



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
Tuesday, February 25, 2020 at 12:30 p.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
and
Jan Gouveia
Vice President for Administration
University of Hawai'i System

SB 3104 SD1 – RELATING TO LAND DEVELOPMENT

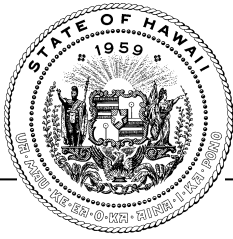
Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to present testimony regarding SB 3104 SD1, Relating to Land Development.

The University of Hawai'i (UH) supports SB 3104 SD1. The bill proposes to provide \$200 million in funding via general obligation bonds to the Hawai'i Housing Finance and Development Corporation (HHFDC) for construction of regional infrastructure that would help support the development of housing on lands near the UH West O'ahu (UHWO) campus. The UHWO campus property is currently situated on roughly 300+ acres of land in Kapolei, O'ahu.

The UH has already been trying to develop roughly 180+ acres of land adjacent to the campus and which is situated along the first two rail stations. The University has envisioned this project to develop a University village that includes housing, retail, and industry amenities synergized to the growing UHWO campus. One of the challenges in advancing this project has been the limited amount of infrastructure on, and around, the property. An additional challenge has been the minimal amount of capital investment that is available toward infrastructure costs. This bill could help provide the necessary infrastructure investment that could spur development at UHWO and at surrounding properties for housing.

Thank you for the opportunity to testify on this matter.



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DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, February 25, 2020
12:30 PM
State Capitol, Conference Room 211

in consideration of
SB 3104 SD1
RELATING TO LAND DEVELOPMENT.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means.

The Office of Planning (OP) offers **comments** on SB 3104 SD1, the omnibus housing bill proposing various measures to promote and fund the development of affordable housing.

OP serves as the lead agency for State transit-oriented development and as co-chair of the Hawaii Interagency Council for Transit-Oriented Development (TOD Council), a multi-agency council charged with coordinating State agency TOD planning with the counties. OP and the TOD Council are strong advocates of TOD and Smart Growth principles, including mixed-use and affordable and rental housing on State lands in each county, especially in areas close to public transit.

OP supports the change in Part II, Section 2 (3), SD1, which broadens use of the \$200 million in general obligation bonds for regional infrastructure from near UH West Oahu to “supporting the development of housing on lands near or adjacent to the rail transit stations” which commendably provides much greater flexibility to expend the funds where they can best be used.

Previous OP comments on SB 3104 Part III regarding the Land Use Commission (LUC) have been incorporated except for Item 1: clarifying “majority of the development” wherein SD1 uses “majority of the square footage of the development” which is more difficult to determine, especially if mixed uses are involved. **OP recommends that on Page 19 line 15, “majority of the square footage of the development” be replaced with “majority of the residential units developed”.** Similar change is needed on Page 14, lines 17-18. We defer to HHFDC on any revisions to the affordable housing references.

Other Part III new provisions in SD1 propose augmenting LUC enforcement authority which has long been sought by the LUC and is supported by OP.

Thank you for this opportunity to testify.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Tuesday, February 25, 2020
12:30 PM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 3104, SENATE DRAFT 1
RELATING TO LAND DEVELOPMENT**

Senate Bill 3104, Senate Draft 1 proposes to exempt from the definition of public lands, lands set aside by the Governor or leased by any state department or agency to the Hawaii Housing Finance and Development Corporation (HHFDC) for a period not to exceed 99 years, for the primary purposes of developing affordable housing; require the HHFDC to submit a report to the Legislature that identifies all state lands that may be developed for multi-unit dwellings; require the HHFDC to submit a program to the Legislature by December 31, 2020, which addresses various housing concerns, including the steps necessary to end the State's housing shortage; authorize the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawaii West Oahu campus; authorize the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less; appropriate \$500,000 for 3 full time equivalent (FTE) project manager positions; authorize a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the square footage of the development will be for affordable housing; authorize the State Historic Preservation Division of the Department of Land and Natural Resources (Department) to delegate the responsibility of historic preservation project reviews to the impacted county; establish the Office of the Housing Advocate; and remove the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year. **The Department strongly opposes SECTION 20 of this measure regarding the creation of the Housing Advocate and offers the following comments. The Department does support this measure in part, including SECTION 18 that proposes to amend Section 6E-42, Hawaii Revised Statutes (HRS).**

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

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DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

The Department strongly opposes providing the Housing Advocate with absolute discretion to set aside lands to HHFDC, the Hawaii Public Housing Authority, or the Department of Hawaiian Home Lands, without any prior approval from the Board of Land and Natural Resources. This would result in an egregious negation of the sunshine public deliberation process under the Board's statutory responsibility as the steward of public lands.

Additionally, the Department has four parcels adjacent or in close proximity to the University of Hawaii West Oahu Rail Station in East Kapolei which would be impacted by this measure. The Department's objective and initiative is to lease the parcels to generate critically needed income to support the Department's natural resource management and protection programs.

Planned uses for the parcels include commercial, retail, office, light industrial, mixed use and residential purposes. Additionally, the City and County of Honolulu's most recent draft East Kapolei Neighborhood Transit-Oriented Development Plan has accepted the Department's proposed uses for the parcels. The Department certainly appreciates the need for housing and is already working with the HHFDC regarding a potential affordable housing project as a part of our master plan for the parcels that would be located within a one-mile radius of the transit station. However, under this measure, if any of the Department's other East Kapolei parcels would be dedicated for use as housing by the Housing Advocate, it would significantly compromise the Department's ability to generate revenue to support its operations.

Senate Bill 3104, Senate Draft 1 proposes to authorize delegation of Section 6E-42, HRS, reviews to counties that request delegation and meet requirements established by the Department. Included in those requirements is that the County and the Department enter into an agreement memorializing the delegation. On page 26, line 4 through 6 the relevant section reads:

“(6) Entered into a written agreement with the department and the office of Hawaiian affairs memorializing the scope of delegation to the county;”

Section 6E-42, HRS, reviews are duty of the Department. Determination of the requirements for delegation to a county and when that county has developed program that meets the requirements for delegation is also a Department duty. It is the Department's view that it is not appropriate make such determinations subject to the approval of any agency outside of the Department. The Department recommends that reference to the Office of Hawaiian Affairs (OHA) be deleted from this paragraph.

Senate Bill 3104, Senate Draft 1 also proposes to authorize the Department to establish a program to certify third-party reviewers to vet documents prior to submission to the Department for Chapter 6E, HRS, review. On page 27, lines 4 and 5 the relevant section reads:

“Certification of third—party individuals and organizations shall require approval by the office of Hawaiian affairs.”

Chapter 6E, HRS, specifically requires the Department to regulate archaeological activity. A large portion of that regulation of archaeological activities is accomplished through review of archaeological documents submitted to the Department for review. Third-party reviewers will necessarily become a part of the Department's efforts to regulate archaeological activities, and certification of such reviewers of must necessarily be a Department decision. It is the

Department's view that it is not appropriate to subject those decisions to OHA approval. The Department recommends deletion of this sentence in its entirety.

Senate Bill 3104, Senate Draft 1 would require the Department to select third-party reviewers. The Department believes that having the Department select the third-party reviewer will inject the Department into a business relationship that is properly between the project proponent and its consultants. The Department also notes that requiring the Department to undertake this activity will require staffing and funding that are not in the current or proposed budget. If this is not addressed the Department will be unable to carry out this activity in an effective and timely manner due to lack of resources. The Department believes that deleting this provision will not alter the intent or impact of establishing a third-party review program, and will avoid the potential problems of having the Department play this role.

Thank you for the opportunity to comment on this measure.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2020**

ON THE FOLLOWING MEASURE:

S.B. NO. 3104, S.D. 1, RELATING TO LAND DEVELOPMENT.

BEFORE THE:

SENATE COMMITTEE ON WAYS AND MEANS

DATE: Tuesday, February 25, 2020 **TIME:** 12:30 p.m.

LOCATION: State Capitol, Room 211

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Matthew S. Dvonch,
Deputy Attorney General, at 587-3080)

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

Part II, Section 3 of this bill requires the Hawai'i Housing Finance and Development Corporation (HHFDC) to transfer to the Department of Hawaiian Home Lands (DHHL) or the Office of Hawaiian Affairs (OHA) housing units in residential projects developed on State lands set aside to HHFDC by the Governor or leased by any State agency to HHFDC, provided that HHFDC shall establish administrative rules to determine the number or percentage of housing units to be transferred to DHHL or OHA. HHFDC may not grant certificates of occupancy for any such development until such administrative rules are established.

Part V, Section 20 of this bill establishes the Office of the Housing Advocate to be placed within the Department of Business, Economic Development, and Tourism. The Housing Advocate will analyze solutions to address the State's housing needs, review existing housing program and initiatives, educate the public on housing policies and programs, and advocate for policies that will expedite development of affordable housing. The housing advocate will also have the power to set aside lands "belonging to any State agency" to HHFDC, DHHL, or the Hawai'i Public Housing Authority, subject to legislative approval.

I. Transfer of Housing Units to the Department of Hawaiian Home Lands (Part II, Section 3)

DHHL's powers are established by the Hawaiian Homes Commission Act, 1920, as amended (HHCA), which is part of the Hawai'i Constitution. Section 207 of the HHCA authorizes DHHL to issue residential homestead leases to native Hawaiians for an initial term of 99 years. A "native Hawaiian" is defined by the HHCA as "any descendant of not less than one-half part of the blood of the races inhabiting the Hawaiian Islands previous to 1778." The HHCA only authorizes DHHL to issue these leases on Hawaiian home lands; it is not authorized to issue homestead leases on non-Hawaiian home lands.

If this bill's intent is to have housing units that are transferred to DHHL remain non-Hawaiian home lands, DHHL will not be able to lease them to native Hawaiians for homesteading purposes. An amendment to the HHCA would be required, which will trigger review by the U.S. Department of the Interior as to whether consent of the United States is required for the amendment to take effect.

If the intent is to have these units acquire the status of Hawaiian home lands, a different concern arises. Under section 204 of the HHCA, DHHL has exclusive authority over the zoning and other land use controls on Hawaiian home lands. If certain units within an HHFDC development are transferred to DHHL, these units will be governed by the terms of the HHCA and be under the sole jurisdiction of DHHL. This will result in a patchwork of units governed by HHFDC's various restrictions on use, occupancy, and sale, and units governed by the HHCA.

II. Lands Set Aside by the Housing Advocate (Part V, Section 20)

The bill on page 32, lines 7-11, grants the Housing Advocate the authority to "set aside lands belonging to any State agency" to HHFDC, DHHL, or the Hawai'i Public Housing Authority, subject to "legislative approval." As drafted, it is unclear whether this provision would encompass "public lands," as defined by section 171-2, HRS, which are generally administered by the Department of Land and Natural Resources, or whether it is limited to lands owned by State agencies that are exempt from the definition of "public lands."

Section 171-11, HRS, authorizes the Governor to set aside “public lands” to any State agency or the various counties for public uses. If the power granted to the Housing Advocate to set aside lands encompasses “public lands,” there will be an overlap of authority regarding set asides of these lands. This may lead to conflicts between the Governor and the Housing Advocate. For example, the Governor may set aside a parcel of land to one agency and the Housing Advocate may set aside the same parcel to another agency. To avoid such conflicts, we suggest either removing this provision entirely or clarifying that “lands belonging to any State agency” shall not include “public lands” or Hawaiian home lands, which are under DHHL’s exclusive control.

We also note that the term “legislative approval” is not defined. To avoid confusion, we suggest amending the provision to state that “legislative approval” means adoption of a concurrent resolution by majorities of each house of the Legislature.

Thank you for the opportunity to provide these comments.



SB3104 SD1
RELATING TO LAND DEVELOPMENT
Ke Kōmike 'Aha Kenekoa o ke Ki'ina Hana a me nā Kumuwaiwai

Pepeluali 25, 2020

12:30 p.m.

Lumi 211

The Office of Hawaiian Affairs (OHA) provides the following **COMMENTS** on SB3104 SD1, which seeks to address the urgency of Hawai'i's affordable housing crisis. OHA is **very appreciative** of the amendments made to this draft, including, in particular, the contemplated benefits to Native Hawaiians via rulemaking that would transfer some unspecified proportion of residential units in anticipated projects to the Department of Hawaiian Home Lands (DHHL) or OHA. OHA also appreciates that the bill as amended targets the Hawai'i Housing Finance and Development Corporation's (HHFDC) leases of state lands for projects targeted at incomes of up to 80% of the Area Median Income (AMI) – which is reflective of the housing needs for the general public and Native Hawaiians in Hawai'i. In addition, OHA expresses deep gratitude for the opportunity to play a meaningful part in the development of this measure, and respectfully offers comments to: (1) further explain the justification for the explicit provision of benefits to Native Hawaiians from the use of public and likely “ceded” and public land trust lands; (2) ensure that lease terms are reasonably set; (3) safeguard the Land Use Commission's (LUC's) oversight over the redistricting of conservation lands; and (4) further explain the need to maintain adequate safeguards for Native Hawaiian cultural resources and burials in the State Historic Preservation Division's (SHPD's) delegation of its state historic preservation review responsibilities, and justify the role of OHA in the changed processes anticipated by this measure.

1. Policy changes that allow expansive and prolonged future use of “ceded” and public land trust lands should be accompanied by contemplated benefits to Native Hawaiians, OHA applauds that SB3104 SD1 does just that.

SB3104 SD1 contemplates a significant expansion of the public lands that could be leased under HHFDC's very flexible and liberal land disposition authorities. Currently, HHFDC can only give out extremely long-term, 99-year leases on the limited lands that HHFDC holds in fee; HHFDC may also lease or otherwise dispose of such lands for far less than market value, and without the auction or other requirements generally applicable to the disposition of public lands. SB3104 SD1 would allow a vastly greater amount of public lands – which are overwhelmingly “ceded” lands, to which Native Hawaiians maintain unrelinquished claims, and which are also largely public land trust lands, held for the benefit of native Hawaiians and the general public – to be leased or otherwise disposed of under

HHFDC's broad leasing and disposition authorities. These lands are currently subject to the public transparency and accountability protections of HRS Chapter 171, which include lease length limitations (i.e. a maximum aggregate lease period of 65 years), lease extension prohibitions, and auction requirements; **allowing these lands to be exempted from HRS Chapter 171 and instead subjecting them only to the HHFDC's broad leasing and disposition authorities may foreclose, for a century or more, opportunities for Native Hawaiians to fully and directly realize the benefits from lands to which they have specific legal and moral claims.**

Given the proposed foreclosure of opportunities for Native Hawaiians to more fully realize benefits from a potentially vast amount of public lands to which they maintain claims, some level of assurance should be provided – as proposed in the current draft of this measure – to minimally ensure that Native Hawaiians will directly benefit from HHFDC's expanded use of public lands.

The unique and significant housing needs of Native Hawaiians make this measure's contemplated transfer of residential units to OHA or DHHL a particularly appropriate benefit to provide to Native Hawaiians from the use of "ceded" and public land trust lands. Native Hawaiians have significant and unique housing needs, and are particularly affected by the ongoing lack of affordable housing. For example, data show that Native Hawaiians are less likely to own a home;ⁱ Native Hawaiian households are also much more likely to be crowded with more than two persons per bedroom,ⁱⁱ and "doubled up," with multigenerational or unrelated individuals living together in single households.ⁱⁱⁱ Furthermore, Native Hawaiian households are twice as likely to have a 'hidden homeless' family member than all state households.^{iv} Moreover, a growing number of Native Hawaiian households are disproportionately at risk of becoming homeless.^v 75% of the Native Hawaiian demand for housing is also for units affordable for households making below 140% AMI, and 56% of Native Hawaiian housing demand will be from households under 80% AMI.^{vi} This data demonstrates the dire need for affordable housing among the Native Hawaiian and DHHL-beneficiary communities, and reflects the appropriateness of ensuring that at least some proportion of residential units be provided to OHA or DHHL in exchange for the vastly expanded use of lands to which Native Hawaiians maintain claims.

Given the maintained claims of Native Hawaiians to "ceded" lands that are highly likely to be developed and leased if this measure passes, the State's fiduciary obligation to uphold the interests of Native Hawaiians in public land trust lands that may also be developed under this measure, as well as the State's responsibilities to DHHL and its native Hawaiian beneficiaries, it is both equitable and appropriate to ensure a percentage of units to be transferred to OHA and/or DHHL. Accordingly, if the Committee chooses to pass this measure, we respectfully urge the Committee to maintain this language.

2. Extremely long-term, multi-generational leases may lead to the alienation of public and "ceded" lands.

Consistent with OHA's past advocacy, OHA expresses its continued concerns over the length of the proposed 99-year leasehold interests for HHFDC lands set aside by the

governor or leased from other State agencies, as contemplated by this measure. As described above, although HHFDC may currently offer 99-year leases for up to 140% AMI households on lands to which it holds title, SB3104 SD1 would substantially broaden the lands that HHFDC may issue such long-term leases for, to include lands that the governor may set aside to HHFDC in the future, as well as lands it may lease from other state agencies. Critically, such additional state lands subject to this proposed HHFDC long-term leasing authority are highly likely to include “ceded” lands, taken through the illegal overthrow of the Hawaiian Kingdom and to which Native Hawaiians maintain unrelinquished claims. Even with the contemplated provision of direct benefits to Native Hawaiians, OHA believes that providing for 99-year leasehold interests in “ceded” lands may be excessively long, and may unnecessarily risk the eventual loss of such leased lands.

