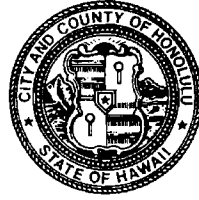


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

March 1, 2019

The Honorable Donovan M. 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 517
Relating to Housing**

The Department of Planning and Permitting **opposes, as drafted**, Senate Bill 517, which would require each county to prepare a housing supply plan to be included in the county's general plan. The Bill outlines more than 10 elements that must be included in the Plan.

The Department is not opposed to the gathering the specific information and analyses outlined in the Bill, but cannot support placing the burden of developing this far-ranging plan on the counties. Several required elements are not available and will require significant resources to research and analyze, such as estimating the cost structure of rental housing and identifying nonprofit partners to manage the future projects. This amounts to an unfunded mandate.

Other elements, such as the planned locations and amounts of new housing, is regularly contained in our Annual Report (<https://bit.ly/2DZWNf3>). Still other information and analyses are being gathered under other programs, such as the regularly updated Hawaii Housing Planning Study under the direction of the Hawaii Housing and Finance Development Corporation (HHFDC).

In addition, our General Plan takes a long-term view and is aspirational, comprised of a broad set of policies and objectives. The proposed housing plan is more of a "functional plan", as outlined in the Hawai'i State Plan (Chap. 226, HRS), with more detailed discussion on specific needs, priority alternatives and recommended implementation actions.

Lastly, it is unclear why this plan is being required, as the Bill does not include any State funding for the preparation of the plan, nor is there any commitment that the State will support findings of the plan.

Over the years, there have been sufficient studies to show that the need and demand for affordable housing is extreme. Rather than focusing on compiling information into a single document, we suggest that the Bill be rewritten as a funding source to counties to increase the

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
Senate Bill No. 517
March 1, 2019
Page 2

supply of affordable housing, with flexibility on how this would be accomplished; e.g., catalyzing projects in specific neighborhoods, creating systemic changes to entitlement processes and requirements, or evaluating why certain projects become successful projects. Alternatively, the Bill could provide the necessary funding to complete the required studies and assessments cited in the proposed housing supply plan. We are willing to work with the Legislature in developing an alternate strategy.

To sum, we respectfully ask that Senate Bill No. 517 be held in committee until a more practical version can be considered. If this Bill is moved forward, we request that appropriate funding be added.

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



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Ways and Means
Friday, March 1, 2019 at 10:10 A.M.
Conference Room 211, State Capitol**

RE: SENATE BILL NO. 517, RELATING TO HOUSING

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

The Chamber is in strong **support** of S.B. 517 which proposes to amend Chapter 46 HRS by adding a section that requires each county to prepare a housing supply plan to plan for projected increases in the State's housing supply to meet housing demands of the respective county, identify and analyze existing and projected housing needs for all income levels, and identify adequate sites for housing, including rental housing.

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.

While several government studies have concluded that the State does not have and is not producing enough new housing units to meet normal population growth projections to 2025, we would like to see the Counties take more initiative to increase the production of housing to meet the anticipated demand. This bill will require the Counties to proactively plan for new housing at all price points to meet anticipated demand.

Thank you for the opportunity to testify.



LATE

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

March 1, 2019

RE: SENATE BILL NO. 517, 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. 517, which proposes to amend Chapter 46 HRS by adding a section that requires each county to prepare a housing supply plan to plan for projected increases in the state's housing supply to meet housing demands of the respective county, identify and analyze existing and projected housing needs for all income levels, and identify adequate sites for housing, including rental housing.

While several government studies have concluded that the state does not have, and is not producing enough new housing units to meet normal population growth projections to 2025, none of the counties have taken any initiative to increase the production of housing to meet the anticipated need. This bill will require the counties to pro-actively plan for new housing at all price points to meet anticipated need.

We are in strong support of S.B. 517 and appreciate the opportunity provide comments.