additional conversation is necessary, and offers the following language, as one option to replace the language found on page 17, lines 5-7:

“(e) The corporation shall transfer at least 20% of ALOHA home units within a residential project to the department of Hawaiian home lands or to the Office of Hawaiian Affairs, provided that units transferred to the department of Hawaiian home lands shall obtain the status of Hawaiian home lands as defined by the Hawaiian Homes Commission Act of 1920, as amended, provided further that, if the transfer of at least 20% of units within a residential project would be unfeasible, the corporation shall set aside an equivalent number of units in a separate residential project for transfer to the department of Hawaiian home lands or Office of Hawaiian Affairs.”

As highlighted in OHA's previous testimony dated January 31, 2019, **Native Hawaiians have significant and unique housing needs, and are particularly affected by the ongoing lack of affordable housing.** Data show that Native Hawaiians are less

likely to own a home;<sup>1</sup> Native Hawaiian households are also much more likely to be “doubled up,” with multi-generational or unrelated individuals living together in single households.<sup>2</sup> Furthermore, Native Hawaiian households are more than three times more likely to have a ‘hidden homeless’ family member than all state households.<sup>3</sup> Recent research has further shown that state and Native Hawaiian housing rental housing demand is almost entirely for increasingly rare “affordable” units, rather than for market-rate or other ‘gap’-rate units<sup>4</sup>: **Sixty-three percent of the Native Hawaiian demand for rental units is for those priced at 60% of the Area Median Income (AMI) and below.**<sup>5</sup> This data demonstrates the dire need for housing among the Native Hawaiian community and the potential for the ALOHA Homes program to respond to that need.

Second, OHA has concerns over the length of the of proposed 99-year leasehold interests in public lands, which may include Public Land Trust lands as well as “ceded” lands taken through the unlawful overthrow of the Hawaiian Kingdom, and to which Native Hawaiians maintain unrelinquished claims. Extremely long-term multi-generational leases, such as those proposed, may inhibit multiple future generations from ensuring the best use of public lands and Public Land Trust lands, and may inadvertently create a sense of entitlement on the part of lessees that has led and may continue to lead to the alienation of public and “ceded” lands. Notably, OHA objects to the sale or alienation of “ceded” lands except in limited circumstances, and has significant concerns over any proposal that may facilitate the diminution of the “ceded” lands corpus. While OHA understands that certain federal housing financing programs may require leasehold interests of 75 years, the 99-year leasehold interests in public lands proposed by this measure exceed even this lengthy 75-year lease term timeline. Thus, OHA urges the following amendments to limit any leasehold interest under the ALOHA Homes program to no more than 75 years:

By amending the language on page 5, lines 1-4, to read as follows:

“(2) Authorize the Hawaii housing finance and development corporation to sell the leasehold interest in residential condominium units located on state lands for lease terms of seventy-five years.”

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<sup>1</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.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.

<sup>2</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>3</sup> 14.1% of Native Hawaiian households, compared to 4.2% of state households have a hidden homeless family member. *Id.*

<sup>4</sup> See SMS, HAWAII 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>5</sup> 77 percent of the Native Hawaiian demand for rental units is for units affordable to those at 80% AMI. See SMS, HAWAII HOUSING PLANNING STUDY (2016), Table 49 at 72 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).

And amending the language on page 17, lines 12-18, to read as follows:

**“§201H-F Sale of the leasehold interest of ALOHA homes; rules; guidelines.** (a) The corporation shall develop and adopt rules, subject to chapter 91, for the sale of the leasehold interest of ALOHA homes within the urban redevelopment district; provided that each lease shall be for a term of seventy-five years.”

And further amending the language on page 28, lines 9-11, to read as follows:

“(b) The term of the lease may be for seventy-five years, and the corporation may extend or modify the fixed rental period of a lease or extend the term of a lease of less than seventy-five years provided that the total aggregate term of any lease and extension shall be for no more than seventy-five years.”

Lastly, OHA requests that any proposals to exempt state lands from the definition of public lands in HRS § 171-2 be paired with amendments to ensure continued compliance with HRS § 171-64.7, a critical mechanism protecting our public lands, including “ceded” lands, from inappropriate alienation. The legislative approval required for the sale or gift of public lands under HRS § 171-64.7 ensures a close level of oversight, accountability, and transparency in the potential alienation of our limited public land base; this statutory requirement is particularly critical to maintaining the “ceded” lands corpus, and its enactment was a condition precedent to the settlement agreement in the OHA v. Housing and Community Development Corporation of Hawai‘i lawsuit, brought in response to the State’s actions to sell and otherwise alienate “ceded” lands. After further review, OHA notes that 201H-9(c) authorizes HHFDC to sell property to any person or government. Therefore, even though it is OHA’s understanding that the ALOHA homes program does not anticipate fee sales, to the extent that this measure proposes to exempt any HHFDC-controlled state lands from the definition of public lands under HRS § 171-2 and the attendant public land provisions of Chapter 171, OHA urges that such lands be expressly included under HRS § 171-64.7, consistent with lands HHFDC holds in title and other state lands excluded from HRS § 171-2.

