

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

**SENATE COMMITTEE ON HOUSING**

March 10, 2020 at 1:45 p.m.  
State Capitol, Room 225

In consideration of  
**H.B. 2449, H.D. 1**  
**RELATING TO AFFORDABLE HOUSING.**

HHFDC ***offers the following comments*** to H.B. 2449, H.D. 1, which would authorize the deposit of cash payments made in lieu of reserved housing requirements imposed by the Hawaii Community Development Authority (HCDA) into the Rental Housing Revolving Fund. While we appreciate the intent of this bill, we note that the HCDA has existing uses for the revenue generated from their fees.

Thank you for the opportunity to testify.



# HAWAII COMMUNITY DEVELOPMENT AUTHORITY

547 Queen Street, Honolulu, Hawaii 96817  
Web site: <http://dbedt.hawaii.gov/hcda/>

DAVID Y. IGE  
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JOHN WHALEN  
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INTERIM EXECUTIVE DIRECTOR

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## STATEMENT OF GARETT KAMEMOTO, INTERIM EXECUTIVE DIRECTOR HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Before the  
**SENATE COMMITTEE ON HOUSING**

Tuesday, March 10, 2020  
1:45 P.M.  
State Capitol, Conference Room 225

in consideration of

### **HB 2449, HD1 RELATING TO AFFORDABLE HOUSING**

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

The Hawaii Community Development Authority (HCDA) **opposes HB 2449, HD1**, which may transfer cash payments, made by developers in lieu of providing the required reserved housing units in Kakaako out of HCDA.

Currently, the cash-in-lieu funds are used to administer the HCDA reserved housing program, which helps to keep Kakaako mixed income by providing affordable housing in the district.

The funds have financed affordable housing in buildings like Halekauwila Place, the state development affordable rental condominium that provides 204 residential units to families at or below 60% area median income (AMI).

Thank you for the opportunity to testify on **HB 2449, HD1**.



DEVELOPMENT  
FINANCE  
MANAGEMENT  
CONSTRUCTION

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Testimony of The Michaels Organization | Michaels Development - Hawai'i Region  
RELATING TO House Bill 2449

Tuesday, March 10, 2020 at 1:45 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 Zoning, Planning and Housing

The consequences of spreading affordable housing funding resources across multiple agencies is that it costs time and money to apply for financing and to fulfill the requirements of the various programs, as they are seldom consistent. This necessitates the affordable housing developer to utilize additional subsidy funds – more often than not from the Rental Housing Revolving Fund - to finance the additional costs of multiple agency oversight and additional compliance.

To remove these regulatory and administrative barriers that inhibit cost efficiency and add to the timeline for development, a pragmatic solution is to allow this funding resource to be consolidated for access by affordable housing developers, then processed and approved by the State Housing Finance Agency – the Hawaii Housing Finance and Development Corporation (HHFDC) – that has the mission of adding to the affordable housing inventory for the residents of Hawai'i.

Thank you for the opportunity to provide comments in support of House Bill 2449.

Karen Seddon, Regional Vice President  
Michaels Development – Hawai'i

**LATE**

**HB-2449-HD-1**

Submitted on: 3/10/2020 8:09:56 AM

Testimony for HOU on 3/10/2020 1:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Elton Wong	Individual	Support	No

Comments:

Hawaii is in need of affordable housing as shown in the SMS study. Every measure is needed to fulfill the demand. HHFDC and the RHRF are the best vehicle to deposit affordable housing fees and get results. I am in support of this bill.

March 10, 2020

**LATE**

TO: The Honorable Stanley Chang, Chair  
Senate Committee on Housing

The Honorable Dru Mamo Kanuha, Vice Chair  
Senate Committee on Housing

FROM: Paul McElroy

**SUBJECT: HEARING OF MARCH 10, 2020  
TESTIMONY IN SUPPORT OF HB 2449  
RELATING TO AFFORDABLE HOUSING**

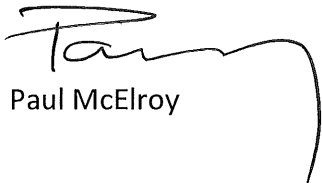
Dear Chair Chang, Vice Chair Kanuha and Committee Members,

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 a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By authorizing cash payments made by developers in lieu of providing the required reserved housing units in the development of residential projects for the Hawaii community development authority to be deposited into the rental housing revolving fund, it addresses the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take systemic change to address the housing crisis.

I commend the legislature for recognizing that significant measures need to be undertaken to alleviate our backlog of affordable housing.

Thank you for the opportunity to provide my support for HB2449.

Sincerely,

  
Paul McElroy

March 10, 2020

TO: The Honorable Stanley Chang, Chair  
Senate Committee on Housing

The Honorable Dru Mamo Kanuha, Vice Chair  
Senate Committee on Housing

FROM: Alana Kobayashi Pakkala

**SUBJECT: HEARING OF MARCH 10, 2020  
TESTIMONY IN SUPPORT OF HB 2449  
RELATING TO AFFORDABLE HOUSING**



Dear Chair Chang, Vice Chair Kanuha and Committee Members,

My name is Alana Kobayashi Pakkala, Chief Operating Officer & Partner of Kobayashi Group, LLC. Thank you for the opportunity to testify in support of HB2449 which authorizes cash payments made by developers in lieu of providing the required reserved housing units in the development of residential projects for the Hawai'i community development authority to be deposited into the rental housing revolving fund.

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 a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By authorizing cash payments made by developers in lieu of providing the required reserved housing units in the development of residential projects for the Hawaii community development authority to be deposited into the rental housing revolving fund, it addresses the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take systemic change to address the housing crisis.

I commend the legislature for recognizing that significant measures need to be undertaken to alleviate our backlog of affordable housing.

Thank you for the opportunity to provide my support for HB2449.

Sincerely,

Alana Kobayashi Pakkala  
Chief Operating Officer