

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

January 28, 2020 at 1:30 p.m.
State Capitol, Room 225

In consideration of
S.B. 2550
RELATING TO AFFORDABLE HOUSING.

The HHFDC ***appreciates the intent*** of S.B. 2550, but have the following concerns. HHFDC's affordable housing mission is carried out in partnership with our private sector partners, both for-profit and non-profit. However, HHFDC's current business model does not include owning or operating affordable rental housing projects as is contemplated in this bill.

HHFDC's role is in providing financing and development assistance, and in monitoring completed projects for continued compliance with affordability and other regulatory requirements, as our recent portfolio sale of our former rental housing projects makes clear.

HHFDC is willing to work with private sector partners to develop employee housing, and our existing financing and development tools will accommodate these types of developments. However, we do not believe that the new program proposed in S.B. 2550 is the best vehicle to accomplish this bill's goals.

Thank you for the opportunity to testify.

Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Riki Hokama
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

January 27, 2020

LATE

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

FROM: Alice L. Lee
Council Chair

SUBJECT: **HEARING OF JANUARY 28, 2020; TESTIMONY IN SUPPORT OF SB 2550, RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this bill is allow the Hawaii Housing Finance and Development Corporation to enter into public-private partnerships with businesses to build affordable housing and reserve a portion of the housing units for the exclusive use of the businesses' employees.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. This measure would help support the development of much-needed affordable-housing units statewide by encouraging private-sector entities to build affordable housing.
2. This measure would help to ensure that skilled employees stay in the State and do not leave because of the lack of affordable housing.

For the foregoing reasons, I **support** this measure.

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SB-2550

Submitted on: 1/26/2020 11:14:06 PM

Testimony for HOU on 1/28/2020 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Testifying for Partners In Care	Support	No

Comments:



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Housing
Tuesday, January 28, 2020 at 1:30 P.M.
Conference Room 225, State Capitol**

LATE

RE: SB 2550, RELATING TO AFFORDABLE HOUSING

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2550, which would allow HHFDC to enter into public private partnerships with private sector entities to build affordable workforce housing and reserves a portion of the housing units for the exclusive use for the employees of the private sector entity partner.

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.

According to a 2015 report published by the Department of Business, Economic Development and Tourism, Hawaii will need to build 65,000 housing units to meet residential demand. As median housing prices continue to rise and residents continue to leave the state permanently for better opportunity, it's clear that drastic solutions must be taken to increase housing supply and affordability.

SB 2550 presents an innovative solution to Hawaii's housing challenges through utilizing public private partnerships (P3s). We understand that public private partnership (P3s) are gaining popularity around the world primarily due to the lack of government funds to develop social infrastructure.

This partnership would be mutually beneficial to private entities who can attract and retain employees through offering housing solutions and the public at large who will have access to 60% of this new housing inventory. By limiting private-entity rentals to households that earn up to 50% of the area median income, this bill also ensures that these units will remain workforce housing that is accessible to residents.

Innovative solutions like these will move our state forward. We thank you for the opportunity to testify in support of SB 2550.