OHA reiterates its long-held concern that extremely long-term, multi-generational leases on “ceded” lands inevitably create a sense of entitlement on the part of lessees that has led to and may continue to lead to the alienation of public and “ceded” lands. OHA strongly objects to the sale or alienation of “ceded” lands except in very limited circumstances, and has significant concerns over any proposal that may facilitate the diminution of the “ceded” lands corpus. Accordingly, OHA urges the Committee to reconsider this measure’s proposal to subject a significant amount of “ceded” lands to extremely long-term, 99-year leases.

Therefore, **OHA respectfully recommends reducing the maximum 99-year lease length for lands that may be set aside to or leased by HHFDC to maximum of 75 years for affordable housing projects.**^{vii} OHA particularly recommends the following suggested language if there are no express benefits to Native Hawaiians.

By amending page 2, line 2, to read as follows:

“development corporation for a period not to exceed 75”

And amending page 4, lines 9-15, to read as follows:

“(6) Lands set aside by the governor or leased by any state department or agency to the Hawaii housing finance and development corporation for the primary purposes of developing affordable housing, or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;”

And by inserting a new section in the measure, to read as follows:

SECTION __. Section 201H-9, Hawai`i Revised Statutes, is amended to read as follows:

“**[+]§201H-9[+]** **Acquisition, use, and disposition of property.** (a) The corporation may acquire any real or personal property or interest therein by

purchase, exchange, gift, grant, lease, or other means from any person or government to provide housing. Exchange of real property shall be in accordance with section 171-50.

(b) The corporation may own or hold real property. All real property owned or held by the corporation shall be exempt from mechanic's or materialman's liens and also from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the corporation be a charge or lien upon its real property; provided that this subsection shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of the corporation or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the corporation on its rents, fees, or revenues. The corporation and its property shall be exempt from all taxes and assessments.

(c) [The] Subject to subsection (e), the corporation may lease or rent all or a portion of any housing project and establish and revise the rents or charges therefor. The corporation may sell, exchange, transfer, assign, or pledge any property, real or personal, or any interest therein to any person or government.

(d) The corporation may insure or provide for the insurance of its property or operations against risks as it deems advisable.

(e) Notwithstanding any law to the contrary, as it relates to the leasing of lands set aside by the governor to the corporation, or lands leased to the corporation from other state agencies, no lease shall be for a longer term than seventy-five years, provided that the aggregate of the initial term and any extension shall in no event exceed seventy-five years, provided further that the lease is for the primary purpose of providing affordable housing."

3. Although OHA acknowledges the bill's thoughtful amendments regarding the Land Use Commission, a simple drafting amendment could ensure the Commission maintains oversight for district boundary amendments to conservation district lands, as was likely intended.

The LUC was created nearly 60 years ago, when the Hawai'i State Legislature determined that a lack of adequate controls had caused the development of Hawai'i's limited and valuable lands "for short-term gain for the few while resulting in long-term loss to the income and growth potential of our State's economy."^{viii} Some of the key reasons for the

LUC's creation were the development of scattered subdivisions creating problems of expensive yet reduced public services, and the conversion of prime agricultural land to residential use.^{ix} **With ever-growing development pressure by speculators and land investment corporations, the needs and concerns that gave rise to the establishment of the LUC may be of even greater consequence today than they were nearly 60 years ago.**

The LUC district boundary amendment (DBA) review process, intended to enable the LUC to consistently protect the state's and public's interests in land use changes, currently applies to DBAs for (1) lands within conservation districts (regardless of acreage), (2) lands designated (or sought to be designated) as important agricultural lands (regardless of acreage), and (3) lands greater than 15 acres in the agricultural, rural, and urban districts. County authorities already enjoy sole decision-making authority over DBAs for lands comprising up to 15 acres in the agricultural, rural, and urban districts.

The retention of the LUC's oversight over all conservation land DBAs, regardless of acreage, is of critical importance for the State, and for the Native Hawaiian community in particular. Conservation district lands "include areas necessary for protecting watersheds and water sources; preserving scenic and historic areas; providing park lands, wilderness, and beach reserves; conserving indigenous or endemic plants, fish, and wildlife, including those which are threatened or endangered; preventing floods and soil erosion; forestry; open space areas whose existing openness, natural condition, or present state of use, if retained, would enhance the present or potential value of abutting or surrounding communities, or would maintain or enhance the conservation of natural or scenic resources;" and are highly likely to contain natural and cultural resources and sites that are critical to the perpetuation of Native Hawaiian traditional and customary practices. LUC oversight in the DBA process, meanwhile, includes well-established and comprehensive mechanisms for upholding the State's interests in the various roles served by our conservation district lands, including mechanisms that affirmatively protect or mitigate impacts to important natural and cultural resources and Native Hawaiian traditional and customary practices. These mechanisms are not replicated in county level reviews of DBA petitions, which do not include the same level or type of factual inquiry as the LUC, and which do not have the LUC's institutional memory, perspective, and resources to consistently uphold the various state interests that may be impacted by DBAs involving conservation lands. **Accordingly, any proposal to remove LUC oversight over DBAs involving conservation district lands may result in unintended and potentially irreparable consequences for the State, including the Native Hawaiian community as well as the general public.**

As drafted, SB3104 SD1 could unintentionally remove the LUC from the DBA review process for conservation district lands. While this does not appear to be the intent of the current draft of the bill, OHA offers the following simple amendment to ensure the continued retention of LUC oversight over conservation district DBAs. Accordingly, OHA recommends amending the language on page 19, lines 7-20, to read as follows:

“(e) Notwithstanding any other provision of this section to the contrary, a person may petition the appropriate county decision making authority in the county in which the land is situated for a change in the boundary of a district involving lands that are not designated as conservation district lands, important agricultural lands, or with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B and comprising twenty-five acres or less; provided that the majority of the square footage of the development for which the boundary change is sought shall be for Hawaii residents who are owner-occupants and who own no other real property, in perpetuity; provided further that the district boundary amendments shall be limited to lands contiguous to the urban district.”

As a final note, with regards to any proposed diminution of the LUC's oversight role generally, OHA maintains that **no data or other factual information suggests that the LUC review process contributes to delays in housing development timelines.** In fact, the LUC consistently decides on HRS Chapter 201H affordable housing projects within its designated “fast-track” 45-day allowance period. Additionally, the median timeframe for all LUC DBA decision-making between 1995 and 2014 was approximately 14 months, compared to 24 months for the development of necessary infrastructure and facilities.^x Between 2010 to 2017, the LUC approved seven housing-related petitions proposing 9,389 housing units, with an estimated 3,675 of those units being reserved as affordable; over the past two decades, **the LUC has already approved DBAs on O‘ahu to develop roughly 23,000 residences that have not yet been built due to other delays, such as water and sewer infrastructure capacity.** Accordingly, although OHA is not objectionable to the changes to HRS Chapter 205 in the SD1 with the above amendment, we are also not objectionable to the complete removal of all HRS Chapter 205 amendments proposed.

4. Requiring OHA to consult on and approve the scope of delegation of historic preservation review authority will better ensure that Native Hawaiian cultural resources and burials are consistently and appropriately protected, while also furthering the goals of the proposed amendments to HRS Ch 6E.

OHA appreciates that this current draft would apply certain conditions for any delegation by SHPD of the HRS 6E historic preservation review authority; these conditions will provide additional safeguards for Hawaiian cultural sites and burials while still accommodating the goals this bill seeks to achieve. These provisions include: 1) requiring consultation with OHA in the certification of counties for HRS Chapter 6E review authority delegation; 2) requiring that OHA be a party to a **written agreement** that memorializes the scope of such a delegation of authority to a county; 3) explicitly excluding burial site reviews from any delegation of authority to a county, preserving the authority of the Island Burial

Councils; and 4) requiring OHA approval for certification of third-party reviewers to whom further HRS 6E review responsibilities may be delegated. We offer the following comments in support of these recent additions.

Allowing OHA to share authority over the certification of counties seeking delegation of HRS 6E review authority, and requiring OHA to be a party to written agreements to memorialize these delegations, will provide a more consistent and appropriate level of protection for Native Hawaiian cultural and historic sites and resources and actually facilitate the goals of county delegation. As the state agency mandated to assess the policies and practices of other state agencies for possible impacts to Native Hawaiians, OHA has been an important partner to SHPD for the last three decades, and has a demonstrated interest in any long-term agreements that would change historic preservation review authorities and that could result in the potentially inappropriate or inconsistent treatment of irreplaceable Hawaiian cultural resources and burial sites. Therefore, we appreciate the current draft's requirements to ensure OHA consultation on any certification of counties to carry out SHPD's historic preservation responsibilities; such consultation will give OHA the opportunity to ensure that counties first develop the appropriate expertise and procedural infrastructure to consistently and appropriately protect Native Hawaiian cultural resources and burials, before they are granted this critical kuleana. **Even more importantly, a written agreement that can be referenced even after administration and staff changes is critical to memorialize what kuleana is being granted and what kuleana is not being granted; allowing OHA to be a party to such agreements will ensure that OHA can continue to ensure that any delegations of SHPD's responsibilities are being carried out consistently and appropriately as originally agreed upon.**

OHA further appreciates the explicit reaffirmation of the authority of the island burial councils under HRS §§ 6E-43, 6E-43.5, and 6E-43.6 and their implementing regulations over Native Hawaiian burials, in recognition of the councils' unique cultural expertise with regard to burial matters.

Finally, OHA approval of third-party reviewers will also provide an additional safeguard for Native Hawaiian cultural resources and burial sites. The current draft of SB3104 SD1 would allow SHPD to delegate authority to review documents for completeness and accuracy to third-party individuals or organizations, which could help to accelerate the state historic preservation review process. To best achieve this goal, however, it is critical that these third-party reviewers be competent and responsible professionals with the requisite expertise. To this end, OHA has three decades of experience working with local archaeological firms and our staff have extensive historic preservation and iwi kūpuna experience and expertise; therefore, OHA may offer unique insights on firms and individuals who have exercised the highest standards of care and professionalism toward Native Hawaiian resources and burials as well as the Hawaiian community. OHA accordingly appreciates SB3104 SD1's proposal to ensure that these critical delegations are vetted by OHA.

For the reasons above, OHA respectfully urges the Committee to consider its comments, including the adoption of the amendments described in sections 2) and 3) of this testimony. Mahalo nui loa for the opportunity to testify on this measure.

ⁱ See Office of Hawaiian Affairs, Native Hawaiian Homeownership Ho‘okahua Waiwai Fact Sheet Vol. 2016, No. 1, page 3, available at <http://www.oha.org/wp-content/uploads/NH-Homeownership-Fact-Sheet-2016.pdf>. This figure includes 8,329 DHHL residential lease “owner-occupied” property units. DHHL Annual Report 2014, at 47, available at <https://dhhl.hawaii.gov/wp-content/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf>. For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 41.2%, 15.5 percentage points below the statewide rate.

ⁱⁱ 21.2% of Native Hawaiian households are crowded with more than two persons per bedroom versus 10.9% of other households in the state. SMS, Hawai‘i Housing Planning Study, at 73 (2019), available at <https://dbedt.hawaii.gov/hhfdc/files/2020/01/FINAL-State-Hawaii-Housing-Planning-Study.pdf>.

ⁱⁱⁱ 24.5% of Native Hawaiian households, compared to 9.0% of other households include more than two generations or unrelated individuals. *Id.*

^{iv} 38% of Native Hawaiian households, compared to 19% of other households, reported having at least one person residing there because they had insufficient resources to buy or rent their own place. *Id.* at 74.

^v 32% of Hawaiian households indicated that they would become homeless if they lost their primary source of income for more than two months. This figure is up nine percentage points from the 2016 study, and compares to only 23% of non-Hawaiian households at similar risk. *Id.*

^{vi} *Id.* at table 60.

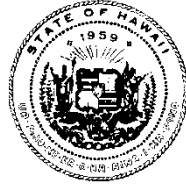
^{vii} OHA does acknowledge concerns raised regarding the potential for kūpuna without family or resources and those with special physical and health needs to outlive a 75-year lease; OHA is open to further discussions regarding whether additional statutory lease extension language can accommodate such exigent circumstances.

^{viii} State of Hawai‘i Land Use Commission website, History, last accessed on Feb. 4, 2020, available at <https://luc.hawaii.gov/about/history-3/>.

^{ix} *Id.*

^x THE STATE LAND USE TASK FORCE, STATE LAND USE SYSTEM REVIEW DRAFT REPORT III (2015).

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

Tuesday, February 25, 2020
12:30 PM - Room 211, Hawaii State Capitol

In consideration of
SB 3104, SD1
RELATING TO LAND DEVELOPMENT

Honorable Chair Dela Cruz and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 3104, SD1, relating to land development.

The Hawaii Public Housing Authority (HPHA) **supports** SB 3104, SD1, which addresses many housing related issues that will assist our state to get out of the housing crisis.

Hawaii faces a growing shortfall of affordable homes for low and middle-income populations. This includes working families, seniors on fixed incomes, people with disabilities, and other at-risk populations. Many of these families are rent-burdened, meaning they pay more than 30% of their income to housing costs. When that threshold is crossed, households must spend more on basic housing needs, leaving less income for other household essentials (like healthcare, transportation, food, and clothing). Moreover, a single financial setback can send a rent-burdened household into severe economic hardship or homelessness – impacting not only the residents, but neighborhoods, communities, and our economy.

The HPHA appreciates the SD1 version of the bill because it took into account the HPHA's concerns of conflict with U.S. Department of Housing and Urban Development and the policy making ability of the HPHA Board of Directors. Please know that the HPHA stands ready to assist the Legislature in this endeavor and looks at this measure as an opportunity to be a part of the overall solution needed to address all housing related issues in Hawaii.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding SB 3104, SD1. We thank you very much for your dedicated support.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

Testimony of **Linda Chu Takayama**
Chief of Staff, Office of the Governor

Before the
Senate Committee on Ways and Means
February 25, 2020
12:30 p.m., Conference Room 211

In consideration of
Senate Bill 3104, SD1
RELATING TO LAND DEVELOPMENTL FACILITIES AGENCY

Chair Dela Cruz, Vice Chair Keith-Agaran, and committee members:

Thank you for the opportunity to provide comments on Senate Bill 3104, SD1. The Office of the Governor strongly supports the intent of this measure, which is to facilitate the development of affordable homes for our working middle class residents and families.

We are concerned, however, with several provisions of the SD1, which will result in excluding people like teachers, nurses, and first responders from owning their own homes. This “gap” group of working professionals in Hawaii earn too much to qualify for state subsidized low-income housing but make too little to afford homes priced at the market rate. We support the idea of revisiting the AMI level cited in SD1.

We appreciate the effort the Senate has put forth on this bill, but suggest more work is needed. Thank you for your consideration.



DAVID Y. IGE
Governor

JOSH GREEN
Lieutenant Governor

MIKE MCCARTNEY
Director

LAND USE COMMISSION
Department of Business, Economic Development & Tourism
State of Hawai'i

DANIEL ORODENKER
Executive Officer

Bert K. Saruwatari
Planner

SCOTT A.K. DERRICKSON AICP
Planner

RILEY K. HAKODA
Chief Clerk/Planner

RASMI AGRAHARI
Planner

FRED A. TALON
Drafting Technician

Statement of
Daniel E. Orodener
Executive Officer
State Land Use Commission

Before the
Senate Committees on
Ways and Means

Tuesday February 25, 2020
12:30 PM
State Capitol, Conference Room 211

In consideration of
SB 3104 SD1
RELATING TO LAND DEVELOPMENT

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means:

The Land Use Commission (LUC) supports the intent of SB3104 SD1 and provides the following comments and suggestions for clarifying language on certain sections in Part III of the proposed bill. The bill is intended to make changes to fund and promote the development of affordable housing (Part II); authorizes state or county agencies to petition for district boundary amendments for lands between 15 and 25 acres subject to certain conditions (Part III); authorizes the delegation of responsibilities for historic preservation reviews to counties (Part IV); and, creates the office of the housing advocate (Part V).

For Part III of the proposed bill, our proposed additions are underscored while proposed deletions are in strikethrough where appropriate.

In order to better reflect the actual purpose in Section 12 (lines 16-18) we suggest the following language:

“SECTION 12. The purpose of this part is to authorize any person, including a state or county department or agency, to petition the appropriate county land use decision-making authority, rather than the land use commission, for a change in the boundary of a district involving land areas between fifteen acres and twenty—five acres where the majority of

the square footage of the development for which the boundary change is sought shall be for affordable housing and will prioritize and give preference to projects that are able to deliver more lower cost housing.

To clarify language in Section 13 (line 6, 205– (a)(1)) pertaining to penalties, we suggest replacement with the following language:

(1) After a hearing in accordance with land use commission rules and chapter 91, is found to have violated a condition of the decision and order of the land use commission with regard to a district boundary amendment or any representation made therein; or”

The LUC offers no comments on Section 14 of the bill.