Accordingly, OHA requests that the proposed subsection (d) of HRS § 201H-W, found on page 28, lines 15-19, be amended to be read as follows:

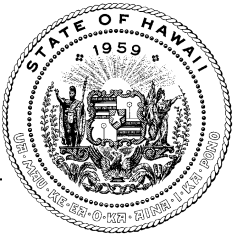
“(d) State land set aside by the governor to the corporation and lands leased to the corporation by any department or agency of the State for a condominium described in this section shall be exempt from the definition of “public land” under section 171-2; provided further that any sale, gift, or exchange of real property shall be subject to the terms, conditions, and restrictions applicable to the sale, gift, or exchange of public lands in sections 171-50 and 171-64.7.”

Similarly, OHA respectfully urges that this measure include an additional section providing for parallel language to the proposed amendment to HRS § 171-2 to be added to HRS § 171-64.7(a)(4), to read as follows:



“(4) Lands that are set aside by the governor to the Hawaii housing finance and development corporation; lands leased to the Hawaii housing finance and development corporation by any department or agency of the State; or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;”

Mahalo piha for the opportunity to testify on this measure.



# OFFICE OF PLANNING STATE OF HAWAII

DAVID Y. IGE  
GOVERNOR

DIRECTOR  
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Statement of  
**LEO R. ASUNCION**  
Planning Program Administrator, Office of Planning  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
Wednesday, February 20, 2019  
10:05 AM  
State Capitol, Conference Room 211

in consideration of  
**SB 1, SD1**  
**RELATING TO HOUSING.**

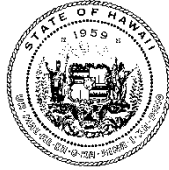
Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means.

The Office of Planning (OP) offers comments as we appreciate the overall concept of this bill as it includes initiatives supportive of our goals and objectives, but we are concerned about the cost and implementation implications generated by this proposal.

OP defers to the Hawaii Housing Finance and Development Corporation as to the implementation and refinement of this measure.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR  
BONNIE KAHAKUI  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII  
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TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE  
WAYS AND MEANS

February 20, 2019, 10:05 AM  
SB1 SD1  
RELATING TO HOUSING

Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the committee, thank you for the opportunity to submit testimony on SB 1 SD1. The State Procurement Office (SPO) supports the intent of the bill but opposes the exemption language to chapter 103D.

The Bill states that the corporation shall establish its own set of rules, including rules specific to the competition process for selecting the design and development vendors of ALOHA homes to accommodate small and medium vendors. The creation of such rules is not necessary. There already exist in HRS 103D, the time-tested selection process for construction contractors and design professionals pursuant to chapter 464.

The bill also does not explain why the corporation is targeting small and medium vendors for the design and development of ALOHA homes. Nor does it explain how the remaining units will be developed, or if it will be in accordance with HRS 103D, or the overall impact on competition and obtaining a best value contract for the State.

The SPO recognizes certain programs do not properly fit inside of the procurement and therefore should be exempt. However, exempting the selection process for construction contractors and design professionals with no rationale may lead the public to question the transparency and fairness of the corporation's processes.

Public procurement's primary objective is to ensure transparency, oversight and competition in procurement activities. If a government program is free to purchase without checks and balances, procedures or oversight, there is a vastly increased risk of fraud, waste and abuse of taxpayer's monies.

The Hawaii Public Procurement Code (code) is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both HRS chapter 103D and 103F conveys a sense of disproportionate equality in the law's application.

Exemptions to the code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies, are removed from the state's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.



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February 19, 2019

Senate Committee on Ways and Means  
Wednesday, February 20, 2019, 10:05am  
Conference Room 211

## **SB1, SD1 - SUPPORT WITH AMENDMENTS**

Aloha Committee Chair, Vice-Chair, and Members:

I am submitting testimony in my capacity as Executive Director of Hawaiian Community Assets (HCA), a nonprofit community development corporation, HUD-approved housing counseling agency, and community development financial institution to **SUPPORT SB1 WITH AMENDMENTS**.

