



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**DENISE ISERI-MATSUBARA**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON HOUSING**

March 12, 2020 at 1:15 p.m.  
State Capitol, Room 225

In consideration of  
**H.B. 2447, H.D. 1**  
**RELATING TO AFFORDABLE HOUSING.**

HHFDC *offers the following comments on and requested amendment to* H.B. 2447, H.D. 1, which would automatically exempt all 201H housing projects from all State fees related to discretionary approvals or ministerial permitting, other than application fees paid to the HHFDC, which are used to cover project-related administrative costs.

So that fees charged by HHFDC for project-related administrative costs relating to financing programs such as the Rental Housing Revolving Fund and the Dwelling Unit Revolving Fund are also exempted from this waiver of state fees, we ask that §201H-38(b), on page 5, lines 1 through 12, of the H.D. 1 be amended to read as follows:

(b) Affordable housing projects developed pursuant to this section shall be exempt from all state fees related to discretionary approval or ministerial permitting relating to planning, development, and improvement of land, and the construction of dwelling units thereon; provided that the exemption under this subsection shall not apply to [application] fees and costs payable to the corporation; provided further that the dwelling units developed as part of a fee-exempted affordable housing project shall be affordable to households with incomes at or below one hundred per cent of the area median family income as determined by the United States Department of Housing and Urban Development.

Thank you for the opportunity to testify.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON HOUSING  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225  
THURSDAY, MARCH 12, 2020 AT 1:15 P.M.**

To The Honorable Stanley Chang, Chair;  
The Honorable Dru Mamo Kanuha, Vice Chair; and  
Members of the Committee on Housing;

## **TESTIMONY IN SUPPORT OF HB2447 RELATING TO AFFORDABLE HOUSING**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing share our support of HB2447.

The Maui Chamber of Commerce supports this bill to temporarily exempt affordable housing projects from all state fees related to discretionary approval or ministerial permitting until 2032. This is a great tool which we appreciate you putting forward, but it will only impact some of the affordable housing developments and is a small step towards helping developers build affordable housing. Why not make that available to all affordable housing developers because every cost that gets eliminated helps to reduce the cost of the house for those affordable home buyers.

Given our housing crisis, we need to look at what more can be done such as streamlining the permitting process, reducing redundancies between State and County rules, and expediting SHPD. We need ideas that can showcase we are serious about creating affordable housing and rentals for future generations and make big strides. We are currently using band-aids in a triage situation and need to bring in all available resources and partners to solve this housing crisis.

We appreciate the opportunity to testify on this matter and ask that this bill be passed.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



**LATE**

**Testimony to the Senate Committee on Housing  
Thursday, March 12, 2020 at 1:15 P.M.  
Conference Room 225, State Capitol**

**RE: HB 2447 HD1, RELATING TO AFFORDABLE HOUSING**

Chair Chang, Vice Chair Kanuha and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **provides the following comments on** HB 2447 HD1, which proposes to temporarily exempt affordable housing projects from specific state fees related to discretionary approval or ministerial permitting, except application fees; provided that the units are affordable for households with incomes at or below 100% of the area median family income and sunsets on June 30, 2026.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 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.

The Chamber appreciates the Legislature's work to introduce a package of bills that address cost-of-living issues, including affordable housing. In previous testimony, the Chamber had requested that the bill be amended to exempt affordable housing projects from all state **and county fees, and exactions** which can be found on Page 5, Line 2 of the current HD1. Exemptions from state and county fees and exactions will remove the uncertainty and risks developers of affordable housing projects face.

The bill properly recognizes the delays, exactions and additional costs that are layered onto housing projects subject to the County's permitting and entitlement process. Uncertainty in obtaining County approvals increases risks and drives up the cost of housing in Hawaii. This amendment would clearly identify state exemptions at both the state and county level for affordable housing projects developed under Chapter 201H HRS.

Thank you for the opportunity to provide comments on this measure.



DEVELOPMENT  
FINANCE  
MANAGEMENT  
CONSTRUCTION

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Testimony of The Michaels Organization | Michaels Development - Hawai`i Region  
RELATING TO House Bill 2447, HD1

Thursday, March 12, 2020 at 1:15 am, Conference Room 225, State Capitol

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Chair Senator Stanley Chang; Vice Chair Senator Dru Mamo Kanuha; and  
Members Senator Sharon Y. Moriwaki; Senator Kurt Fevella; and Senator Laura H. Thielen  
Committee on Housing

§201H-37 HRS provides the opportunity for *exemption from all statutes, ordinances, charter provisions, and rules of any government agency related to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon* for the development of affordable housing, helping to reduce the development costs and decrease the magnitude of necessary funding resources. The incentives provided by §201H-37 HRS have been successful in encouraging and facilitating the development of affordable housing for low-income families.

Providing additional incentives with the exemption from state fees related to discretionary approval and ministerial permitting, with the exception of application fees payable to the Hawaii Housing Finance and Development Corporation (HHFDC), will trigger additional savings to development costs that will further reduce the need for funding resources – stretching finite subsidies to enable even more affordable housing development.

Thank you for the opportunity to provide comments in support of House Bill 2447.

Karen Seddon, Regional Vice President  
Michaels Development – Hawai`i Region

**LATE**



**SENATE COMMITTEE ON HOUSING  
State Capitol, Conference Room 225  
415 South Beretania Street  
1:15 PM**

March 12, 2020

.RE: HOUSE BILL NO. 2447, HD 1, RELATING TO AFFORDABLE HOUSING

Chair Chang, Vice Chair Kanuha, and members of the committee:

My name is Dwight Mitsunaga, 2020 President 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 originally testified in support of H.B. 2447, which proposed to amend Chapter 201H HRS to temporarily exempt affordable housing projects from all state fees related to discretionary approval or ministerial permitting. We had requested that the bill be amended to exempt affordable housing projects from all state **and county** fees, **and exactions** related. . . ”

Our proposed amendment would address delays in getting permits and approvals from the County and also the numerous exactions that drive up the cost of housing in Hawaii. As amended, the bill would clearly exempt affordable housing projects developed under Chapter 201H HRS from State and County permits and exactions.

Our proposed amendments were not included in the HD 1 version of the bill. Exempting affordable housing projects for only state fees would essentially exempt affordable housing projects from the state school impact fees, which seems illogical since affordable housing projects would likely have families with school-aged children.

Based on limiting the exemptions to only state fees and permits, we **cannot support the bill in its present form**. We appreciate the opportunity to express our views on H.B. 2447, H.D. 1.

**HB-2447-HD-1**

Submitted on: 3/11/2020 2:18:40 PM

Testimony for HOU on 3/12/2020 1:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kim Regina Kananiokamailelauli'ili'i Scott	Individual	Support	No

Comments:

Aloha,

I fully support this bill. It will be a great opportunity for our state to create more affordable housing opportunities for our Hawaii community. We are in a serious housing crisis, and this bill will incentivize developers to take on more projects focusing on affordable housing.

Kim Regina Kananiokamailelauli'ili'i Scott

**HB-2447-HD-1**

Submitted on: 3/11/2020 2:08:28 PM

Testimony for HOU on 3/12/2020 1:15:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Questor Lau	Individual	Support	No

Comments:

I **strongly support** Bill 2447, HD1 to exempt fees and support the construction of more affordable housing units.