To clarify language and conform to the intent of the legislature in Section 15 (page 19, lines 7-20) pertaining to amendments to district boundaries for affordable housing projects on lands between 15 acres and 25 acres. We suggest replacement of subsection (e) with the following language:

“(e) Notwithstanding any other provision of this section to the contrary, a person may petition the appropriate county decision making authority in the county in which the land is situated for a change in the boundary of a district involving lands that are not designated as conservation district lands, important agricultural lands, or with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B and comprising twenty-five acres or less; provided that the majority of the square footage of the development for which the boundary change is sought shall be for affordable housing and will prioritize and give preference to projects that are able to deliver more lower cost housing; provided further that the district boundary amendments shall be limited to lands contiguous to the urban district.”

We support the language in Section 15 (page 20, lines 1-18) providing subsections (f) through (h) that addresses parceling of lands.

We support the language in Section 16 (pages 22-23) providing additional language regarding enforcement of conditions and representations made by developers during a district boundary amendment, whether or not there has been substantial commencement. Additional language to clarify that this will only occur after a hearing pursuant to Land Use Commission administrative rules and HRS Chapter 91, should be added to Section 16 (page 22, line 13).

“If the commission finds, after a hearing in accordance with commission rules and chapter 91, that...”

The commission chair and a member of commission staff participated in a discussion regarding the language in SB3104 SD1 on Saturday February 22, 2020 convened and facilitated by the Hawai'i Community Foundation with public and private sector advocates for development of affordable housing. The proposed language in this testimony has been influenced by, and seeks to reflect, general agreement by those participants (except for one participating group) with respect to the sections of the proposed bill that affect the Land Use Commission.

Thank you for the opportunity to testify on this matter.

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613



TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

FEBRUARY 25, 2020
12:30 P.M.
CONFERENCE ROOM 211

SENATE BILL NO. 3104, SENATE DRAFT 1
RELATING TO LAND DEVELOPMENT

Chairperson Dela Cruz and Members of the Committee:

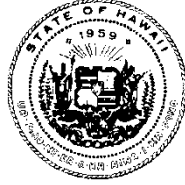
Thank you for the opportunity to testify on Senate Bill 3104, SD 1. This multi-part measure seeks to expedite affordable housing development.

The Department of Agriculture supports the amendment made to Section 15, page 19 line 7-20 that authorizes the counties to consider land use district boundary amendments for lands 25 acres or less that are not designated as Important Agricultural Lands or with soil classified by the Land Study Bureau's Detailed Land Classification as Overall (Master) Productivity Rating Class A or B. These amendments support the initiatives of the Legislature and the Administration to increase local food self-sufficiency by protecting, for agricultural production, the lands most capable of sustaining intensive agricultural use.

There is no mention of using lands already in the Urban District, whether vacant or underutilized, to meet the need for multi-unit affordable housing. The identification, evaluation, and use of appropriate areas with the Urban District will reduce the need to prematurely reclassify and urbanize agricultural lands.

Thank you for the opportunity to testify on this important measure.





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 WAYS AND MEANS

February 25, 2020 at 12:30 p.m.
State Capitol, Room 211

In consideration of
S.B. 3104, S.D. 1
RELATING TO LAND DEVELOPMENT.

The HHFDC ***is opposed to*** the S.D. 1 to S.B. 3104.

The stated purpose of S.B. 3104 was to provide solutions to expeditiously develop housing for working families in the State of Hawaii. To do this, ***we respectfully offer the following amendments to the S.D. 1 and the rationale for these amendments*** below.

Part II

1. **Part II, Section 2** (page 1, lines 14-17 and page 2, lines 1-21)

Rationale and requested amendment:

- The S.D. 1 states “the purpose of this part is to make amendments to chapter 201H, Hawaii Revised Statutes.” Because Part II encompasses provisions beyond just Chapter 201H, HRS, and including appropriations, we request Part II, Section 2 be amended by replacing language on page 1, lines 14-17 and page 2, lines 1-21 with the following:

SECTION 2. The purpose of this part is to:

- (1) Create a residential leasehold program to increase homeownership opportunities for Hawaii residents, particularly working individuals and families. The residential leasehold developments are envisioned to offer lower cost homes in quality

- neighborhoods that promote smart growth principles; and
- (2) Address some of the barriers to the development of affordable housing, namely developable land and infrastructure capacity.

2. **Part II, Section 3** (page 3, lines 1-20 and page 4, lines 1-2)

Rationale and requested amendments:

- The S.D. 1 amends Chapter 201H, HRS, by adding a new section called “Residential projects on state lands.” Because S.B. 3104 establishes a new workforce housing program with somewhat different requirements than what currently exists, we suggest creating in Chapter 201H, Part II, entitled “Housing Development Programs,” a new Subpart to be titled “Residential Leasehold Program” to address the new residential leasehold program. The new Subpart would include a definition for “residential leasehold projects”, limit residential leases to a period that does not exceed 99 years, provide eligibility criteria for homebuyers, and authorize HHFDC to adopt rules to better define and implement the program.
- The S.D. 1, subsection (a), contains a provision that requires HHFDC to transfer housing units to the Department of Hawaiian Home Lands (DHHL) and Office of Hawaiian Affairs (OHA). We ask that subsection (a) be deleted in its entirety for the following reasons:
 - Because HHFDC is bound to follow Federal and State Fair Housing laws under §201H-5, HRS, HHFDC cannot transfer housing units to the DHHL or OHA, if said housing would be for a racially discriminatory purpose. HHFDC as a housing agency must act to affirmatively further fair housing.
 - Subsection (a) does not provide any mechanism for the developer/HHFDC to be compensated for the development of housing units that are proposed to be transferred to DHHL or OHA. Without remuneration, the cost of the transferred housing units would be borne by the working families that purchase housing units in a project.
 - Finally, following discussion with development stakeholders, HHFDC has concerns that residential leasehold project financing would be in jeopardy if any portion of a project is to be for race-based housing.
- The S.D. 1, subsection (b), requires pricing of the housing units to be at a level that is affordable to households at 80 percent of the area median income (AMI). We have been advised by our developer stakeholders that such pricing is not economically feasible without a government subsidy to cover the cost of vertical construction of these developments. Therefore, we ask to replace the 80 percent AMI language in subsection (b) with language that allows preferences for lower cost housing that is designed to address Hawaii’s housing shortage. HHFDC would adopt rules to define “lower cost

housing” which would cap prices at 140 percent AMI, as well as set forth the process and criteria for the development of housing.

- Higher density residential developments could benefit from other commercial or other mixed uses and suggest adding a provision to allow for the development of mixed uses.

In summary, we ask that Section 3 be amended to read as follows:

SECTION 3. Chapter 201H, Hawaii Revised Statutes, is amended by:

- (1) Designating sections 201H-31 to 201H-34 as subpart A, entitled "General Provisions";
- (2) Designating sections 201H-35 to 201H-70 as subpart B, entitled "Development Programs"; and
- (3) Adding a new subpart to be appropriately designated and to read as follows:

"_. Residential Leasehold Program

§201H- Residential leasehold program. (a) The corporation, on behalf of the State or with eligible developers and contractors, may develop residential leasehold projects on state lands set aside by the governor or leased by any state department of agency to the corporation. Residential leasehold projects developed under this section shall have preferences for lower cost housing that is designed to address Hawaii's housing shortage.

(b) For purposes of this subpart, "residential leasehold projects" means a multi-family, affordable condominium development to be sold to first-time homebuyers under a long-term ground lease of a term not to exceed ninety-nine years.

(c) The corporation shall adopt rules, pursuant to chapter 91, necessary for the purposes of this subpart. The rules shall address eligibility criteria for homebuyers, the process and criteria for the development of residential leasehold projects, restrictions on the use, sale, and transfer of dwelling units, residential leasehold terms, and other major provisions of the residential leasehold program.

§201H- Commercial, industrial, and other uses. (a) In connection with the development of residential leasehold projects, the corporation may also develop commercial, industrial, and other properties if it determines that the uses can be an integral part of the development or can help to enhance the lifestyles of residents of the development. The corporation may designate any portions of the development for commercial, industrial, or other use and shall have all the powers granted under this chapter with respect thereto, including the power to bypass statutes, ordinances, charter provisions, and rules of any government agency pursuant to section 201H-38.

(b) The corporation shall adopt rules, pursuant to chapter 91, to effectuate the purposes of this section.

§201H- Additional powers. The powers conferred upon the corporation by this subpart shall be in addition and supplemental to the powers conferred by any other law, and nothing in this subpart shall be construed as limiting any powers, rights, privileges, or immunities so conferred."

3. Part II, Section 4 (page 5, lines 11-12)

Section 4 provides an exemption from the definition of public lands in section 171-2, HRS, for lands set aside by the Governor or leased by any state department or agency to the HHFDC for the primary purposes of developing affordable housing. However, the S.D. 1 also adds "for a period not to exceed ninety-nine years."

Rationale and requested amendment:

- In Section 4 of the S.D. 1, on page 5, lines 11 to 12, we ask that the phrase "for a period not to exceed ninety-nine years," be deleted. The 99-year limitation on residential leases is more appropriately placed in the new "Residential Leasehold Program" Subpart of Part II, in Chapter 201H, HRS.

4. Part II, Section 7 (page 10, lines 15-20 and page 11, lines 1-17)

Section 7 of the S.D. 1 requires HHFDC to submit to the Legislature a **program** that addresses 13 housing concerns, including producing a demonstration project no later than December 31, 2020.

Rationale and requested amendment:

- HHFDC is not able to develop a **program** by the end of 2020. However, we are able to provide a **report** on our findings on all but "(13) producing a

demonstration project.” Therefore, we request that Section 7 be amended to read as follows:

SECTION 7. ~~(a)~~—The Hawaii housing finance and development corporation shall submit to the legislature a program-report that addresses housing concerns, including but not limited to:

- (1) Producing enough housing units to meet the demand of Hawaii residents;
- (2) Ensuring the lowest possible sales price of housing units;
- (3) Limiting housing units to Hawaii residents who are owner-occupants and who own no other real property;
- (4) Maximizing walkability and minimizing private vehicles and traffic;
- (5) Minimizing short-term rentals;
- (6) Including the interest of native Hawaiians;
- (7) Enforcing chapter 104, Hawaii Revised Statutes, for construction of leasehold property;
- (8) Maximizing availability to Hawaii residents at all income levels;
- (9) Minimizing the financial burden to state taxpayers,
- (10) Ensuring the excellence of maintenance and repairs;
- (11) Prioritizing, as residents in the housing units, neighbors and residents impacted by the development; and
- (12) Preventing windfall profits at every resale to buyers who resell their unit; ~~and~~
- ~~(13) Producing a demonstration project.~~

~~(b)~~—The Hawaii housing finance and development corporation shall submit the program-report to the legislature no later than December 31, 2020 twenty days prior to the convening of the regular session of 2021.

5. Part II, Section 9 (page 12, lines 15-20) and Section 10 (page 13, lines 12-17)

Rationale and requested amendments:

- Sections 9 and 10 authorize the issuance of GO bonds for infrastructure development. However, subparagraph (1) in the S.D. 1 includes provisions that require "the affordable housing infrastructure be used only for developments in which the majority of the square footage of the development

is housing to be occupied, in perpetuity, by Hawaii residents who are owner-occupants and who own no other real property."

The concerns related to developing units for Hawaii residents who are owner-occupants and own no other property are already addressed in §201H-31 to §201H-34, HRS. Furthermore, adding restrictions of this nature to real property in perpetuity may make it difficult for housing developers to obtain project financing and, prevent the project from being built. Therefore, we respectfully request the deletion of subparagraph (1) to both Sections 9 and 10 (page 12, lines 15-20 and page 13, lines 12-17).

6. Part II, Section 11 (page 14, lines 3-4)

Rationale and requested amendment:

- The S.D. 1 appropriates general funds for 3.0 full-time project manager positions. Because the project manager positions will be placed in HHFDC, we respectfully suggest that their means of funding be changed to revolving funds, i.e. the Dwelling Unit Revolving Fund.
- We also request increasing the ceiling for BED160/HD for salary and fringe benefits for the 3 positions.

Part III

7. Part III, Section 12 (page 14, lines 17-20)

Section 12 of the S.D. 1 states that the purpose of part III is to authorize a county land use decision-making authority, rather than the land use commission, to make district boundary amendments for land areas between 15 and 25 acres.

Rationale and requested amendment:

HHFDC has concerns with language stating that the majority of the square footage of the development for which the boundary change is sought be for Hawaii residents who are owner-occupants and who own no other real property, in perpetuity." We note that this requirement is vague, and adding restrictions to real property in perpetuity may make it difficult for developers to obtain financing. As a result, developers may decide it is too risky to use this new district boundary amendment process. Therefore, we respectfully suggest deleting this proviso on page 14, lines 17-20, in its entirety.

8. Part III, Section 15 (page 19, lines 15-18)

Section 15 amends §205-3.1, HRS to allow county land use decision-making authority, rather than the land use commission, to make district boundary amendments for land areas between 15 and 25 acres.

Rationale and requested amendment:

- HHFDC has concerns with a portion of the new §205-3.1(e), HRS, added in the S.D. 1 that require "the majority of the square footage of the development for which the boundary change is sought be for Hawaii residents who are owner-occupants and who own no other real property, in perpetuity."

We note that this requirement is vague, and adding restrictions to real property in perpetuity may make it difficult for developers to obtain financing. As a result, developers may well decide it is too risky to use this new district boundary amendment process. Therefore, we respectfully suggest deleting this proviso on page 19, lines 15-18, in its entirety.

Part IV

HHFDC defers to the lead agency, the State Historic Preservation Division, on historic preservation matters in this measure.

Part V

9. Part V, Section 20 (page 29, line 3 and page 32, lines 7-11)

Section 20 establishes an Office of the Housing Advocate to focus efforts on addressing the housing shortage.

Rationale and requested amendments:

- Because the Housing Advocate will be placed within the Department of Business, Economic Development and Tourism, and not in HHFDC, the means of funding for the position should be changed from the Dwelling Unit Revolving Fund to General Funds.
- On page 32, lines 7 to 11, the Housing Advocate is given the authority to set aside lands belonging to any state agency to the HHFDC, the Hawaii Public Housing Authority or to the Department of Hawaiian Home Lands subject to legislative approval. However, no specific mechanism or process is established for this power. Meanwhile, there is an existing, well-established set aside process for State lands in §171-11, HRS, that utilizes the Board of Land and Natural Resources' processes, expertise, and staffing.

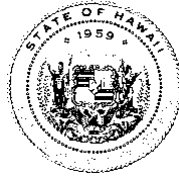
Therefore, we respectfully suggest that the Housing Advocate instead be authorized to make recommendations to the Governor for the set aside of lands for housing.

Part VI

HHFDC is in strong support of Part VI, which lifts the \$38,000,000 cap on the Rental Housing Revolving Fund's (RHRF) share of conveyance taxes. HHFDC currently receives 50 percent of conveyance taxes, up to a maximum of \$38 million per fiscal year. Any excess accrues to the General Fund.

Thank you for the opportunity to provide written comments on this bill.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
DECISION MAKING ON FEBRUARY 25, 2020 AT 12:30PM IN CR 211

SB 3104, SD1, RELATING TO LAND DEVELOPMENT

February 24, 2020

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

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill that would add a provision requiring the Hawaii Housing Finance and Development Corporation (HHFDC) to transfer to DHHL or the Office of Hawaiian Affairs (OHA), units within residential projects developed on certain state lands.

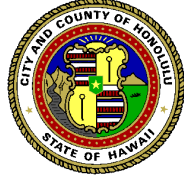
The Department appreciates the overall motivation behind this measure and the specific provision to transfer units to DHHL for use by beneficiaries. As noted in the testimony of the Department of the Attorney General on similar measures, there are some issues unique to DHHL that will require further review.

Thank you for your consideration of our testimony.

DEPARTMENT OF TRANSPORTATION SERVICES
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 3RD FLOOR
HONOLULU, HAWAII 96813
Phone: (808) 768-8305 • Fax: (808) 768-4730 • web: www.honolulu.gov

KIRK CALDWELL
MAYOR



WES FRYSZTACKI
DIRECTOR

JON Y. NOUCHI
DEPUTY DIRECTOR

TESTIMONY TO THE
SENATE COMMITTEE ON WAYS AND MEANS (WAM)

FEBRUARY 25, 2020
12:30 PM

**IN SUPPORT OF
SB 3104 SD 1 – RELATING TO LAND DEVELOPMENT**

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

The Department of Transportation Services is in support of this measure, specifically Section 9 that authorizes the issuance of general obligation bonds in the amount of \$200 million for regional infrastructure.

The significant level of investment in Kapolei as proposed by this bill will propel the expansion of transit-oriented development and sustainable, high-density, and pedestrian-friendly communities around the Honouliuli/Hoopili, Keoneae/University of Hawaii-West Oahu (UHWO), and Kualakai/East Kapolei rail transit stations. Further, we support investment into the regional infrastructure to support development of housing, especially investments aimed at increasing roadway capacity to accommodate travel not taken on transit or on foot.