I request that we **Put Community First in ALOHA Homes** by amending the bill to:

- Ensure community representation on the ALOHA Homes Authority and inclusion of key experts, including Native Hawaiian cultural specialists and environmental specialists, and;
- Require Community Benefits Agreements (CBAs) in all Developer Agreements that are informed by community members and responsive to community needs, including but not limited to, a first source housing and hiring program targeting ALOHA units and job opportunities to households from the area earning \$75,000 annually or less and those displaced by the project, creation of parks and recreation areas, cultural and ahupuaa preservation and restoration, community gardens and community art by local artists, small business opportunities for local entrepreneurs, and standards for responsible contracting and leasing decisions.

### **Important and Necessary Role of Community Benefits Agreements (CBAs)**

CBAs have been implemented in over 40 jurisdictions across the nation including Los Angeles, San Francisco, Milwaukee, Detroit, New York City, San Jose, Washington DC, Chicago, Minneapolis, Cleveland, San Antonio, and here in Hawaii.

CBAs have been negotiated for transit oriented development projects, such as the California high speed rail and the Twin Cities rail line in Minneapolis and St. Paul. Mainstream public and private development institutions, including the [US Department of Housing and Urban Development](#) and the [Federal Reserve Bank](#) have identified CBAs as a tool to achieve promised development goal and ensure the benefits of development are shared by communities, private

developers, and governments especially for large scale urban redevelopment projects that include public-private partnerships and sale of infrastructure and commercial leases to private entities.

Locally, the State Department of Hawaiian Home Lands, homestead communities, and private developers have come together to negotiate and put in place CBAs for the Kamakana Alii Shopping Center and the Anahola Renewable Energy project, to name a few. <http://dhhl.hawaii.gov/wp-content/uploads/2013/03/Anahola-Renewable-BenCon-Agenda-130308.pdf>

Here in the City and County of Honolulu, affordable housing projects, such as Poamoho Camp and Varona Village, include CBAs that require use of a community-generated priority list when offering units, development of community centers and parks, and the building of “plantation-style” homes to maintain the history and culture of place.

According to leading research experts [Gross, Leroy, and Janis-Aparicio](#), CBAs can be negotiated during the public hearing process and bring extensive value to a project and the community as a whole by promoting:

**Inclusiveness.** The CBA negotiation process provides a mechanism to ensure that community concerns are heard and addressed.

**Enforceability.** CBAs ensure that the promises of public officials and developers regarding community benefits are realized and legally enforceable.

**Transparency.** CBAs help the public, community groups, government officials, and the news media monitor a project’s outcome. Having all the benefits set forth in one place allows everyone to understand and assess the specific commitments made by a developer. They can then compare those benefits to benefits provided in similar projects in the past.

**Efficiency.** CBAs encourage early negotiation between developers and the community, avoiding delays in the approval process. Without a CBA process, community groups usually express their concerns at public hearings, when the project is up for government approvals. At that point there are three possible outcomes.

- First, the government can approve the project over neighborhood objections, leaving residents unhappy and leading to a project that fails to address some community needs.
- Second, the government can reject the project completely, leaving the developer unhappy and the community without whatever benefits the project might have provided.
- Third, the government can delay the project until the controversial issues have been resolved. That leaves the developer unhappy because time is money, and it delays the community benefits just as it delays the whole project. It also puts the community groups and the developer in roughly the same place they would have been in had they

started negotiating over community benefits at the outset. CBA negotiations avoid all three of these unsatisfactory scenarios by leading to a cooperative relationship between normally adversarial parties, and getting good projects approved without delays late in the process.

From our stance as a HUD housing counseling agency, community development financial institution, and the lead for Hawaii's new statewide housing affordability coalition, we believe CBAs are as forward thinking as ALOHA homes and will with help foster – not prohibit - the development of ALOHA homes by providing us an avenue to bring agreement between diametrically opposed points of view that are voiced when any large scale development is proposed. As an example, this may include the use of CBAs to help garner support from McKinley High School administration, faculty, teachers, students and their parents, and surrounding neighbors who would no doubt feel the impacts of a 10,000-unit development built next door.

It is important to address our housing affordability crisis and to do this we must work together and **Put Community First in ALOHA Homes**. The proposed amendments would mandate a development process that is informed by community, for community and in a manner that is respectful to Hawaiian culture, the environment, and our communities.

Mahalo for your time, leadership and consideration. **PASS SB1, SD1 WITH AMENDMENTS and Put Community First in ALOHA Homes.**

Sincerely,

A handwritten signature in black ink that reads "Jeff Gilbreath". The signature is written in a cursive, flowing style.

