

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM EXECUTIVE DIRECTOR

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

HOUSE COMMITTEE ON HOUSING

January 30, 2020 at 9:45 a.m.
State Capitol, Room 423

In consideration of
H.B. 2447
RELATING TO AFFORDABLE HOUSING.

HHFDC opposes H.B. 2447, which would automatically exempt all 201H housing projects from all State fees related to discretionary approval or ministerial permitting. The bill's language is broad enough to exempt HHFDC's application fees. As HHFDC does not receive General Funds, fees are used to cover project-related administrative costs.

Thank you for the opportunity to testify.



January 29, 2020

To: **Rep. Tom Brower, Chair**
Rep. Scot Matayoshi, Vice Chair & Members of the
Committee on Housing

From: **Kali Watson**
Executive Director
Hawaiian Community Development Board
Honolulu, Hawaii 96813

Re: **Hearing on HBs 2261, 2262, 2263, 2447, 2448, 2449 Relating to Affordable**
Housing Development
January 30, 2020 at 9:45 am
Conference Room 423, State Capitol

President
Richard Soo

Secretary/Treasurer
Jackie Burke

Board Members
Linda Ahue
Duane Hewlen
Puni Kekauoha
Alfred "Bobby" Willing
Helen O'Connor

President/CEO
Kali Watson

Senior VP
Patti Barbee

TESTIMONY IN SUPPORT

Dear Chairperson Brower & Vice Chair Matayoshi of the Housing Committee, and Members:

Thank you for the opportunity to provide testimony in support to HBs **2261, 2262, 2263, 2447, 2448, 2449** relating to affordable housing development. These bills would all address various hurdles to the process of developing affordable housing for the people of Hawaii.

House Bill 2261 makes permanent the low-income housing tax credit program administered by the Hawaii Housing Finance and Development Corporation and removes the 5-year limitation on claiming the tax credit.

House Bill 2262 authorizes the Hawaii Housing Finance and Development Corporation to reimburse any qualified person or firm for any predevelopment costs of certain affordable rental housing projects. Includes reimbursement for predevelopment costs for certain affordable rental housing projects among the permissible uses of Dwelling Unit Revolving Fund and Rental Housing Revolving Fund moneys.

House Bill 2263 authorizes expenditures from the dwelling unit revolving fund for pre-development fees associated with affordable housing development.

House Bill 2447 temporarily exempts affordable housing projects from all state fees related to discretionary approval or ministerial permitting. Sunsets on January 1, 2032.

House Bill 2448 provides that an exemption from the general excise tax established by section 201H-36, Hawaii Revised Statutes, that has been approved by the Hawaii Housing Finance and Development Corporation shall be provided once the qualified person or firm has received approval for project funding and begun to spend money on the project.

House Bill 2449 requires that when developers make cash payments in lieu of providing the required reserved housing units in the development of residential projects for the Hawaii Community Development Authority, the cash payments shall be deposited into the rental housing revolving fund.

As a nonprofit developer it is pretty clear that it takes significant time and money to obtain the necessary entitlement and then develop such projects. These bills which makes a key funding source permanent, provides reimbursement of predevelopment costs, expands the use of a funding source (DURF), reduces the costs of permitting fees, quickens the timing access to GET exemption, and creates an additional funding source to the gap funding for developers from the cash payments to HCDA, all help make affordable housing more possible. Most importantly, the end users, people needing affordable housing, are the true beneficiaries.

Hawaiian Community Development Board is a nonprofit developer focusing primarily on beneficiaries of the Hawaiian Homes Commission Act of 1921, but also works with non-beneficiaries.

I urge you to please pass these measures, HBs **2261, 2262, 2263, 2447, 2448, 2449.**

Pupuka I Holomua,

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

Kali Watson
President/CEO
Hawaiian Community
Development Board (HCDB)



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 423
THURSDAY, JANUARY 30, 2020 AT 9:45 A.M.**

To The Honorable Tom Brower, Chair;
The Honorable Scot Z. Matayoshi, 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

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.