Thank you for consideration of this measure and for the opportunity to provide this testimony.

SB-3104-SD-1

Submitted on: 2/21/2020 12:33:53 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Duane Hosaka	Testifying for Office of Housing and Community Development	Support	No

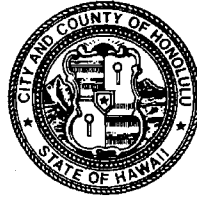
Comments:

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.honoluluapp.org • CITY WEB SITE: www.honolulu.gov

LATE

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

February 25, 2020

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 No. 3104, SD 1
Relating to Land Development**

The Department of Planning and Permitting (DPP) supports the intent of Senate Bill No. 3104, SD 1, to streamline various entitlement processes and allocate significant funding in support of housing that is priced for working families. We have **comments** on various provisions in the Bill. Our major concerns are included herein.

While we applaud the requirement that leased property can be committed for up to 99-year terms and that homes be priced for families earning 80 percent of the Area Median Income (AMI), we strongly oppose the elimination of income restrictions and first-time homebuyer requirements. How would selling an affordably priced home to a family earning over \$200,000 a year and owning several investment properties further the goal of providing housing to our families with the greatest need? The Bill, as amended, calls for the use of public resources with no assurances that the housing needs of working families are being met, and instead creates investment opportunities for households with greater financial means. Furthermore, without income restrictions, these projects would not qualify for exemptions and fee waivers that the City provides for affordable housing. Such incentives help to improve the feasibility of affordable housing projects, which, by nature, are difficult to pencil out for developers.

We appreciate the amended language in SD 1 that expands regional infrastructure support via the Dwelling Unit Revolving Fund (DURF) to lands located along the rail corridor, and not exclusively to areas near the University of Hawaii at West Oahu. While funding for infrastructure upgrades is necessary to encourage transit-oriented development (TOD), especially in areas with many small landowners, we suggest that the area be limited to the TOD Special District, instead of within one mile of a rail transit station. TOD is encouraged in areas within close proximity to a station, typically a 10-minute walk, and factors other than distance are considered, such as topographic barriers and property lines. The City's Neighborhood TOD Plans define the TOD Special District which is subsequently adopted by City Ordinance.

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
Hawaii State Senate
February 25, 2020
Senate Bill No. 3104, SD 1
Page 2

In addition, we have concerns with the amended language that places restrictions on the use of the DURF funds. Requiring that the majority of the square footage of the development be housing ignores market conditions, limits developer flexibility, and is counter to the City's efforts to encourage mixed-use, transit-oriented development. Limiting the housing to owner occupants of for-sale units, in perpetuity, goes against our efforts to address the need for affordable rental housing, especially in TOD areas.

Regulatory requirements are often cited as delaying project approvals, and thus increase housing costs. However, we are not convinced that the changes to the State Land Use Commission process would result in a better, faster process than the current 201H option. The latter process is more straightforward, without the proposed regulations on "parceling," and better ties coordination with City plans and regulations. Regarding the amended language in SD 1, we have the same concerns as stated above.

We have no objection to the establishment of an office of the housing advocate, and most of its proposed responsibilities. However, we cannot agree that it should establish a consolidated permit application to expedite the processing of affordable housing development projects. This goes beyond the role of an advocate, oversteps county homerule responsibilities, and appears to unilaterally override county plans and regulations. Without public notice and line agency review, public safety and long-standing community benefits and obligations may inadvertently be set aside. As such, current county planning and permitting regimes should remain under the sole authority of the counties.

While we support taking bold action to develop affordable housing, we ask that Senate Bill No. 3104, SD 1, be amended to address these concerns.

Thank you for the opportunity to testify.

Very truly yours,



Kathy K. Sokugawa
Acting Director

SB-3104-SD-1

Submitted on: 2/18/2020 7:01:27 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Testifying for Hawaii Kai Homeless Task Force	Support	No

Comments:

SB-3104-SD-1

Submitted on: 2/19/2020 7:05:56 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Moran	Testifying for Kihei Community Association (KCA)	Oppose	No

Comments:

Aloha Chair and Senators. We continue to oppose this measure. It is an attempt to exclude the public, the voters from the process cloaked under the guise that it will help relieve the housing shortage for these same voters Please do NOT support this action.

Mahalo,

Mike Moran for KCA

SB-3104-SD-1

Submitted on: 2/19/2020 9:15:29 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stephanie P. Donoho	Testifying for Kohala Coast Resort Association	Support	No

Comments:

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: REAL PROPERTY; Land Development

BILL NUMBER: SB 3104, SD-1

INTRODUCED BY: Senate Committees on Housing & Water & Land

EXECUTIVE SUMMARY: Exempts from the definition of public lands, lands set aside by the governor or leased by any state department or agency to the Hawaii housing finance and development corporation for a period not to exceed ninety-nine years, for the primary purposes of developing affordable housing. Requires the Hawaii Housing Finance and Development Corporation to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings. Requires the Hawaii Housing Finance and Development Corporation to submit a program to the Legislature by December 31, 2020, which addresses various housing concerns, including the steps necessary to end the State's housing shortage. Authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawaii West Oahu campus. Authorizes the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less. Appropriates \$500,000 for 3 full time equivalent (FTE) project manager positions. Authorizes a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the square footage of the development will be for affordable housing. Authorizes the State Historic Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county. Establishes the Office of the Housing Advocate. Removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year.

SYNOPSIS: As it relates to taxation: Part VI amends section 247-7(2), HRS, to remove the \$38 million cap on the conveyance tax revenues to be redirected to the rental housing revolving fund.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: The conveyance tax was enacted by the 1966 legislature after the repeal of the federal law requiring stamps for transfers of real property. It was enacted for the sole purpose of providing the department of taxation (which at the time also administered the real property tax) with additional data for the determination of market value of properties transferred. This information was also to assist the department in establishing real property assessed values and at that time the department stated that the conveyance tax was not intended to be a revenue raising device.

Prior to 1993, the conveyance tax was imposed at the rate of 5 cents per \$100 of actual and full consideration paid for a transfer of property. At the time all revenues from the tax went to the general fund. The legislature by Act 195, SLH 1993, increased the conveyance tax to 10 cents per \$100 and earmarked 25% of the tax to the rental housing trust fund and another 25% to the natural area reserve fund. As a result of legislation in 2005 and in 2009, the conveyance tax rates were substantially increased and bifurcated between nonowner-occupied residential properties and all other properties. Tax brackets were based on the amount of the value transferred. Until 2005, 50% of the receipts went into the general fund and the other half was split with the affordable rental housing program and the natural area reserve program. Beginning in 2005, another 10% was taken for the land conservation fund.

Act 84, SLH 2015, imposed the \$38 million cap on the earmark. In 2015, the Conference Committee explained the rationale for the cap on the earmark as follows:

Your Committee on Conference finds that budgetary planning and transparency are key components to ensuring the ongoing fiscal health of the State. Your Committee on Conference believes that, by establishing maximum amounts to be distributed to various non-general funds from the conveyance tax, this measure will make forecasts of general fund revenues more reliable, will increase legislative oversight of agencies and programs supported by the non-general funds, and will subject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds.

Conf. Comm. Rep. No. 156 (2015).

Raising the cap on the earmarked revenues (or eliminating the cap altogether, as this bill does) should be done only with great caution. As with any earmarking of revenues, the legislature will be preapproving each of the programs fed by the fund into which the tax monies are diverted, expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether the fund has too little or too much revenue.

If the legislature deems the programs and purposes funded by this fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers could then evaluate the real or actual needs of each program.

Digested 2/19/2020



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 3104 SD1: Relating to Land Development

TO: Senator Donovan M. Dela Cruz, Chair, Senator Gilbert S.C. Keith-Agaran, Vice Chair; and Members, Committee on Ways and Means
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Tuesday, February 25, 2020; 12:30 PM; CR 211**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways & Means:

Thank you for the opportunity to provide testimony **in support** of SB 3104, SD1, which proposes a wide range of solutions to develop housing for working families in the State. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners in Care.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

We applaud the Legislature and the governor for this bill and your efforts to address Hawaii's high cost of living which is forcing many residents to move out of state. This omnibus bill, with critical infrastructure and other proposals, is the first step to find solutions that match the needs Hawaii's workforce and the ALICE population. We appreciate the revisions in SD1 which aim to further this goal. We support Parts I, II, V, and VI. In Part II, Section 7, we strongly support developing a program with the criteria listed, particularly (1) Producing enough units to meet the demand of Hawaii residents, and (8) Maximizing availability to Hawaii residents at all income levels. We must prioritize ways to address workforce housing as well as rentals to end homelessness, two critical State goals.

Suggested Amendment: We suggest that Part II, Section 10, (1) be deleted. Instead of mandating that only the majority (i.e. 51%) of the square footage of the development to be occupied by Hawaii residents/owner occupants, **we suggest that HHFDC address the feasibility of establishing a higher percentage of Hawaii owner occupants for these developments.** This would promote more discussion with stakeholders in the development of the Program that HHFDC will bring back to the Legislature next session. With free State land and free infrastructure, the State must ensure that these massive investments will create housing that is truly affordable to our workforce and provide housing for those in most need. **We must give HOPE to ALICE families that the proposed solutions will produce the housing they need to be financially stable.** If only 51% (the majority) of housing is targeted to Hawai'i residents/owner occupants, then 49% could possibly be market or other uses. While we agree there must be flexibility in this Program, mandating now that only 51% be targeted to Hawai'i residents could acerbate the public's feelings that government is not providing real solutions for them. *We fear that this could provide more motivation for young workers to leave Hawai'i.*

We also strongly support Part VI which repeals the cap on conveyance taxes deposited into the Rental Housing Revolving Fund (RHRF). Affordable rentals need to continue to be a priority.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eumoku Street, Honolulu, HI 96822
Phone (808)373-0356 • bettylou.larson@CatholicCharitiesHawaii.org



They are an essential part of the mix of housing. Robust and predictable funding to the RHRF is critical. These rentals can also be pathways to homeownership for Hawaii's workforce.

Again, we applaud you for your joint focus on finding solutions for Hawaii's workforce and this critical ALICE population. We urge you to continue to focus this forward looking initiative on solutions that will provide housing to our residents who are working hard, but living paycheck to paycheck.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.

HAWAIIAN AFFAIRS CAUCUS
TESTIMONY WITH COMMENTS
IN SUPPORT AND IN OPPOSITION OF CERTAIN PROVISIONS

SB3104, SD1
Relating to Land Development
(WAM Hearing, Public Decision Making, Feb 25, 12:30 p.m., conf rm 211)

[COMMITTEE ON WAYS AND MEANS](#)
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

Aloha,

The Executive Committee of the Hawaiian Affairs Caucus, Democratic Party of Hawaii supports the intent of SB 3104, HD to create opportunities for affordable housing lands. We appreciate that the bill has been amended to provide for some housing to be transferred to the Dept of Hawaiian Home Lands or OHA; and that, “ Housing units in residential projects developed on state lands set aside by the governor or leased by any state department or agency to the corporation as described in section 171-2(6) shall be priced to be affordable to families making **eighty per cent of area median income**, provided that no income restrictions or first-time homebuyer requirements apply.”

However, we **OPPOSE** those provisions of the bill concerning 99-year leases and holding lands “in perpetuity”, specifically:

- 1) S171-2(6) which excepts from the definition of “Public lands”, lands set aside by the governor or leased by any state department or agency to the Hawaii housing finance and development corporation for a period not to exceed ninety-nine years, for the primary purposes of developing affordable housing or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;” and Section 5, Section 171.64.7, HRS that has the same language.
- 2) Section 9(a), that states, “The affordable housing infrastructure be used only for developments in which the majority the square footage of the development is housing to be occupied, **in perpetuity**, by Hawaii residents who are owner-occupants of the housing units, who own no other real property.” Section 10(1) has the same language.
- 3) Session 9(1) and Section 10(1), that state, “The affordable housing infrastructure be used only for development in which the majority of the square footage of the development is housing to be **occupied, in perpetuity**, by Hawaii residents who are owner-occupants of the housing units, who own no other real property.”

The effect of these provisions is that the Hawai‘i Housing Finance and Development Corporation (HHFDC) would be able to lease state lands to developers for up to 99 years, for projects that reserve only half of their units for households with incomes of up to 80% of the Area Median

Income (AMI), and provide other further statutory changes intended to expedite the production of housing. We appreciate the intent of this measure to address the dire housing needs of Hawai'i's residents, but respectfully express concern about these provisions that may unduly impact the interests Native Hawaiians, more specifically, encumbering public trust lands for 99 years...and no doubt, after three generations living on these lands...a push to allow permanent ownership "in perpetuity".

We note that the majority of the lands held by the State of Hawai'i are "ceded lands" or Hawaiian Kingdom crown and government lands. These lands are held in public trust for five (5) purposes including the betterment of the conditions of native Hawaiians as defined in the Hawaiian Homes Commission Act, 1920. The Admissions Act further states that any other object besides the 5 purposes shall constitute a breach of trust for which suit may be brought by the United States.

Mahalo for your consideration of our comments.

Respectfully

LEIMOMI KHAN, Chair



TO: Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee on Ways and Means

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: Thursday, February 20, 2020; 10:35 p.m., Conference Room 229

RE: COMMENT ON SB 3104 – RELATING TO LAND DEVELOPMENT

Thank you for the opportunity to provide comments on SB 3104 which has the potential to address the lack of affordable housing in Hawaii and to support working-class families across our state. This bill is a step in the right direction to support Hawaii’s hard-working individuals and families.

We support:

- Policy that creates affordable housing for working families, including those who fall into the ALICE (Asset Limited Income Constrained and Employed) category and who earn up to 80% AMI.
- \$200 million in infrastructure on state-owned lands by the rail and UH West Oahu
- \$75 million for affordable housing infrastructure on islands other than Oahu
- Office of Housing Ombudsman
- Elimination of the cap on conveyance tax proceeds that are deposited into the Rental Housing Revolving Fund

We encourage the legislature to consider whether these provisions support working families and would make impactful change to addressing our affordable housing crisis:

- Setting 140% AMI as the rate for “affordable housing”
 - We defer to HHFDC to confer with stakeholders and determine a rate that would broadly support working families, including those who fall into the ALICE (Asset Limited Income Constrained and Employed) and below threshold who represent 48% of Hawaii’s working families with young children.
- Removing LUC’s decision-making authority for properties less than 25 acres
 - We are unsure of whether this provision would truly be for the benefit of affordable housing projects.

History has shown that as the economy has changed to negatively impact the most vulnerable and disadvantaged in our society, it has a direct tie to increased homelessness, crime, substance abuse, decreased health, and decreased social and economic well-being. These impacts have long lasting and multi-generational consequences and impact the war on economic mobility, poverty and homelessness. Creating opportunities for homeownership and affordable housing for all Hawaii families will benefit all residents. Supporting working families strengthens the fabric of our entire community.

Founded in 1968, Parents And Children Together (PACT) is one of Hawaii's not-for-profit organizations providing a wide array of innovative and educational social services to families in need. Assisting more than 15,000 people across the state annually, PACT helps families identify, address and successfully resolve challenges through its 18 programs. Among its services are: early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention and community building programs.

Thank you for the opportunity to support and share our comments on **SB 3104**, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.



SB 3104, SD1, RELATING TO LAND DEVELOPMENT

FEBRUARY 25, 2020 · SENATE WAYS AND MEANS
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

POSITION: Support, with amendments.

RATIONALE: IMUAlliance supports and suggests amendments for SB 3104, SD1, relating to land development, which exempts from the definition of public lands, lands set aside by the governor or leased by any state department or agency to the Hawai'i Housing Finance and Development Corporation for a period not to exceed ninety-nine years, for the primary purposes of developing affordable housing; requires the Hawai'i Housing Finance and Development Corporation to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings; requires the Hawai'i Housing Finance and Development Corporation to submit a program to the Legislature by December 31, 2020, which addresses various housing concerns, including the steps necessary to end the State's housing shortage; authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawai'i West Oahu campus; authorizes the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less; appropriates \$500,000 for 3 full time equivalent (FTE) project manager positions; authorizes a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the square footage of the development will be for affordable housing; authorizes the State Historic

Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county; establishes the Office of the Housing Advocate; and removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year.

Today, **the lack of affordable housing exacerbates the economic insecurity suffered by local families, which sex traffickers use to prey upon potential victims with false promises of financial stability and prosperity.** Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2019* report found that a full-time worker would need to earn \$36.82/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 111 hours per week to afford a modest one-bedroom apartment at fair market value and 146 hours per week to afford a two-bedroom—a number that is equivalent to working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$16.68/hour, according to NLIHC, scarcely enough to meet their basic needs.