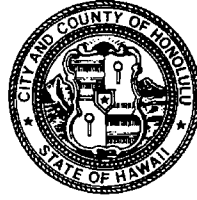
Jeff Gilbreath  
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DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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**LATE**

KIRK CALDWELL  
MAYOR



KATHY K. SOKUGAWA  
ACTING DIRECTOR

TIMOTHY F. T. HIU  
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI  
DEPUTY DIRECTOR

February 20, 2019

The Honorable Donovan Dela Cruz, Chair  
and Members of the Committee on Ways and Means  
Hawaii State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Committee Members:

**Subject: Senate Bill No. 1, SD 1  
Relating to Housing**

The Department of Planning and Permitting (DPP) **offers comments** on Senate Bill No. 1, SD 1, which would establish the ALOHA homes program under the Hawaii Housing Finance and Development Corporation (HHFDC). This program would facilitate the development of low-cost homes for sale to Hawaii residents on State-owned and county-owned land near rail stations of the Honolulu rail transit system, to be known as the urban redevelopment district.

We applaud the intent of this program – to take bold action to increase the supply of affordable homes for local families – and to maintain their affordability for generations. We also strongly support building affordable housing on State lands near rail stations. However, we have concerns about some elements of the Bill.

Under new Sec. 201H-D, the urban redevelopment district is defined as “all state-owned and county-owned land within county-designated transit-oriented development areas...” It should be confirmed that this district is dynamic, not static, as land ownership can change over time. As new lands are added to, or removed from State ownership, does the district expand and shrink automatically? If State and county lands are separated by privately-owned lands, this makes creating a coherent ALOHA community program challenging. Rather than calling this a district, the program should be redefined as “urban redevelopment sites.”

While the urban development district includes all county lands, it appears that the only effect of this inclusion is to allow the counties to offer its land to HHFDC to support the ALOHA program. As such, references to county lands should be dropped from the designation of urban redevelopment lands. We have no objection to retaining Sec 201H-H, relating to acquisition of real property from a county; although details on the process by which the county designates land for ALOHA inclusion should be left to the county.

There appears to be conflicting provisions within the Bill. Under proposed revisions to Sec. 201H-E(b)(6) Rules, guidelines, HRS, construction must comply with county polices,



The Honorable Donovan Dela Cruz, Chair  
and Members of the Committee on Ways and Means  
Hawaii State Senate  
February 20, 2019  
Senate Bill No. 1, SD 1  
Page 2

ordinances and rules. However, Section 201H-E(a) directs HHFDC to establish its own planning, zoning, building and other regulations which “shall supersede all other inconsistent ordinances and rules...” Clearly, we would hope that Subsec.(b)(6) prevails, and that reference to our transit-oriented plans and zoning be added.

While it is an admirable goal to sell all units to families at 80 percent of AMI, we are not sure this goal is appropriate either economically or socially – especially at the massive scale envisioned. The Singapore model works well under their system, but most major public housing efforts in the U.S. have moved from all-low-income to a mixed-income model. The mixed-income approach helps projects to pencil, and provides a broader range of incomes to support neighborhood businesses, with a more inclusive social mix. Since many local families earn well under the 80 percent AMI range, we would also recommend including some rental projects (or rent-to-own) in the mix. Given that ALOHA projects may include revenue-generating uses, i.e. retail and industrial uses, this income could be used to subsidize rental housing.

We appreciate the effort to craft a bold housing production strategy, and would be glad to work with the Legislature to refine it to something we can support. 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 K. Sokugawa  
Acting Director



**LATE**

**TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS  
State Capitol, Conference Room 211  
415 South Beretania Street  
10:05 AM**

February 20, 2019

RE: SENATE BILL NO. 1 SD 1, RELATING TO HOUSING

Chair Dela Cruz, Vice Chair Keith-Agaran, 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. Our members build the communities we all call home.

BIA-Hawaii is in **STRONG SUPPORT** of S.B. 1, SD 1, which proposes to establish the ALOHA homes program under the Hawaii Housing Finance and Development Corporation to facilitate the development of low-cost homes for sale to Hawaii residents on state-owned and county-owned land near rail stations of the Honolulu rail transit system, to be known as the "Urban Redevelopment District." This bill also establishes guidelines within the urban redevelopment district and provisions related to the sale of leasehold interest of ALOHA homes. Exempts land set aside or leased to the Hawaii Housing Finance and Development Corporation from the definition of public lands in section 171-2, HRS. This bill also establishes and appropriates funds into and out of the ALOHA homes revolving fund, and authorizes the Hawaii Housing Finance and Development Corporation to sell the leasehold interest in residential condominium units located on state lands for lease terms of 99 years.