January 29, 2020

Honorable Tom Brower, Chair
Honorable Scot Matayoshi, Vice Chair
House Committee on Housing
415 South Beretania Street Room 438
State Capitol
Honolulu, HI 96813

LATE

RE: HB2447
Hearing of January 30, 2020 Testimony in Support
Relating to Affordable Housing

Chair Brower, Vice Chair Matayoshi and Committee Members,

Thank you for the opportunity to testify in **support** of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to the 2018 affordable rental housing report and ten-year plan, Hawai'i will need an additional 64,693 housing units by 2025 with nearly seventy percent of those units designated as low-income households. This bill will incentivize developers to construct affordable housing within the state and therefore address the affordable housing crisis.

Sincerely,

Bert Kobayashi
Senior Advisor
Kobayashi Group, LLC.



LATE

**HOUSE COMMITTEE ON HOUSING
State Capitol, Conference Room 423
415 South Beretania Street
9:45 AM**

January 30, 2020

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

Chair Brower, Vice Chair Matayoshi, and members of the committee:

My name is Dwight Mitsunaga, 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 is in strong support of H.B. 2447 which proposes to amend Chapter 201H HRS to temporarily exempt affordable housing projects from all state fees related to discretionary approval or ministerial permitting.

We suggest that the language in the bill be amended to read: “. . . exempt affordable housing projects from all state **and county** fees, **and exactions** related. . .” This would clearly state exemption at both the state and county levels for affordable housing projects developed under Chapter 201H HRS.

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 approval increases risks and drives up the cost of housing in Hawaii.

In the 2020 Legislative Session, both Chambers of the Hawaii State Legislature, and Governor Ige’s Administration put forward a comprehensive package of bills to improve the quality of life for Hawaii’s middle class families. A large part of the package attempted to address housing affordability. Exemptions from state and county fees and exactions will remove the uncertainty and risks developers of affordable housing projects face on each project.

We appreciate the opportunity to express our views on H.B. 2447.

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fax. 808-629-7701

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Waipahu, HI 96797

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info@biahawaii.org



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Housing
Thursday, January 30, 2020 at 9:45 A.M.
Conference Room 423, State Capitol**

LATE

RE: HB 2447 RELATING TO AFFORDABLE HOUSING

Chair Brower, Vice Chair Matayoshi and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2447 which proposes to amend Chapter 201H HRS to temporarily exempt affordable housing projects from all state fees related to discretionary approval or ministerial permitting.

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. 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.

We suggest that the language in the bill be amended to read: ". . . exempt affordable housing projects from all state **and county fees, and exactions** related. . ." This would clearly identify state exemptions at both the State and County level for affordable housing projects developed under Chapter 201H HRS.

We appreciate the opportunity to express our support for HB 2447.

January 30, 2020

Honorable Tom Brower, Chair
Honorable Scot Matayoshi, Vice Chair
House Committee on Housing
415 South Beretania Street Room 438
State Capitol
Honolulu, HI 96813

LATE

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Hearing of January 30, 2020 Testimony in Support
Relating to Affordable Housing

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Sincerely,


Paul McElroy
Vice President
Development & Construction
Kobayashi Group, LLC

January 30, 2020

Honorable Tom Brower, Chair
Honorable Scot Matayoshi, Vice Chair
House Committee on Housing
415 South Beretania Street Room 438
State Capitol
Honolulu, HI 96813

LATE

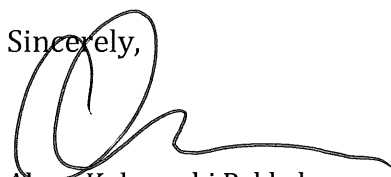
LATE

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Hearing of January 30,2020 Testimony in Support
Relating to Affordable Housing

Chair Brower, Vice Chair Matayoshi and Committee Members,

Thank you for the opportunity to testify in **support** of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to the 2018 affordable rental housing report and ten-year plan, Hawai'i will need an additional 64,693 housing units by 2025 with nearly seventy percent of those units designated as low-income households. This bill will incentivize developers to construct affordable housing within the state and therefore address the affordable housing crisis.

Sincerely,



Alana Kobayashi Pakkala
Chief Operating Officer
Kobayashi Group, LLC.