One out of every four households in Hawai'i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 63 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a third consecutive year in 2019, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by more than 4,700 people, to 1,415,872, from July 2018 to July 2019, when births, deaths, and migration were accounted for. That's the biggest numerical population drop since 2015 and it

made Hawai'i one of just ten states in the country to lose population in 2019, according to the U.S. Census Bureau. People are simply being priced out of paradise. Shockingly, **the Hawai'i Housing Planning Study released by SMS Research and Marketing Services earlier this year states that Hawai'i needs to build 50,156 new homes—for sale and rent—over the next five years to meet demand.** Yet, the study notes that homebuilders produced only 2,675 new homes on average annually from 2014 to 2017, down from a 2,800-home annual average between 2011 and 2014. To satisfy future demand, therefore, our state must produce 10,000 new homes per year. Over the next decade, however, SMS projects that an annual average of under 2,000 new homes will be produced, nowhere near enough to meet demand.

We fully support extending \$275 million for affordable housing and lifting the conveyance tax cap. We are also grateful that this measure now addresses the needs of our state's most economically distressed residents, i.e. those most in need of affordable housing. According to part II of the original draft of this proposal, affordable housing was defined as "housing that is affordable to households having incomes at or below one hundred forty per cent of the area median income as determined by the United States Department of Housing and Urban Development." In 2019, according to HUD guidelines, a single person earning 140 percent of AMI in Honolulu made \$118,600 per year, while a family of four earning 140 percent of AMI earned \$168,700.



HONOLULU COUNTY INCOME SCHEDULE BY FAMILY SIZE

2019

THE FOLLOWING TABLE PRESENTS INCOME LIMITS BY FAMILY SIZE AND BY PERCENTAGES OF THE VERY LOW INCOME LEVELS ESTABLISHED BY HUD. THESE INCOME LIMITS SERVE AS GUIDELINES TO ESTABLISH SALES/RENTAL PREFERENCES.

		LIMITS BY FAMILY SIZE							
MEDIAN		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
\$99,000									
Adjustments		0.7000	0.8000	0.9000	1.0000	1.0800	1.1600	1.2400	1.3200
for family size									
% of Income	10%	\$8,440	\$9,640	\$10,850	\$12,050	\$13,020	\$13,980	\$14,950	\$15,910
	20%	\$16,880	\$19,280	\$21,700	\$24,100	\$26,040	\$27,960	\$29,900	\$31,820
	30%	\$25,320	\$28,920	\$32,550	\$36,150	\$39,060	\$41,940	\$44,850	\$47,730
	40%	\$33,760	\$38,560	\$43,400	\$48,200	\$52,080	\$55,920	\$59,800	\$63,640
	50%	\$42,200	\$48,200	\$54,250	\$60,250	\$65,100	\$69,900	\$74,750	\$79,550
	60%	\$50,640	\$57,840	\$65,100	\$72,300	\$78,120	\$83,880	\$89,700	\$95,460
	70%	\$59,080	\$67,480	\$75,950	\$84,350	\$91,140	\$97,860	\$104,650	\$111,370
	80%	\$67,520	\$77,120	\$86,800	\$96,400	\$104,160	\$111,840	\$119,600	\$127,280
	90%	\$75,960	\$86,760	\$97,650	\$108,450	\$117,180	\$125,820	\$134,550	\$143,190
	100%	\$84,400	\$96,400	\$108,500	\$120,500	\$130,200	\$139,800	\$149,500	\$159,100
	110%	\$92,840	\$106,040	\$119,350	\$132,550	\$143,220	\$153,780	\$164,450	\$175,010
	120%	\$101,280	\$115,680	\$130,200	\$144,600	\$156,240	\$167,760	\$179,400	\$190,920
	130%	\$109,720	\$125,320	\$141,050	\$156,650	\$169,260	\$181,740	\$194,350	\$206,830
	140%	\$118,160	\$134,960	\$151,900	\$168,700	\$182,280	\$195,720	\$209,300	\$222,740

We should not be designating homes as “affordable” that are built for people earning six-figure incomes. Rather, lawmakers should focus on building housing that meets the needs of families earning 80 percent of AMI or less—and preferably 50 percent of AMI or less—to ensure that our neighbors who are living on the edge of poverty can survive. **Please maintain this measure’s commitment to genuine affordability by ensuring that developments built on public lands are priced at no more than 80 percent of AMI, as Section 3 of this measure currently mandates.**

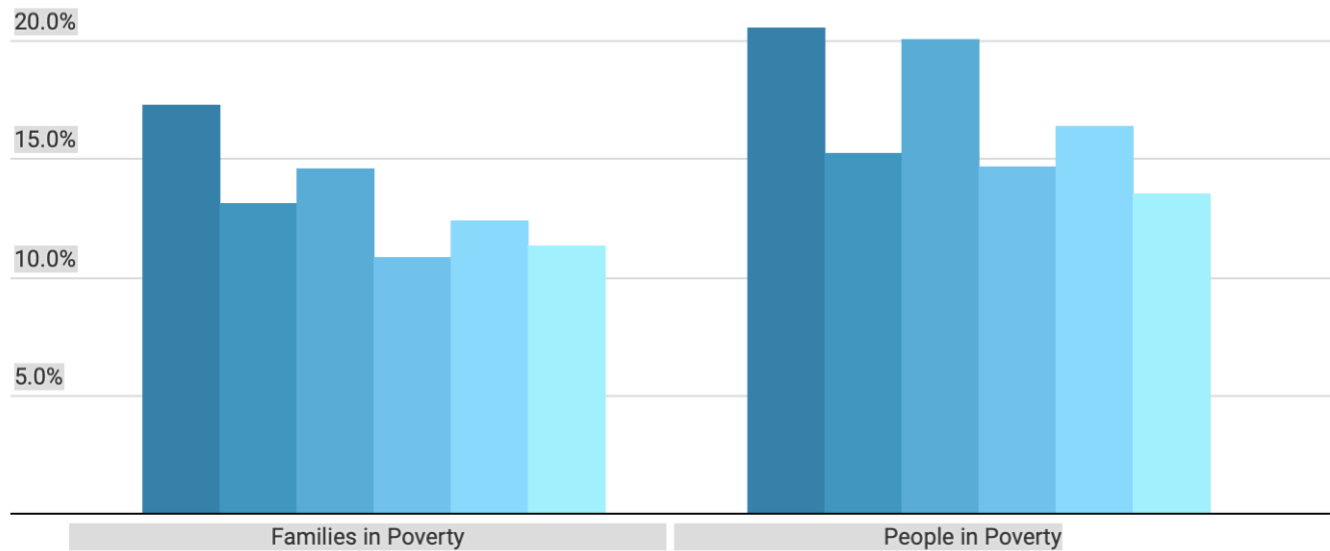
To spend hundreds of millions of dollars on housing that fails to uplift economically vulnerable workers—especially using state lands that are intended to reduce the cost of development by eliminating the land component of such costs—would be nothing more than a giveaway to the developers who continue to hold our housing market and working families hostage, while increasing their demands for financial concessions to inflate their bottom lines.

That said, we continue to be concerned about SB 3104’s **overt subversion of the Land Use Commission’s decision-making authority over district boundary amendments, a move that can only be understood as an attempt to sabotage the LUC’s historic role in preserving and protecting Hawai’i’s lands** and encouraging those uses to which lands are best suited. LUC officials are not the enemy of affordable housing. On the contrary, the greatest barrier to the development of truly affordable homes in the islands is our state’s inability to take a stand up to the private developers who are turning Hawai’i into a Monopoly board.

Amending this measure by restoring the Land Use Commission’s decision-making authority over housing developments in public lands would validate our state’s commitment to safeguarding public input in land use decisions, a commitment that is paramount not only to government transparency, but to Hawai’i’s need to protect the public trust for Native Hawaiians, who remain marginalized and dispossessed within their homeland and who experience poverty at a rate that is over 40 percent higher, at 13.5 percent of the total Hawaiian population, than non-Hawaiian residents, at 9.5 percent (see chart on next page).

Native Hawaiians in Poverty in Hawaii

■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017



To ensure that our islands are affordable for ourselves and future generations, we must take bold action **now** to increase our affordable housing supply for working families and advance the goal of providing homes for all.



TESTIMONY TO THE COMMITTEE ON WAYS AND MEANS

Tuesday, January 25, 2020, 12:30 p.m.

State Capitol, Conference Room 211

**TO: The Honorable Donovan Dela Cruz, Chair
The Honorable Gilbert Keith-Agaran, Vice Chair
Committee Members**

TESTIMONY PROVIDING COMMENTS ON SB3104 SD1 RELATING TO LAND DEVELOPMENT

I am Peter Ho, Chairman, President and CEO of Bank of Hawaii, and appreciate the opportunity to offer these comments in support of the intent of SB3104 SD1 relating to land development. The purpose of the measure is to provide solutions to expeditiously develop housing for working families in the state.

For the past three years, Hawaii has experienced a net decrease in its population. This troubling trend can be largely attributed to our state's high cost of living, particularly housing. Hawaii continues to struggle with its chronic housing problem. Increasing the housing stock – across the spectrum – has proven to be a challenge. Past experience has shown that bringing housing projects to fruition is challenging for developers. Whether due to policy issues or other constraints, a variety of impediments has hampered progress.

Of particular concern is the immediate need to address the housing shortage of Hawaii's gap group – those earning 60%-140% of the area median income. It is this group for which government subsidy programs are limited, yet at the same time many in this group do not earn enough to qualify for market-priced homes.

Legislation to tackle infrastructure costs and burdensome regulatory requirements is essential to helping resolve Hawaii's housing shortage. Keeping this in mind, certain provisions in the original senate bill provide a more direct path to address the housing needs of this broader and important segment of our population.

Thank you for the opportunity to testify on this matter.

Sincerely,

A handwritten signature in black ink that reads 'Peter Ho'.



Young Progressives Demanding Action
P.O. Box 11105
Honolulu, HI 96828
action@ypdahawaii.org

February 25, 2020
12:30 PM

TO: Senate Committee on Ways & Means
RE: Testimony Offering Support With Comments on SB3104 SD1

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, Members of the Senate Committee on Ways & Means,

Young Progressives Demanding Action (YPDA) advocates for public policies that reflect the values of young people throughout the State of Hawai'i. YPDA is in **Support With Comments on SB3104 SD1**, Relating to Land Development.

Building housing on state land that's affordable for low-income residents is an important step in solving our housing crisis. Ensuring that state land is not used for luxury units is a crucial improvement on the original measure. Keeping the price point below \$400,000 is important for subsidized projects taking place on state land.

Compared to the regular procedure of responding to district boundary amendment petitions within 365 days after filing by the Land Use Commission (LUC), affordable housing projects are streamlined significantly, giving the Land Use Commission 45 days to respond after filing. The Land Use Commission is not the problem here, they have had no trouble authorizing projects. We would like to raise the concern here that while the Land Use Commission has had no problems when it comes to approving housing projects, in comparison, the actual housing that gets built as a result of these decisions is ultimately much lower. We hope that the legislature is able to find the answer to this concern. Ultimately, the LUC is an important body that allows for people to participate in decisions on development that would affect their communities, and it would be very detrimental to limit its authority. Beyond verbal and written testimony, through a quasi judicial process, groups like Native Hawaiians can meaningfully practice their traditional and customary rights, while participating in cross examination and bringing in expert witnesses. With a lesser time to make decisions when it comes to affordable housing, we should be more

focused on building on this process to make sure more accountability is happening around land use and development.

YPDA supports amendments to further meet that need for accountability by giving the Land Use Commission enforcement powers and penalties, including subjecting those who fail to comply/conform with the Land Use Commission, “may be subject to a civil penalty not to exceed \$50,000 per day that the violation, neglect, or failure occurs, or reversion pursuant to section 205-4(g), but not both. The civil penalty shall be assessed by the land use commission after a hearing in accordance with chapter 91....” We think this is important in pushing back against developmental pressures by special interests and private developers, ensuring our natural (notably state agricultural and conservation lands), cultural, and historical resources are protected for future generations to enjoy and utilize. However, while we support the intent, we hope that the Land Use Commission itself is being consulted by the legislature to ensure that the commission is able and willing under current rules and other applicable laws and statutes to take on enforcement and penalties.

Young Progressives Demanding Action is in **Support With Comments** of **SB3104 SD1**.

Thank you for the opportunity to testify,

Jun Shin,
Environmental Justice Action Committee Chair
Young Progressives Demanding Action (YPDA)
Cell: 808-255-6663
Email: junshinbusiness729@gmail.com

Nate Hix
Economic Justice Action Committee Chair
Young Progressives Demanding Action (YPDA)
Email: nate.hix@gmail.com

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice-Chair
Committee on Ways and Means

Friday, February 21, 2020

Support for S.B. No. 3104, Relating to Land Development

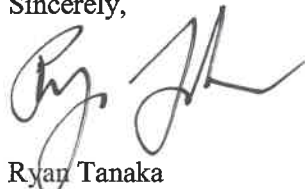
I was born and raised on Oahu, and today, my firm specializes in real estate and corporate finance. We have owned a few rental properties over the years and we are in the permitting process for two of our clients on two affordable housing, new construction projects on Oahu. In total, these properties and projects represent 60 affordable housing units. I have dedicated my time to these projects because I believe we all need to do our part to help further Hawaii's independence and sustainability as a destination island economy for future generations.

The sad reality for many Hawaii residence is that moving out of their parent's house, let alone home ownership, is far reaching due to Hawaii's high cost of living and low relative average median income. For example, the household income for two income earners at 100% AMI, which is the actual average median income, is still below \$100,000. This helps to explain why, for the last three years, we saw an unprecedented population decline and many in our workforce moved away from the islands to pursue new opportunities.

We are facing a housing crisis in Hawaii, and the State has a growing need to create new affordable housing in the tens of thousands of units (i.e., 17,000 units within the next five years). S.B. 3104 is an important and necessary step (one of many that are needed) to create new affordable housing solutions in an effort to retain our workforce. Many families in West Oahu are in the < 140% AMI "gap group," and will directly benefit from the \$200 million capital infusion for infrastructure to build new affordable housing and to help our "gap group" become financially independent.

Thank you for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Sincerely,



Ryan Tanaka
President
Island Business Management, LLC
ryan@ibmhawaii.com



Ken Hayashida, P.E. | *President*
Michael Hunnemann, P.E. | *Vice President*

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice-Chair
Committee on Ways and Means

Friday, February 21, 2020

Support for S.B. No. 3104, Relating to Land Development

At KAI Hawaii, Inc., a single-discipline structural engineering firm, we have ~50 employees, many who fall in the gap bracket of 80% to 140% AMI. Some of them still live at home with their parents and commute from the West Side.

We need to do more to support our workforce. Hawaii's high cost of living and low relative average median income is resulting in our workforce moving away. S.B. 3104 will help to support families in West Oahu and create new affordable housing solutions in an effort to retain our workforce.

Thank you for the opportunity to submit testimony and for all of your efforts to serve the people of Hawaii as our elected leaders.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Hayashida', with a long horizontal flourish extending to the right.

Ken Hayashida
President
KAI Hawaii, Inc.
ken@kaihawaii.com



KAMEHAMEHA SCHOOLS®

Senate Committee on Ways and Means

Time: 12:30 p.m.

Date: February 25, 2020

Where: State Capitol Room 211

TESTIMONY

By Kau‘i Burgess

RE: SB 3104, SD1, Relating to Land Development

E ka Luna Ho‘omalu Dela Cruz, ka Hope Luna Ho‘omalu Keith-Agaran, a me nā Lālā o kēia Kōmike, aloha! My name is Kau‘i Burgess and I serve as the Director of Community & Government Relations for Kamehameha Schools.

We are writing in **SUPPORT of SB 3104, SD1**, which proposes a package of ideas aimed at addressing Hawai‘i’s housing crisis.

Kamehameha Schools believes that every keiki deserves a home to live, grow, and thrive. Without access to stable, quality housing options, our learners are substantially less likely to succeed in their educational and career paths, reinforcing cycles of socioeconomic inequity. An adequate supply of housing is necessary to ensure our future generations can continue to afford to call Hawai‘i ‘home.’

We commend and stand in support of the collaborative efforts for housing solutions being championed by our Governor, Senate President, House Speaker, and other legislative and community leaders throughout Hawai‘i. The thoughtful, multifaceted strategy outlined in this bill is necessary to deliver the spectrum of housing options needed to meet the demand of Hawai‘i’s community. We are also grateful to join the for-profit and non-profit development community alongside other housing advocates to discuss differences and find common ground in agreement. The collaborative effort by the local community to address the housing crisis in Hawai‘i is commendable.

To realize this vision, an effective and efficient process is required; one that enables the timely permitting of good projects, the protection of our unique natural and cultural resources, and the substantive inclusion of input from the Native Hawaiian and greater community. Through such a process, we uphold the integrity of Hawai‘i’s values for aloha ‘āina and lōkahi and allow developers to deliver housing that is both financially feasible and in alignment with the needs of local communities.

In addition, providing affordable housing must stem from strong partnerships between government, the private sector, and local communities: Government can support appropriate public infrastructure, establish effective planning and permitting processes, and incentivize affordable housing development. The private sector can leverage investments to drive efficient development

with marketable returns and sustained contributions to community. An empowered community voice can guide the types of housing, the desired quality of neighborhoods, and the advancement of culture and lifestyle. We believe housing is most successfully developed through collaboration and collective action.

Though there remains areas in this bill that can be improved, we believe it presents a step in the right direction.

Founded in 1887, Kamehameha Schools is an organization striving to advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership. Mahalo nui!