S.B. 1, SD 1, should be referred to as Hawaii's Omnibus Housing Bill. It consolidates many of the ideas and initiatives of which we have been strong proponents over the last few years. This type of consolidated and focused effort is required by the State in order to build our way out of our housing crisis by increasing the supply of housing at all price points.

We strongly support and encourage more dialogue on the bill especially on some of the specific action items. We support the purpose of focusing on low-cost, high-density leasehold houses on government lands located along the transit corridor. We do suggest that to avoid "gentrification," a mix of incomes and price points be provided.

We have also been a strong supporter of using the existing HCDA statutes to redevelop the State lands along the transit corridor as the redevelopment efforts would mirror what has happened in Kakaako. Incorporating the language from HCDA's statutory authority is a step in the right direction.

We also support the idea that this effort should be “revenue neutral”, as there is an opportunity to monetize government assets along the transit corridor. However, we believe there will be a need for the State to make a substantial upfront investment, especially in developing infrastructure capacity. Without this type of investment, redevelopment of the government owned lands will not be feasible.

While the bill mentions the need for “mixed use development,” we believe there should be an emphasis upon creating opportunities for knowledge-based employers to be located along the transit corridor, bringing jobs and creating a truly Live-Work-Play, mixed use community.

We support the residency requirement and the idea of requiring voter registration. This is a concept worthy of a discussion as it relates to housing in Hawaii, as it may foster a deeper investment in those neighborhoods.

We also are in strong support of the need for the state to develop a 99 year leasehold condominium program as it will provide for a new market for the use of government lands. We would suggest that this program be vetted with the land reform act to insure the lands remain government-owned in perpetuity.

Again, BIA Hawaii is in **STRONG SUPPORT** of S.B. 1, SD 1, and we appreciate the opportunity to express our views on this matter.

DAVID Y. IGE  
GOVERNOR



RODERICK K. BECKER  
DIRECTOR

ROBERT YU  
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 ONLY**  
TESTIMONY BY RODERICK K. BECKER  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
SENATE BILL NO. 1, S.D. 1

**February 20, 2019  
10:05 a.m.  
Room 211**

RELATING TO HOUSING

Senate Bill (S.B.) No. 1, S.D. 1: establishes the ALOHA Homes Program under the Hawaii Housing Finance and Development Corporation (HHFDC) to facilitate the development of low-cost homes for sale to Hawaii residents on State-owned and county-owned land near rail stations of the Honolulu rail transit system, to be known as the urban redevelopment district (URD); establishes guidelines within the URD and provisions related to the sale of leasehold interest of ALOHA homes; exempts lands which HHFDC holds title and land set aside or leased to the HHFDC from the definition of public lands in Section 171-2, HRS, except for purposes of accounting for receipts from ceded lands; establishes the ALOHA Homes Revolving Fund (AHRV); exempts the AHRV (except for administrative expenditures and except as otherwise provided by law) from appropriation or allotment; appropriates \$100,000 in general funds for FY 20 to be deposited into the AHRV; appropriates \$100,000 from the AHRV for FY 20 for expenditures related to the creation of the fund; and authorizes the HHFDC to sell the leasehold interest in residential condominium units located on State lands for lease terms of 99 years.

As a matter of general policy, the department does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to S.B. No. 1, S.D. 1, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Thank you for your consideration of our comments.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
THIRTIETH LEGISLATURE, 2019**

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**LATE**

**ON THE FOLLOWING MEASURE:**

S.B. NO. 1, S.D. 1, RELATING TO HOUSING.

**BEFORE THE:**

SENATE COMMITTEE ON WAYS AND MEANS

**DATE:** Wednesday, February 20, 2019      **TIME:** 10:05 a.m.

**LOCATION:** State Capitol, Room 211

**TESTIFIER(S):**      **WRITTEN TESTIMONY ONLY.**

(For more information, contact Matthew S. Dvonch  
or Sandra A. Ching, Deputy Attorneys General, at  
587-3080)

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Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

This bill establishes a new program within the Hawaii Housing Finance and Development Corporation (HHFDC) called the ALOHA Homes Program (the Program). Under the Program, HHFDC is authorized to construct high-density residential developments on State lands within a one-half mile radius of public transit stations. HHFDC is authorized to sell 99-year leases for units within such developments to Hawai'i residents at a price not to exceed \$300,000, or a price affordable to an individual or family whose income does not exceed 80 percent of the area median income, as defined by the United States Department of Housing and Urban Development, whichever is lower. Proceeds from the sale of leases would be used to finance future ALOHA Homes projects.

This bill also authorizes HHFDC to sell non-ALOHA Home leasehold condominiums for 99-year terms. It also provides that land set aside by the Governor to HHFDC, and land leased to HHFDC by other State agencies, are not considered "public lands" under chapter 171, Hawaii Revised Statutes.

I. Transfer of ALOHA Homes Units to the Department of Hawaiian Home Lands

Section 201H-E(e) on page 17, lines 5-7, of this bill authorizes HHFDC to transfer units in ALOHA Homes developments to the Department of Hawaiian Home Lands (DHHL) for use by their respective beneficiaries.

DHHL's powers are established by the Hawaiian Homes Commission Act, 1920, as amended (HHCA), which is part of the Hawai'i Constitution. Section 207 of the HHCA authorizes DHHL to issue residential homestead leases to native Hawaiians for an initial term of 99 years. A "native Hawaiian" is defined by the HHCA as "any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to 1778." The HHCA only authorizes DHHL to issue these leases on Hawaiian home lands; it is not authorized to issue homestead leases on non-Hawaiian home lands.

If this bill's intent is to have ALOHA Home units that are transferred to DHHL remain non-Hawaiian home lands, DHHL will not be able to lease them to native Hawaiians for homesteading purposes. An amendment to the HHCA would be required, which will trigger review by the U.S. Department of the Interior as to whether consent of the United States is required for the amendment to take effect.

If the intent is to have these units acquire the status of Hawaiian home lands, a different concern arises. Under section 204 of the HHCA, DHHL has exclusive authority over the zoning and other land use controls on Hawaiian home lands. If certain units within an ALOHA Home development are transferred to DHHL, and those units acquire the status of Hawaiian home lands, the restrictions placed on the use, occupancy, and sale of ALOHA Home units by this bill may no longer apply to these units. Instead, these units may be governed by the terms of the HHCA and be under the sole jurisdiction of DHHL.

II. Exemption of ALOHA Homes Revolving Fund From Appropriation and Allotment

Section 201H-O on page 25, lines 1-13, of this bill exempts expenditures from the ALOHA Homes Revolving Fund from legislative appropriation and allotment. Article VII, section 5 of the Hawai'i Constitution, however, prohibits such exemptions and

provides that “[n]o public money shall be expended except pursuant to appropriations made by law.” We suggest amending the bill to remove this provision.

Thank you for the opportunity to provide these comments.



**SB-1-SD-1**

Submitted on: 2/19/2019 9:58:34 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Annie AuHoon	Individual	Support	No

Comments:

Senate Committee on Ways and Means  
10:05am  
211

Wednesday, February 20, 2019,  
Conference Room

SB1,

SD1 - SUPPORT WITH AMENDMENTS

Aloha Committee

Chair, Vice-Chair, and Members:

I am

submitting testimony to SUPPORT SB1 WITH AMENDMENTS. I request that we Put Community First in ALOHA Homes by amending the bill to:

- Ensure community representation on the ALOHA Homes Authority and inclusion of key experts, including Native Hawaiian cultural specialists and environmental specialists, and;
- Require Community Benefits Agreements (CBAs) in all Developer Agreements that are informed by community members and responsive to community needs, including but not limited to, a first source housing and hiring program targeting ALOHA units and job opportunities to households from the area earning \$75,000 annually or less and those displaced by the project, creation of parks and recreation areas, cultural and ahupuaa preservation and restoration, community gardens and community art by local artists, small business opportunities for local entrepreneurs, and standards for responsible contracting and leasing decisions.

Important and Necessary Role of Community Benefits Agreements (CBAs) CBAs have been implemented in over 40 jurisdictions across the nation including Los Angeles, San Francisco, Milwaukee, Detroit, New York City, San Jose, Washington DC, Chicago, Minneapolis, Cleveland, San Antonio, and here in Hawaii. CBAs have been negotiated for transit oriented development projects, such as the California high speed rail and the Twin Cities rail line in Minneapolis and St. Paul. Mainstream public and private development institutions, including the US Department of Housing and Urban Development and the Federal Reserve Bank have identified CBAs as a tool to achieve promised development goal and ensure the benefits of development are shared by communities, private developers, and governments especially for large scale urban redevelopment projects that include public-private partnerships and sale of infrastructure and commercial leases to private entities. Locally, the State Department of Hawaiian Home Lands, homestead communities, and private developers have come together to negotiate and put in place CBAs for the Kamakana Alii Shopping Center and the Anahola Renewable Energy project, to name a few. <http://dhhl.hawaii.gov/wp->