SB-3104-SD-1

Submitted on: 2/24/2020 10:58:38 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Keith Kato	Testifying for Hawaii Island Community Dev Corp	Comments	No

Comments:

The Hawaii Island Community Deveopment Corporation is ocncerned with the proposed amendment to 205-3.1 subsection e. Specifically the provision that requires county level SLU Distrcit amendments to be contiguous to the Urban District.

HICDC has developed self hlep housing subdivisions in Hawi and Kapaau that were not contiguous to the Urban district. In each case the property involved was clearly consistent with the community growth area envisioined by the county plans but were not strictly speaking contiguous to an Urban District. We have used this process to create more than 60 self help homeownership oportunties for our low income builders.

We have acquired another parcel in Kurtistown where we plan a self hlep subdivison but that site is not contiguous to an Urban Dsitric. The nearest Urban district is across the road from the site but the highway involved is within the SLU Ag district. The contiguous requirement will eliminate the quicker and less expensive county level alternative for this and other projects that are within the county envisioned community developmetn areas.

We are also concerned about the prohibition of incremental development through this process. We have processed 15 acre incremental SLU changes and zoning changes for our self help subdivisions. This process allows affordable housing to move forward in a measured way. We acquired 31 acres from the United Church of Christ and are developing in total 80 self help homes. If we were not allowed to proceed through the county we would have found the prcess much more expensive, time consuming, and not at all improved by going through the LUC.

Thank you for the opportunity to testify on this matter.

Keith Kato, Executive Director

LATE

February 25, 2020

The Honorable Donovan Dela Cruz, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, HI 96813

RE: S.B. 3104, SD1. Relating to Land Development

HEARING: Tuesday, February 25, 2020, at 12:30 p.m.

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **supports** S.B. 3104, SD1, which provides a comprehensive package of affordable housing initiatives, such as:

1. Authorizing the Hawai'i Housing Finance and Development Corporation (“HHFDC”) to lease real property for a period not to exceed 99 years for the development of certain projects that include affordable housing. Requires HHFDC to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings.
2. Authorizing the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawai'i West Oahu campus.
3. Authorizing the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less.
4. Authorizing a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the development will be for affordable housing.
5. Authorizing the State Historic Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county.
6. Establishing the Office of the Housing Advocate.
7. Removing the existing statutory cap on the amount of conveyance tax revenues that are deposited into the Rental Housing Revolving Fund each fiscal year.

HAR commends the Legislature for its bold approach in prioritizing affordable housing. Hawai'i has been struggling with the issue of affordable housing for decades. Challenges range from land and infrastructure costs, financing, regulatory challenges, and permitting. According to the Department of Business Economic Development and Tourism's report on Housing Demand in Hawai'i, the state needs 64,493 housing units to meet demand in Hawai'i by 2025. Ultimately, we have a housing supply problem, and this measure is a creative approach to address those challenges, by building infrastructure and developing actual affordable housing units.

HAR would respectfully recommend that the acreage be increased from 25 to 100 acres. This would make it economically feasible for environmental safeguards to be built, such as a wastewater treatment plan or connectivity to an existing sewer system. Smaller projects cannot absorb said costs.

Mahalo for the opportunity to testify.



Senate Committee on Ways and Means
February 25, 2020 at 12:30 p.m.
State Capitol Room 211

LATE

Supporting SB 3104 SD 1

Faith Action for Community Equity is a coalition of religious and community organizations driven by a spiritual commitment to improve the quality of life for all of the people of Hawaii by addressing the root causes of social justice challenges.

Faith Action for Community Equity supports SB 3104 SD 1 because it is a substantial improvement over the version of the bill that was introduced, which we opposed.

The stakeholders who generated the idea for SB 3104, the bill that was introduced, said it was a response to a report entitled "ALICE: A Study of Financial Hardship in Hawaii." ALICE is an acronym for Asset Limited, Income Constrained, Employed. The ALICE population is comprised of working people who have jobs, yet do not earn enough to afford the basic necessities because of Hawaii's high cost of living. In Hawaii, 37% of the households are ALICE, while another 11% live below the poverty level. In total, 48% of Hawaii households are ALICE and below. The bill was supposed to create housing that would be affordable for working families who are at the lower end of the income scale.

Instead, however, the bill that was introduced would have created housing for higher income households. The bill defined "affordable housing" as priced for households with incomes at or below 140% of the area median income (AMI). Households at 140% of the AMI can afford homes priced at \$868,000, which only about 10% of Hawaii's highest earning households can afford. The bill, as introduced, would have also built housing on State land that would be supported with \$200 million in public funds for infrastructure. The bill required half of the housing to be priced at that so-called "affordable" level, with the other half having no pricing requirement at all. That kind of housing is out of reach of the ALICE population.

Fortunately, the SD 1 version of the bill reduces the AMI from 140% to 80%. In doing so, SD 1 takes several steps in the right direction toward setting the housing price at a level that is actually affordable to ALICE households.

In addition, SD 1 helps to assure that affordable housing subsidized by State government is built for those who have the greatest need. Specifically, the bill has spending requirements for two appropriations totaling \$275 million for infrastructure supporting affordable housing. SD 1 requires the funds to be used only for developments in which the majority of the square footage is for housing occupied by Hawaii residents who are its owners and who own no other real property.

Faith Action for Community Equity supports SB 3104 SD 1 because it substantially improves requirements to ensure that housing subsidized by the State is affordable to ALICE households.

LATE



Environmental Caucus of The Democratic Party of Hawai'i

Tuesday, February 25, 2020

Senate Bill 3104 Relating to Land Development
Testifying in Support, with amendments

Me ke Aloha Chair DelaCruz, Vice-Chair Keith-Agaran, and members of the Ways and Means Committee

The Environmental Caucus of the Democratic Party **supports passage of SB3104, SD1, Relating to Land Development, with amendments.**

We are grateful for the initiative resulting in this bold and paramount legislation for island residents. The introduction of this bill outlines the problem very neatly. The Environmental Caucus embraces this bill as a reflection of Aloha 'Aina and as part of a national revival of forward-thinking programs to correct a terribly imbalanced and inequitable economy through a Green New Deal for Hawaii working families, meant to facilitate better access to affordable housing. As such, we offer simple, friendly amendments to tie this initiative to the larger purpose of expressing solidarity with working families by correcting fundamental inequalities in our economy.

A number of people have worked hard on this bill, testifying at length in many cases, representing a broad coalition of residents deeply concerned about the housing crisis in our midst. We appreciate a number of changes that have improved the original draft to the present Senate Draft 1. We wholeheartedly support taking action now to commence the long process of breaking out of our dependence on markets to provide housing. Markets are clearly unable to adequately serve local residents but in fact are driving residents from the State. Market-priced housing is helping to drive the high cost of living in Hawaii. We are building for a global real estate investment market that will price the rest of us right off our islands.

- 1) Addressing the limitation of development to housing under Section 10 (1), the need for building housing is paralleled by the need to lodge them in whole communities, and the language in Section 10 (1) is at least ambiguous. The relevant passage should read "provided that (1) The affordable housing infrastructure be used only for developments in which the majority of the square footage is housing and ancillary neighborhood business as a mixed use, to be occupied in perpetuity, by Hawaii residents who are owner-occupants of the housing units, who own no other real property;"
- 2) The Environmental Caucus also concurs with the view that the bill should not exempt projects from the State Land Use Law, nor end-run historic preservation review through the counties. The Caucus supports the elimination of new language in Section 205.3.1 (a) and (e).

The number of co-signers of this bill are a testament to the importance and timeliness of this bill. The Legislature is to be lauded for taking us down a more fruitful path. In the tradition of support for Hawaii working families, with special note on the growing inequalities within our communities, it is essential that we support this bill in addition to a number of complementary bills. For the Environmental Caucus and its Green New Deal initiative, our support for this and related housing bills is essential to assure affordable housing for all Hawaii working families. The Green New Deal Committee strongly urges prompt passage of this bill.

Mahalo for this opportunity to testify,

/s/ Charley Ice
Chair, Green New Deal Housing Committee
Environmental Caucus
Democratic Party of Hawai'i



HAWAI'I COMMUNITY
FOUNDATION

LATE

To: The Honorable Donovan Dela Cruz, Chair
The Honorable Gilbert Keith-Agaran, Vice Chair
And Members of the Senate Committee on Ways and Means

From: Micah Kāne, Chief Executive Officer & President
Hawai'i Community Foundation

Re: **SUPPORT for SB 3104 SD1, Relating to Land Development**

Date: Tuesday, February 25, 2020

Time: 12:30 P.M.

Place: Conference Room 211, State Capitol

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

The Hawaii Community Foundation strongly supports SB 3104 SD1, relating to land development, which addresses significant affordable housing needs. We believe that this bill is one part of a package of legislation that, when viewed all together, represents a serious effort to provide relief to those most in need through the triangle of affordable housing, early childhood learning, and tax and wage relief. While each bill may not deliver exactly what a particular advocate wants, taken together the package will make a difference if we are willing to accept some level of imperfection.

In particular, SB 3104, SD1 represents a critical turning point in how Hawai'i addresses the problem of affordable housing that has plagued us since the 1970s. With each study of the housing problem that has been conducted decade after decade, we have only watched the problem of affordable housing grow worse. We have seen housing unaffordability limit the future of our keiki, growing families, college graduates, hard-working, middle-class people, and even our state's economic growth.

We are excited to see the recognition of the plight of our Asset Limited Income Constrained Employed (ALICE) population which spans a range of income levels. This population represents nearly half of our households who, despite working hard struggle every day to piece together the means to meet even a modest household budget. Senate Bill 3104, SD1, provides guidance to HHFDC on income groups that should be targeted for new housing construction which includes both rental housing and ownership.

We believe that the bill will achieve the outcomes that we all hope for by providing HHFDC the flexibility to construct housing to meet the full range of ALICE and the working-class. Finally, we would encourage the committee to consider ways to create regular reporting to the public on the number of units that are built at a range of AMI targets. The public is being asked to get on board of this critical effort and deserves a high level of accountability from public agencies and those charged with delivering results.

We believe that this bill, while not perfect, serves as an important end to kicking the can down the road for the next generation to solve. We see this as a starting point that can be modified and adjusted as we proceed.

The Hawaii Community Foundation strongly supports SB 3104, SD1. Please advance this measure.

LATE



Environmental Caucus of The Democratic Party of Hawai'i

Tuesday, February 25, 2020

Senate Bill 3104, SD 1

Testifying in Support, in part, with amendments and in Opposition, in part

Aloha Chair Dela Cruz; Vice Chair Keith-Agaran; and Members of the Committee on Ways and Means:

The Environmental Caucus of the Democratic Party of Hawaii stands in **SUPPORT, in part, with amendments to include the LUC requirements** to SB 3104, SD1; and in **OPPOSITION, in part,** of SB 3104, SD 1. This measure: (1) Exempts from the definition of public lands, lands set aside by the governor or leased by any state department or agency to the Hawaii housing finance and development corporation for a period not to exceed ninety-nine years, for the primary purposes of developing affordable housing; (2) Requires the Hawaii Housing Finance and Development Corporation to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings; (3) Requires the Hawaii Housing Finance and Development Corporation to submit a program to the Legislature by December 31, 2020, which addresses various housing concerns, including the steps necessary to end the State's housing shortage; (4) Authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawaii West Oahu campus; (5) Authorizes the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less; (6) Appropriates \$500,000 for 3 full time equivalent (FTE) project manager positions; (7) **Authorizes a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission (LUC), for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the square footage of the development will be for affordable housing;** (8) Authorizes the State Historic Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county; (9) Establishes the Office of the Housing Advocate; and (10) Removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year.

The Environmental Caucus of the Democratic Party of Hawaii stands in support of all parts but for part (7), above, marked in bold. Its support is based on the Democratic Party of Hawai'i Platform Plank, (adopted 2018), on Housing:

On May 27, 2018, at the Hawai'i State Democratic Convention, out of dire concern of the affordable housing shortage and increasing homeless/houseless population placing our state at the top of the list for highest homeless population per capita in the Nation, the following Platform plank was adopted:

"Housing is a basic human right and we believe that adequate, accessible, affordable, and safe housing should be available to all residents of Hawai'i. Affordable housing that is fair in proportion to individual income is the basis of prosperity for our citizens and stability in our economy. Recent and past real estate bubbles have fueled disproportionate rent increases, a key contributor to homelessness. Therefore, we support efforts to promote truly affordable housing for all citizens who rent. We also need economically affordable housing and encourage increased support to this end including preservation of existing housing stock. To this end, we support policies which re-think the current formula to determine "affordability" as this formula puts both rentals and sales out of the reach of most working families in Hawai'i. We strongly urge that the definition of "affordable" be amended to 20%-25% of monthly income for all income brackets.

We support the statutory "Senior Circuit Breaker Refundable Tax Credit" or other relief to ensure that senior citizens are not taxed out of their homes. We insist on a substantial increase in the statutory exemptions from attachment or execution of personal residences.

We believe in the concept of "Housing First" to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

We support dedicated social services and housing opportunities for Hawai'i's homeless population to get them off the streets and reintegrated into society with specific devoted services for disenfranchised groups including, but not limited to, Native Hawaiian, Asian and Filipino American, Pacific Islander, aged-out foster kids, youth, returning veterans, the aged, and Lesbian, Gay, Bisexual, Transgender, Queer, Questioning, Intersexual and Asexual (LGBTQIA) homeless youth population. We believe in the concept of "Housing First" and in developing affordable housing policies and programs like "Law Enforcement Assisted Diversion (LEAD)." (*Please see, <https://hawaiidemocrats.org/wp-content/uploads/2018/10/2018-State-Platform-1-6-13-18.pdf>, pp. 13-14.*)

However, under SB 3104, SD 1, developers can by-pass the LUC process on projects up to 25 acres that are contiguous with an urban district, do not involve conservation or important agricultural lands, and a "majority of development," referring to the square footage of the development, is dedicated to affordable housing. These projects "shall be priced to be affordable to families making eighty per cent of area median income, provided that no income restrictions or first-time requirements apply." The term, "affordable housing," includes the requirement that housing units be sold to Hawai'i residents who are owner-occupants who own no other real property, in perpetuity.

However, the Environmental Caucus of the Democratic Party of Hawai'i opposes this measure which authorizes a state or county department or agency to petition the appropriate county land

use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas up to 25 acres where the majority of the square footage of the development will be for affordable housing. Such a measure would effectively eliminate the role of the Land Use Commission which allows for meaningful public input on such development project on state-wide land use considerations including food security, transportation, schools, water, natural and cultural resources, and preservation of open space and waterfront public interests. Unlike the County Councils, the Land Use Commission is a quasi-judicial process allowing for the cross-examination of developers. The commissioners are appointed volunteers that do not accept campaign contributions, thereby eliminating risks actual, purported, or appearances of conflicts-of-interests, especially where real property tax revenue generation would be a major consideration. LUC hearings are open to public, thus avoiding “closed-door” negotiations where the voice of the people is silenced.

For these reasons, we urge you to vote favorably on this bill provided that it be amended to include the safeguards afforded through the LUC process so that the voice of the people can be heard to address state-wide concerns, including but not limited to, food security, transportation, schools, water, natural and cultural resources, and preservation of open space and waterfront public interests.

Mahalo for the opportunity to testify,

/s/ Melodie Aduja

Environmental Caucus
Democratic Party of Hawai`i

<https://www.civilbeat.org/2020/02/want-to-build-affordable-housing-more-quickly-this-bill-would-sidestep-public-input/>



SIERRA CLUB OF HAWAI'I

LATE

SENATE COMMITTEE ON WAYS AND MEANS

February 25, 2020 12:30PM Room 211

In **SUPPORT WITH COMMENTS** to **SB3104, SD1**: Relating to Land Development

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committees,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **supports with comments SB3104 SD1**, an omnibus bill relating to land use and housing development. We support significantly increasing the supply of affordable housing across the Hawaiian Islands, including providing significant funding for public infrastructure and the dwelling unit revolving fund, potentially significant amounts of public lands, and staffing to advance the state's housing needs. We appreciate the immense effort lawmakers are investing in this legislation to get it right.

The Sierra Club remains committed to supporting the critical mission of expanding truly affordable housing supplies, especially in the urban centers of each county. Doing so not only protects farmland from development pressure and speculative land valuations, but it also encourages more sustainable development patterns by putting housing near employment opportunities and essential services. State lawmakers are correct to invest in public infrastructure, as the lack of adequate roads, sewers, and water lines remains a persistent obstacle to building affordable housing in the urban core. Working together we can increase the affordable housing supply without sacrificing Hawai'i's fertile farmlands, rural communities, good planning principles, or the overall quality of life for her people.

Our testimony covers:

- I. The Land Use Commission
- II. Lease terms on public lands

I. LAND USE COMMISSION

Over the weekend, the Sierra Club participated in a facilitated conversation with advocates for affordable housing, social justice, environmental protection, labor, and development. We signed onto the joint testimony that resulted from that conversation. It is unfortunate that the major piece of the joint testimony regarding the Land Use Commission was removed from the joint testimony despite prior consensus to present it to this committee.