content/uploads/2013/03/Anahola-Renewable-BenCon-Agenda130308.pdf Here in the City and County of Honolulu, affordable housing projects, such as Poamoho Camp and Varona Village, include CBAs that require use of a community-generated priority list when offering units, development of community centers and parks, and the building of “plantationstyle” homes to maintain the history and culture of place. According to leading research experts Gross, Leroy, and Janis-Aparicio, CBAs can be negotiated during the public hearing process and bring extensive value to a project and the community as a whole by promoting: Inclusiveness. The CBA negotiation process provides a mechanism to ensure that community concerns are heard and addressed. Enforceability. CBAs ensure that the promises of public officials and developers regarding community benefits are realized and legally enforceable. Transparency. CBAs help the public, community groups, government officials, and the news media monitor a project’s outcome. Having all the benefits set forth in one place allows everyone to understand and assess the specific commitments made by a developer. They can then compare those benefits to benefits provided in similar projects in the past. Efficiency. CBAs encourage early negotiation between developers and the community, avoiding delays in the approval process. Without a CBA process, community groups usually express their concerns at public hearings, when the project is up for government approvals. At that point there are three possible outcomes.

- First, the government can approve the project over neighborhood objections, leaving residents unhappy and leading to a project that fails to address some community needs.
- Second, the government can reject the project completely, leaving the developer unhappy and the community without whatever benefits the project might have provided.
- Third, the government can delay the project until the controversial issues have been resolved. That leaves the developer unhappy because time is money, and it delays the community benefits just as it delays the whole project. It also puts the community groups and the developer in roughly the same place they would have been in had they started negotiating over community benefits at the outset. CBA negotiations avoid all three of these unsatisfactory scenarios by leading to a cooperative relationship between normally adversarial parties, and getting good projects approved without delays late in the process. From our stance as a HUD housing counseling agency, community development financial institution, and the lead for Hawaii’s new statewide housing affordability coalition, we believe CBAs are as forward thinking as ALOHA homes and will with help foster – not prohibit - the development of ALOHA homes by providing us an avenue to bring agreement between diametrically opposed points of view that are voiced when any large scale development is proposed. As an example, this may include the use of CBAs to help garner support from McKinley High School administration, faculty, teachers, students and their parents, and surrounding neighbors who would no doubt feel the impacts of a 10,000-unit development built next door. It is important to address our housing affordability crisis and to do this we must work together and Put Community First in ALOHA Homes.

The proposed amendments would mandate a development process that is informed by community, for community and in a manner that is respectful to Hawaiian culture, the environment, and our

communities.  
time, leadership and consideration.

Mahalo for your

PASS SB1, SD1 WITH AMENDMENTS and Put Community First in ALOHA Homes.

Sincerely, Annie Au Hoon

# TYLER DOS SANTOS-TAM

801 South Street, Apt 4625, Honolulu, Hawai'i 96813

tylerdst@gmail.com  
(808) 348-8885

February 19, 2019

The Honorable Donovan M. Dela Cruz, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
and Committee Members  
Senate Committee on Ways and Means  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

## **RE: Strong Support for SB1, SD1**

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members:

I write in strong support of SB1, SD1. Having worked extensively on housing-related issues for the past several years before the legislature, I am pleased to see a proposal this session that would meaningfully put affordable homeownership within reach for local families.


SB1, "the ALOHA Homes bill," builds upon the successful models of places like Singapore, Vienna, and Sweden, but places it within an appropriate context for Hawai'i by ensuring that only areas already in urban development will be utilized, ownership will be restricted to local residents who are owner-occupants, and within a mixed socioeconomic setting.

The program proposed in SB1, SD1 would complement the existing programs of HHFDC, which already provide substantial assistance for rental housing projects through Low Income Housing Tax Credits, Rental Housing Revolving Fund, and Hula Mae Multi-Family Bonds, among others. HHFDC also provides support for certain for-sale projects through the Dwelling Unit Revolving Fund. SB1, SD1 would give the agency an additional tool for government support of for-sale housing to complement the existing DURF program. Should SB1, SD1 be successful in producing for-sale housing accessible to all Hawai'i residents, HHFDC and other agencies will be able to focus on populations with more specific housing needs.

Furthermore, the program envisioned in SB1, SD1 will complement, rather than detract from, the efforts of the City to incentivize affordable housing development by the private sector in areas in and around rail transit stations.