We offer the details of that negotiated proposal and urge this Committee to fully consider this option for a balanced approach to the LUC:

- Expand the acreage exempt from LUC oversight from 15 acres to 25 acres, provided that the parcel:
 - is contiguous with the existing urban district,
 - is not conservation lands,
 - is not important agricultural lands, or lands with soil classifications of B or higher,
 - was not subdivided into smaller parcels within the previous ten years, and
 - provides affordable housing defined as a majority of the square footage is affordable housing.

AND

- Expand the enforcement authority of the LUC to allow it collect evidence in review district boundary amendments for performance, modify conditions on previous decisions, and if necessary impose fines for a failure to perform without good reason.

A) Specific Amendments on LUC-related sections

- Section 12 (page 14)

"SECTION 12. The purpose of this part is to authorize any person, including a state or county department or agency, to petition the appropriate county land use decision-making authority, rather than the land use commission, for a change in the boundary of a district involving land areas between fifteen acres and twenty-five acres where the majority of the square footage of the development for which the boundary change is sought shall be for affordable housing and will prioritize and give preference to projects that are able to deliver more lower cost housing."

- Section 13 (page 15, line 6, 205– (a)(1)):

(1) After a hearing in accordance with land use commission rules and chapter 91, is found to have violated a condition of the decision and order of the land use commission with regard to a district boundary amendment or any representation made therein; or"

- Section 15 (page 19, lines 7- 20):

"(e) Notwithstanding any other provision of this section to the contrary, a person may petition the appropriate county decision making authority in the county in which the land is situated for a

change in the boundary of a district involving lands that are not designated as conservation district lands, important agricultural lands, or with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B and comprising twenty-five acres or less; provided that the majority of the square footage of the development for which the boundary change is sought shall be for affordable housing and will prioritize and give preference to projects that are able to deliver more lower cost housing; provided further that the district boundary amendments shall be limited to lands contiguous to the urban district."

- Section 15 (page 20, lines 1-18) providing subsections (f) through (h) that addresses parceling of lands should be included as written.

If all of these amendments to the LUC-related sections cannot be incorporated in this bill, then all references to the LUC should be removed from this bill. Indeed, removal of all references to the LUC is the position of all signatories to the facilitated joint testimony.

B) Expanding LUC enforcement authority would increase housing construction

We believe that granting the LUC reasonable enforcement authority will increase housing units on the market because it creates a mechanism for encouraging developer-follow-through on commitments made during the district boundary amendment process.

Since 1980, more than 25% of all the housing authorized by the LUC has not yet been built. On O'ahu alone 23,000 units approved by the LUC have not been constructed. Many of those units are affordable housing or workforce housing units. This includes Ho'opili (DR Horton), Koa Ridge (Castle & Cooke), Gentry Waiawa (now owned by Kamehameha Schools), and Royal Kunia Phase II.

With additional enforcement authority, the LUC could initiate a hearing to review a project for non-compliance. In this quasi-judicial evidentiary hearing, the LUC could collect evidence, and where the evidence justifies it, modify conditions imposed on the project or impose fines on the project to expedite construction.

C) The State Land Use Commission is not the obstacle to affordable housing

For sixty years, the LUC has played an essential role in encouraging proper land uses to protect and preserve Hawaii's natural resources. In 1961, the legislature created the LUC in response to "a lack of adequate controls [that] had caused the development of Hawaii's limited and valuable land for short-term gain for the few while resulting in long-term loss to the income and growth potential of our State's economy."¹

¹ <https://luc.hawaii.gov/about/history-3/>

This unique agency is critical to protecting open space, agricultural fields, natural resources, native Hawaiian rights, taxpayers' money, the overall quality of life for Hawai'i residents, and the long-term health of our economy. Unlike county permitting agencies, the LUC assesses district boundary amendments on basic good planning principles, such as whether the project provides for adequate public schools, and transportation infrastructure.

Currently, the LUC reviews district boundary amendment petitions involving 15 acres or more and only reviews housing-related projects when development proposals are proposed on lands designated as agricultural or conservation districts. The LUC is also required to approve or deny a petition within 365 days from its submission. If the LUC fails to complete review and decision making on a petition within that time period, then the petition is automatically approved. The LUC has always met that deadline; no project has been automatically approved.

Moreover, project proposals that qualify as affordable housing under Haw. Rev. Stat. § 201H currently enjoy an extremely expedited review process at the Land Use Commission and the county permitting agencies. Per Haw. Rev. Stat. §201H-38, **affordable housing projects requiring petitions for district boundary amendments are required to be heard and decided upon within 45 days after the filing of a petition.**² According to LUC staff, throughout the 2010's there were roughly four big 201H affordable housing projects approved at the LUC, all within the 45 day timeline.³ The LUC has not had to automatically approve any affordable housing projects because it meets its deadlines.

II. LEASE TERMS ON PUBLIC LANDS

We support reducing the length of the lease terms for the use of public lands for affordable housing from 99 years to 75 years. It is our understanding that this reduced term does not affect financing for an affordable housing project. Yet, reducing this term does reduce the risk that public lands used for housing are converted to fee simple at the end of the lease term.

A) Specific amendments on public lands lease terms

page 2, line 2, to read as follows:

"development corporation for a period not to exceed 75"

And amending page 4, lines 9-15, to read as follows:

"(6) Lands set aside by the governor or leased by any state department or agency to the Hawaii housing finance and development corporation for the primary purposes of developing affordable housing, or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;"

² <https://luc.hawaii.gov/about/district-boundary-amendment-procedures/>

³ A record of all LUC decisions organized by island is available online at:

<http://luc.hawaii.gov/completed-dockets/decision-and-orders-for-boundary-amendments/>

Insert new section:

SECTION __. Section 201H-9, Hawai'i Revised Statutes, is amended to read as follows:

"~~[[~~~~§201H-9~~~~]] Acquisition, use, and disposition of property. (a) The corporation may acquire any real or personal property or interest therein by purchase, exchange, gift, grant, lease, or other means from any person or government to provide housing. Exchange of real property shall be in accordance with section 171-50.~~

(b) The corporation may own or hold real property. All real property owned or held by the corporation shall be exempt from mechanic's or materialman's liens and also from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the corporation be a charge or lien upon its real property; provided that this subsection shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of the corporation or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the corporation on its rents, fees, or revenues. The corporation and its property shall be exempt from all taxes and assessments.

(c) ~~[The]~~Subject to subsection (e), the corporation may lease or rent all or a portion of any housing project and establish and revise the rents or charges therefor. The corporation may sell, exchange, transfer, assign, or pledge any property, real or personal, or any interest therein to any person or government.

(d) The corporation may insure or provide for the insurance of its property or operations against risks as it deems advisable.

(e) Notwithstanding any law to the contrary, as it relates to the leasing of lands set aside by the governor to the corporation, or lands leased to the corporation from other state agencies, no lease shall be for a longer term than seventy-five years, provided that the aggregate of the initial term and any extension shall in no event exceed seventy-five years, provided further that the lease is for the primary purpose of providing affordable housing."

B) Reduced lease lengths protect the public's interests in public lands and Native Hawaiian land claims

Much of the land held by the state of Hawai'i as public land is actually land owned and controlled by the Kingdom of Hawai'i at the time of the overthrow in 1893. This corpus of land was transferred -- without consent -- from the kingdom to the republic to the territory and eventually to the State of Hawai'i. In an attempt to address the fundamental injustice in this forced land transfer, the U.S. and the State of Hawai'i committed to hold these public lands in trust for Native Hawaiians and the people of Hawai'i.

All of Hawai'i benefits to some extent from this public lands trust. We all have an obligation to ensure that public lands of Hawai'i are well-managed for current and future residents and fully protected from privatization. In addition to this general obligation, we have a separate and specific moral obligation to ensure that the interests of Native Hawaiians in their land and resources are fully realized. Shortening the lease term prescribed in this bill helps to better ensure that public land resources are well-managed and increases the likelihood of fulfilling on our collective moral obligation to Native Hawaiians, all while providing for the immediate affordable housing of all who call Hawai'i home.

Thank you for the opportunity to provide testimony on this extremely important measure.

Mahalo,



Marti Townsend
Chapter Director

SB-3104-SD-1

Submitted on: 2/19/2020 1:33:15 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica dos Santos	Individual	Oppose	No

Comments:

SB-3104-SD-1

Submitted on: 2/19/2020 3:47:06 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Phaethon Keeney	Individual	Oppose	No

Comments:

Please OPPOSE SB3104 SD1, public opinion matters, and the public will know when they want an affordable housing option when presented to them, it's that simple. Fastracking development by bypassing public input is not a way to help anyone except developers trying to make a quick buck. Preventing that from happening is why the Land Use Commission was created in the first place as counties and government agencies were poorly equipped to properly weigh the issues against potential short term profit and property tax revenue. Any attempt to weaken the LUC is not in the public interest, and it is hard to see how the track records of this bills sponsors and supporters is keeping that public interest at heart with this bill. Especially considering the fact that public is much more willing to engage to stop a project that threatens their community today, omitting public input in attempt to steamroll a bad project will only result in MORE delays and court cases, rather than less. The LUC is the best avenue to engage and address community concern, and create positive solutions for Hawaii's families and unique communities.

Mahalo,

Phaethon Keeney

Honokaa Hawaii

SB-3104-SD-1

Submitted on: 2/20/2020 1:16:38 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Max Pono Castanera	Individual	Oppose	No

Comments:

SB-3104-SD-1

Submitted on: 2/19/2020 6:49:17 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Costa	Individual	Oppose	No

Comments:

Please oppose this measure. Or at lease state what affordable housing means 80%, or 120% AMI or less. Too vague at this point

SB-3104-SD-1

Submitted on: 2/20/2020 7:09:31 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Blair Suzuki	Individual	Support	No

Comments:

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104 SD1.

I was born and raised in Ewa Beach and have personally seen the struggle for affordable housing affect me, my friends, my family, and my community. Many of my friends and family continue to live in multi-generational housing because they are unable to find affordable housing solutions. Also, I personally know a number of friends and family members that have had to move out of the Ewa/Kapolei area to other parts of the island, or had to leave the island all together, because of a lack of affordable housing in their communities.

My own father has been forced to move 5 times in the last 5 years because he is unable to find long term affordable housing in Kapolei for his family, which includes his girlfriend and three young daughters. People should have affordable housing available in the communities they call home, and this bill helps make that goal achievable.

Also, many of my friends and colleagues are in the "gap group" between 80%-140% AMI. This group is consistently left out of all housing initiatives. We are working professionals who spend the majority of our monthly income on housing costs. The lack of affordable housing is usually the tipping point that causes talented members of our community to leave the islands to help reduce costs.

As a community, we must look for new solutions to solve the affordable housing shortage in Hawaii. SB3104 is not a perfect solution, but it is a step in the right direction. I hope it is the start of more and more progressive legislation that will close the gap in the shortage of affordable and workforce housing.

Thank you for this opportunity to testify.

Mahalo,
Blair Suzuki

SB-3104-SD-1

Submitted on: 2/20/2020 8:36:49 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kamalani Keliikuli	Individual	Oppose	No

Comments:

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

February 20th, 2020

Reyn Kaupiko

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

I am writing in STRONG SUPPORT of SB3104 SD1.

I am the head of household for a young family. We as well as our friends and family members struggle with the current housing costs of this state. Hawaii has and will always be home for us, but it is tough to witness others who are from here and have grown up here leave for the mainland due to the ridiculous cost of rent and homes. More of an effort needs to be made to correct this issue. Hawaii should be for all and not just the wealthy.

Key points of SB 3104 I am in favor of:

- Authorizes HHFDC to lease affordable housing property for 99 years
- Issues \$200M in funding to develop affordable housing near UH West Oahu
- Issues \$75M in funding to develop affordable housing in counties with populations of 500k or less (neighbor islands)
- Creates a housing Ombusman office to help with development of affordable housing
- Streamlines permitting process by allowing delegation of approvals to 3rd parties if the development is for housing projects where 50% of the housing is affordable.

Thank you for this opportunity to testify.

Mahalo,

A handwritten signature in black ink, consisting of stylized, overlapping letters that appear to be 'R' and 'K'.

Reyn Kaupiko

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

February 21, 2020

Tiffany Ho

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

I am writing in STRONG SUPPORT of SB3104 SD1.

In the last decade, the class divide has widened between those who can afford market rate housing, and those cannot. While local rents have skyrocketed and doubled/tripled, wages and salaries have barely risen.

Our local population of elderly on fixed incomes are most severely affected. If your grandma or grandpa could not afford their rent, would you feel okay putting them out on the street?

Our young population of new workers also cannot even dream of purchasing any property, and are unable to save for a down payment on even the average single-family home, which has a median price of near \$800,000. I think of my own brothers and friends who are searching for homes now. Many who are having difficulties putting a 20% down payment. Even if they look at condos they are burdened with high monthly HOA dues.

We have a moral obligation to protect local families and individuals, who are hard-working, and deserve the basic human right to have a safe place to live and call home.

Many of my friends and family are having to move outside of Ewa and even out of state to have a dignified life. My hope is that SB 3104 will develop affordable housing near UH West Oahu where my family lives.

Thank you for this opportunity to testify.

Mahalo,

Tiffany Ho

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing

February 3rd, 2020

Fabienne Dumlao
Fabienne.kaiser@gmx.ch

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

I have recently moved to Hawaii within the last 3 years from my original country of Switzerland. I married a local man from Ewa Beach and now call Hawaii home. When I first moved here, I was shocked at how expensive rent was as well as the unavailability of affordable housing. My husband and I recently have moved to Makiki. As a newly married couple trying to start an independent family, we chose to move to town because it had better choices for housing than the west side.

I am quickly finding out that it is a constant struggle to make ends meet here in Hawaii and rent does take up a large part of our monthly expenses. Hawaii should be more progressive in finding solutions for these types of issues, like other cities and countries throughout the world, like Switzerland, as an example. I also highly support the other measures in the joint legislation package that raise the minimum wage and give higher tax credit to residents. I think addressing the low wages in Hawaii is also key to solving the affordable housing issue.

SB 3104 is a step in the right direction to help expedite the development of more affordable housing units, and provides the ability for long term leases, which I feel will help Hawaii in the long run.

Please support SB 3104.

Thank you for this opportunity to testify.

Mahalo,

Fabienne Dumlao



1003 Bishop St. Suite 1975
Honolulu, Hawaii 96813
(808) 942-7474

To: Senator Donovan M. Dela Cruz Chair; and [Senator Gilbert S.C. Keith-Agaran, Vice Chair
From: Lorraine Minatoishi Ph.D., AIA
Hearing: Committee on Ways and Means, February 25, 2020, 12:30 in Room 211
Subject: **SUPPORT to SB3104,SD1** , Relating to Land Development

I am an architect licensed in Hawaii who cares about affordable housing and land development. I am writing in support of SB3104,SD1; however, I would like to recommend modifications to the language of this bill.

I understand that this bill was written in response to the report completed by the Special Action Team in July 2019 which made recommendations on actions to promote rental housing to the Director of the Office of Planning (OP).

Part 2 of the bill discussed land acquisition and land-use conversion. I recommend to include formerly-owned federal lands as part of this bill. The State of Hawaii should come into an agreement with the Federal government to give military lands directly back to the State as they relinquish lands, without going through the GSA process. The military, in the 1990s, quite indiscriminately, gave 500 acres of land in the area of Kapolei to Hunt Corporation, as an offset the changes in the Ford Island project. Much of this land is prime developable land owned by Hunt and would have more efficiently and wisely used as areas for thoughtful development of affordable housing by the State. Instead, the development of this land is now in the hands of one land-owner. In the next several years, the military may be letting go over many of its outlying areas of Makalapa, Lualualei, Makapu, etc. These lands are already developed with housing, public facilities, utilities, and roads. The military in Hawaii owns a large percentage of developable lands on our island. These should be given back to the people of Hawaii when the military no longer sees it as necessary for their use.

Also, Part IV talks of revising ordinance 6E-42 Review of Proposed Project. I disagree with these revisions that allow the County to review their own projects.

Thank you very much for your time and consideration.

A handwritten signature in black ink, appearing to read 'Lorraine', written in a cursive style.

Lorraine Minatoishi, Ph.D., AIA

SB-3104-SD-1

Submitted on: 2/21/2020 6:23:29 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Leila May Barangan	Individual	Support	No

Comments:

Senator Donovan Dela Cruz, Chair

Senator Gilbert Keith-Agaran, Vice Chair

Senate Committee on Ways and Means

February 21, 2020.

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

Good Evening,

My name is Leila May Barangan and I am writing in strong support for S.B. No. 3104 SD1, Relating to Land Development. While I am a Hawai'i resident, I have spent the last few years in Phoenix, AZ studying to become a Registered Nurse. I am now practicing at one of the largest hospitals in downtown Phoenix, with many opportunities to further my career. Having been in Arizona for a few years now, I have gotten to know the many opportunities not only in health care, but in affordable land and housing throughout the state. While it is tempting to remain in Arizona and purchase my first house here, Hawai'i is and will always be home. For this reason, I am in very strong support of S.B. No 3104.