As an owner-occupant resident of 801 South Street, a workforce housing development with over 1,000 units, I can attest to the fact that the type of dense, vertical, walkable, and reasonably-priced housing envisioned in SB1, SD1 is functional and attractive. More local families should have the same opportunity as me and my neighbors have to enjoy home ownership, which is why I ask your committee to advance SB1, SD1.

Mahalo,



To: Senator Donovan M. Dela Cruz, Chair, Senator Gilbert S.C. Keith-Agaran, Vice Chair, and Members of the Senate Ways and Means Committee

From: Doris Segal Matsunaga and Peter Matsunaga, Aiea, Hawaii

RE: SB 1, SD 1. Wednesday, February 20, 2019. 10:05 AM

We write in strong support of SB 1 establishing the ALOHA homes program. 33 years ago we moved from a rental house in Kalihi Valley with our young family and bought a leasehold townhouse in 'Aiea-Pearlridge for \$100,000 under a 30 year mortgage. It was a big commitment, but for us and many other young middle class families, it was affordable. About 10 years later, large landowners in Hawaii were court ordered to offer the fee to lessees. When KSBE offered to sell, we bought the fee for another \$100,000 and a higher mortgage.

Now, as you are all aware, far too many of our adult children cannot find near affordable housing in Hawaii, our low income residents live paycheck to paycheck, and too many of our people end up living on our streets and in parks. This is not right, nor pono, nor sustainable.

Perhaps it is the land use history described above that causes OHA to be uneasy with the ALOHA homes proposal, referring to concerns about lessees developing a "sense of entitlement" after 99 years. We believe that Hawaii is in a different era now and must think of the common good if we are not to become a state of elderly and/or wealthy residents. The state and HHFDC will need to spell out in the agreements that these homes will remain leasehold and benefit the community as a whole in perpetuity.

SB 1 is not the total answer to the affordable housing shortage and high cost of living for everyone in Hawaii, but it is the first proposal that thinks big enough to address the size of this issue. While we hate to see buildings block the skyline of beautiful Hawaii nei, we are willing to see height restrictions raised as a trade-off ONLY for this ALOHA homes program where ALL units remain "affordable" and any increase in value does not profit the developer or the individual but accrues to the state and future generations.

Please pass SB 1, SD 1.

**SB-1-SD-1**

Submitted on: 2/17/2019 9:34:08 PM

Testimony for WAM on 2/20/2019 10:05:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Colleen Rost-Banik	Individual	Support	No

Comments:

I support more affordable housing being developed along the rail line. However, we also need to take into account that we need measures to develop affordable RENTAL property, especially with units and single family homes that already exist. So many homes lie vacant due to investments. Please attend to affordable housing--both for purchase and for rent.

**TESTIMONY OF ELLEN GODBEY CARSON  
IN STRONG SUPPORT OF SB1, SD1**

To the Senate Committee on Ways and Means  
For Hearing on February 20, 2019 at 10:05am  
Conference Room 211

**I strongly support SB1, SD1, the ALOHA Homes bill.** While I write as an individual, I have served as President and director of Institute for Human Services, leader for Faith Action for Community Equity, and member of the Church of the Crossroads Peace and Justice Mission Team, spending hundreds of volunteer hours helping Hawaii find better systemic ways to address its dual crises of homelessness and lack of affordable housing.

I believe the ALOHA Homes bill is the game changer we need. We need a way to create affordable housing that will be sustainable and budget neutral, with non-profit approaches to building tens of thousands of affordable units quickly. SB1 is designed to do just that. It also offers much needed community planning for our transit oriented areas in ways that will enhance the sense of community for those of us living in urban Honolulu.

Senator Chang's bills for ALOHA Homes (the Singaporean model of housing) are the only proposal I've seen in my 30+ years of living in Hawaii that have any hope of making a major change in the supply of affordable housing units, in a way that is sustainable and budget neutral, using market forces and creative intelligence instead of taxpayer subsidies.

I have traveled to Singapore and marveled at their system that allows approximately 90% of their population to own their own home, at affordable prices, on an island that shares many of the same daunting challenges we have in Hawaii. Our current methods for creating affordable housing in this state have been inadequate, incremental, unbelievably slow and tedious. We have failed to create the critical mass of new affordable housing we need.

In my opinion, these bills deserve our strongest support. Let's give them a chance to work in Hawaii. It's true that there will be much to be worked out in details of how best to make a Singaporean model work in Honolulu. That's why these bills need all of us working together toward this goal, to help Hawaii create a new model for sustainable affordable housing in the United States.

Respectfully submitted,

Ellen Godbey Carson  
Honolulu, Hawaii  
January 29, 2019