My family's roots in Hawai'i began in the 1980s when my dad made Pearl Harbor his last and final station as part of the U.S. Navy. He had joined prior to the Vietnam War, giving up his college ambitions to become a civil engineer. Reminiscent of their home back in the Phillipines, the island life and large Filipino population are what attracted my parents to ultimately stay in the Hawaiian Islands. My 3 siblings and I were fortunate to be born and raised on Oahu, and to grow up in Ewa Beach. For this and for so many

reasons, I am in full support of SB 3104, particularly, issuing \$200M in funding to develop affordable housing in West Oahu.

In addition, my dad's 10 brothers and sisters eventually made Hawai'i their homes, as well. Hawai'i is so symbolic to my family, as it was their initial point of entry to the United States, and essentially to the American dream. I believe it is essential to further protect the rights and development of affordable housing by the creation of a housing Ombudsman office.

Thank you for your consideration and for this opportunity to testify.

Sincerely,

Leila May Barangan

SB-3104-SD-1

Submitted on: 2/21/2020 6:30:19 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dave Gandule	Individual	Support	No

Comments:

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

February 21st, 2020

Dave Gandule
dgandule@gmail.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in **STRONG SUPPORT** of SB 3104.

I am a 34 year old man who was born and raised in Hawaii and has personally benefited from affordable housing programs in the past. My mother and father raised my siblings and I in a home in Ewa Beach that was made possible with an affordable housing program. Having a place to call home was a blessing and made our childhood amazing.

Unfortunately, as adults, my siblings and I struggle to find affordable housing in our communities to raise our own families. Last year, my sister moved her family to California hoping to find better housing solutions. My brother, with a bachelor's degree, struggles to find affordable housing and is faced with the reality to raise his children in the same house he was raised in. My wife and I are actively looking for an affordable home to fit our budget but we are finding our options to be scarce.

SB 3104 gives hope to my family by providing new solutions that solve the affordable housing shortage in Hawaii. We especially appreciate the efforts to issue more funding to develop affordable housing projects in our Ewa/Kapolei community. I continue to pray for the opportunity to raise my children in a home near family and friends right here in Hawaii.

Thank you for this opportunity to testify.

Mahalo,

Dave Gandule

SB-3104-SD-1

Submitted on: 2/22/2020 10:26:28 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristy Rivera	Individual	Support	No

Comments:

I support the affordable housing bill and development of affordable housing in UH West Oahu Lands. Hawaii housing prices are not reasonable to the regular local hard working families. We are not able to survive on our income without living with multiple family members or working more than one job. Due to this problem, my family and I ventured out to Las Vegas for 7 years. We came back to the islands because we realized how important it was for our children to be close to their family and to live the life as we did growing up. However, my husband and I both work full time jobs with decent pay and are still not able to afford living in Hawaii. As much as we want to be close and teach them how the culture is amazingly different, we are seeking a future that is more financially fit. We are considering moving back to the mainland so we are able to keep a roof over our heads and still be able to save for our children's future and our future. Too many locals are moving away from our islands and soon our Hawaii won't be the same Hawaii that many of us have had the pleasure of being a part of. This is why affordable housing is so important to our people.

SB-3104-SD-1

Submitted on: 2/22/2020 10:48:09 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ronald R Yanos Jr	Individual	Support	No

Comments:

As a Special Education teacher I often see students and their families on the move in order to make ends meet. They pack up and move to another part of the state or even leave for another state all together. This constant moving affects our children and their education. As we establish affordable housing for these families their children will be provided with a stable environment for learning. Affordable housing prevents families from constantly moving while disrupting their children's education.

SB-3104-SD-1

Submitted on: 2/22/2020 12:02:02 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Roseanne Schucht	Individual	Support	Yes

Comments:

RE: SB3104 / Affordable Housing

Dear Sirs and Madams,

My name is Rose-Anne Schucht and have resided in Hawaii all my life. Over the past years, I have witnessed the demand for affordable housing and has been through the hardships with many of my immediate family members who are displaced due to the unaffordable rent amounts on the current market.

My eldest brother, with five children were at times living in his car, going from beach to beach around the island because he could not afford to pay the high cost of rent and support his family. He was able to maintain his job the whole time, but eventually the struggle got real. Due to always having to transition from place to place, only three of his children was able to graduate from high school. In the end, I had to open my home to help provide stability for them, but it impacted my OWN family as well causing additional tension and stress amongst us.

My second brother has had to move in the past 6 years 3 times because of rent increases. He works for the State of Hawaii but cannot provide stability for his family due to having to look for housing that it affordable. His children often change schools, having to give up relationships with friends.

Both of my sisters moved to the mainland because housing was not affordable anymore and with the already high cost of living, it was a better option for them both in order to maintain an easier life. Here in Hawaii, they both felt they were just working to live, but not living at all. There were barely any resources left for a night out or even planning a vacation for their family. So now our family traditions have been affected, no more family gatherings for holidays with everyone, family members cannot closely bond together as we did in the past.

Until today, there are many multigenerational families living together because there is no other option than being homeless. There is limited land and I think careful consideration to allow affordable housing to be developed is important. If we do not consider it, where would the natives of this land have to go and give up their heritage and family traditions.

Mahalo,

Rose-Anne Schucht

SB-3104-SD-1

Submitted on: 2/22/2020 9:00:53 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Afong	Individual	Support	No

Comments:

Senator Donovan Dela Cruz, Chair

Senator Gilbert Keith-Agaran, Vice Chair

Senate Committee on Ways and Means

February 20th, 2020

Jason Afong

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

I am writing in **STRONG SUPPORT** of SB3104 SD1.

I would be unable to live if not for my service in the military and working two jobs. My grandparents, parents, and I were born and raised in Hawaii. I want to raise my children here as well. I graduated from the United States Naval Academy and was stationed in Hawaii. When my active duty service ended, I was barely able to pay my mortgage. I required full-time employment as well as serving in the Military Reserve in order to pay my mortgage. My wife had to return to school to get a master's degree in order to get a better paying job here in Hawaii. Despite our combined incomes, we are not comfortable in living in our condominium, when factoring utilities, vehicles, insurance, and association dues.

Key points on SB 3104:

- Authorizes HHFDC to lease affordable housing property for 99 years
- Issues \$200M in funding to develop affordable housing near UH West Oahu
- Issues \$75M in funding to develop affordable housing in counties with populations of 500k or less (neighbor islands)
- Creates a housing Ombusman office to help with development of affordable housing
- Streamlines permitting process by allowing delegation of approvals to 3rd parties if the development is for housing projects where 50% of the housing is affordable.

Thank you for this opportunity to testify.

Mahalo,

Jason Afong

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

February 20th, 2020

Mr. Jamie Fujimoto

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

I am writing in STRONG SUPPORT of SB3104 SD1.

I support the prioritization of the legislature to pass practical affordable housing solutions.

Key points on SB 3104:

- Authorizes HHFDC to lease affordable housing property for 99 years
- Issues \$200M in funding to develop affordable housing near UH West Oahu
- Issues \$75M in funding to develop affordable housing in counties with populations of 500k or less (neighbor islands)
- Creates a housing Ombudsman office to help with development of affordable housing
- Streamlines permitting process by allowing delegation of approvals to 3rd parties if the development is for housing projects where 50% of the housing is affordable.

Thank you for this opportunity to testify.

Mahalo,
Jamie Fujimoto

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Committee on Ways and Means

Monday, February 24, 2020

Jeffrey Laupola
Jeffrey.W.Laupola@gmail.com

Support for S.B. No. 3104 SD1, Relating to Land Development

I was born and raised in Hawaii and like you, I love Hawaii.

After departing Hawaii after graduating from High School to pursue education and career opportunities, I returned home in 2015 and was shocked by how much Hawaii changed. Homelessness and the price of housing skyrocketed, making home ownership or paying rent very difficult for too many in our working class. Division among the public and public leaders were apparent and our sense of community declined. Our sense of aloha declined.

However, I was hopeful and inspired by the collaboration between leaders in the House and Senate, along with the Governor, in submitting a joint package to help the people of Hawaii make ends meet and invest in creating a better Hawaii. This bill is one of those legislative bills in the joint legislative package aimed at helping Hawaii's working class in Hawaii.

From Statehood in 1959 until today in 2020, the working class of Hawaii built our present-day Hawaii. However, for the last three years, the cost of living and especially housing has driven too many of our workforce away in leaving these islands. Our people across a broad range of incomes and professions above and below the average workforce resident, will benefit from this investment into workforce housing and infrastructure investment. Our workforce, of all ethnic backgrounds and a wide range of professions and income levels, will benefit from this bill for the benefit of all people in Hawaii. Our workforce, the middle-class, is the backbone of what we all love about Hawaii.

Like our middle-class, infrastructure is the foundation and backbone of our society on which affordable housing depends. Thus, I strongly support the investment of \$200 million concentrated on West Oahu. I do not expect our Hawaii affordable housing crisis to be solved in one legislative session. However, a significant investment into infrastructure is a significant step forward, in the right direction, in addressing our housing crisis for our workforce in West Oahu.

Thank you for the opportunity to submit testimony and thank you for your service to the people of Hawaii as our elected leaders.

SB-3104-SD-1

Submitted on: 2/23/2020 8:07:26 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Francis DK Dumlao	Individual	Support	No

Comments:

Senator Dela Cruz Chair Senate Ways and Means Committee

February 21st, 2020

Francis Dumlao

dumlaof@gmail.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in **STRONG SUPPORT** of SB 3104.

I was born and raised in Ewa Beach and have personally seen the struggle for affordable housing affect me, my friends, my family, and my community. Many people I know growing up are unable to find affordable housing solutions, so they end up living in their parents homes for their adult lives. Furthermore, I personally know a number of friends and family members that have had to move out of the Ewa/Kapolei area to other parts of the island, or had to leave the island all together, because of a lack of affordable housing in their communities. My point is that, People should have affordable housing available in the communities they call home, and this bill helps make that goal achievable.

My wife and I both work full time jobs and we try to work overtime as much as we can just to make ends meet. Even with our combined wages, we do not qualify for affordable housing. We have been considering moving to the mainland or Europe in hopes of finding a home to afford and to start a family of our own. On the other hand, I love this island I call home. I love where I work and those I work with. I love my friends and family here. It hurts with the thought that one day I will need to leave it all behind just because I cannot afford to live here anymore.

As a community, we must look for new solutions to solve the affordable housing shortage in Hawaii. SB 3104 is not a perfect solution, but it is a step in the right direction. I hope it is the start of more and more progressive legislation that will close the gap in the shortage of affordable and workforce housing. Thank you for this opportunity to testify.

Mahalo,

Francis Dumlao

SB-3104-SD-1

Submitted on: 2/24/2020 7:11:47 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Whispering Wind	Individual	Oppose	No

Comments:

Aloha Committee Chair, and committee members,

I strongly OPPOSE this bill.

Hawaii State wants to throw out normal procedures to build more cheap housing for Hawaii's workforce to rent, so more rich out-of-state investors can buy half of all Hawaii homes for sale to rent for profit! We need to slow-down Hawaii homes being used as cash-cows for international investors!

Please, OPPOSE this bill,

Mahalo,

Mary Whispering Wind

SB-3104-SD-1

Submitted on: 2/24/2020 7:14:54 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Murphy	Individual	Oppose	No

Comments:

Aloha Committee Chair, and committee members,

I strongly OPPOSE this bill.

Hawaii State wants to throw out normal procedures to build more cheap housing for Hawaii's workforce to rent, so more rich out-of-state investors can buy half of all Hawaii homes for sale to rent for profit!

We need to slow-down Hawaii homes being used as cash-cows for international investors!

Please, OPPOSE this bill,

Mahalo,

Brian Murphy

SB-3104-SD-1

Submitted on: 2/24/2020 9:15:04 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
May Paulele	Individual	Support	No

Comments:

Senator Dela Cruz, Chair

Senate Ways and Means Committee

February 24, 2020

May Paulele

mayngo@outlook.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in **STRONG SUPPORT** of SB 3104.

It truly saddens me that many of my family, friends, neighbors and coworkers who were born and raised here in Hawaii are moving out of the state because of a lack of affordable housing in their communities. Growing up in Ewa Beach, I have personally seen the struggle for affordable housing affect my community. Although I consider myself fortunate to be able to own a home here in Hawaii, many of my family, friends and coworkers struggle to find affordable housing solutions. Despite earning college degrees and even advanced post-graduate degrees AND working full-time, they are still unable or struggling to afford housing – I, myself, am cost burdened and stressed to afford other necessities due to Hawai'i having some of the highest housing costs in the country.

I consider housing a fundamental need for basic living and believe the hard working people of Hawaii should have affordable housing available in the communities they call home, and this bill helps make that goal achievable.

Affordable housing in our state, especially on the West side of the island, would allow more of our family, friends, neighbors and coworkers to continue to call Hawaii home. As a community, we must look for new solutions to solve the affordable housing shortage in Hawaii. I sincerely hope it is the start of more and more progressive legislation that will close the gap in the shortage of affordable and workforce housing.

Thank you for this opportunity to testify.

Mahalo,

May Paulele

SB-3104-SD-1

Submitted on: 2/24/2020 10:46:32 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tasha Corcino	Individual	Support	No

Comments:

Senator Donovan Dela Cruz, Chair

Senator Gilbert Keith-Agaran, Vice Chair

Senate Committee on Ways and Means

February 20th, 2020

Tasha Corcino

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

I am writing in STRONG SUPPORT of SB3104 SD1. I was born and raised in Ewa Beach, HI. I graduated at Campbell High School and have such strong support systems and connections through the Ewa Beach community. Most of my ohana and friends are there; however, some had to move off island because they could not afford to live there anymore. I am included in those that were forced to move due to lack of affordable housing. We need \$200M in funding to develop affordable housing near UH West Oahu. We need \$75 M in funding to develop affordable housing in counties with populations of 500k or less. We need HHFDC to lease affordable housing property for 99 years.

I want to move back home so I can start a family where my ohana and community is. I want to be able to live next to my mom and build more memories with her while she is still here on earth. I need SB 3014 to pass so I can make moving back home happen.

Thank you for this opportunity to testify.

Mahalo,

Tasha Corcino

SB-3104-SD-1

Submitted on: 2/24/2020 11:06:26 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Aisha	Individual	Support	No

Comments:

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Committee on Ways and Means

Monday, February 24, 2020

Aisha Price Ishida

Aisha.p.ishida@gmail.com

Support for S.B. No. 3104 SD1, Relating to Increasing Affordable Housing

First and foremost, a sincere mahalo to the leaders in the House and Senate as well as our Governor who were able to come together ahead of the legislative session and develop a joint package. In order for Hawaii to be a vibrant place to live for generations to come, it is important that our public and private sectors take an active interest in understanding the challenges facing Hawaii and then collaborate to develop solutions.

In order for Hawaii to reverse its brain drain and attract brain gain, our State needs to address Hawaii's high cost of living which is becoming unsustainable for our middle and working class. The future of our State depends on a strong working class that see the value of remaining in Hawaii to contribute to a growing State economy. The 2020 joint legislative package aims to address these challenges. This housing bill, just one

component of the joint package, is a first step in providing Hawaii residents with an opportunity to buy a home in Hawaii based on the proposed long-term leases and the requirement for the State to research all state-owned land that be developed into affordable housing. Although this bill will not solve the challenge of limited affordable housing and high cost of living entirely, I recognize that positive change is incremental, and this is a good first step. Eventually, I hope that the investment in West Oahu can be a success story which can further translate to more affordable housing in Honolulu.

Thank you for your care for our State and your dilligent efforts in making Hawaii a fulfilling home for all.

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Committee on Ways and Means

Monday, February 24, 2020

Support for S.B. No. 3104 SD1, Relating to Land Development

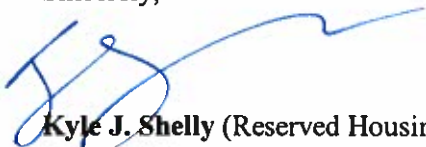
I was born and raised in Guam and relocated to Hawaii in 2010. I consider Hawaii my home and it is where I desire to raise a family. It was apparent within a few years that the cost of housing was significant which diminished my aspirations to work and thrive on Oahu. Only a few years later I was considering moving to the mainland given Hawaii's cost of living realities.

Fortunately, I learned of the availability of the Kakaako Reserved Housing program which serve and support Hawaii's "gap group". I was fortunate to qualify and purchase a Reserved Housing unit (my first home) after a lottery selection process. As a result, I have established a foundation and sense of place of which to build upon. Unfortunately, I have also observed the departure of talented/fellow middle-class working individuals as a result of Hawaii's cost of living.

We need to do more to support our workforce with continued infrastructure investments. S.B. 3104 is one step in the right direction for Hawaii, especially for West Oahu.

Thank you for the opportunity to submit testimony and thank you for your service to the people of Hawaii as our elected leaders.

Sincerely,



Kyle J. Shelly (Reserved Housing Owner)
First Vice President
American Savings Bank
kshelly@asbhawaii.com

Senator Donovan Dela Cruz, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

February 20th, 2020

Marites Galamgam

Written Testimony in Support for S.B. No. 3104 SD1, Relating to Land Development

I am writing in STRONG SUPPORT of SB3104 SD1.

As a resident of Ewa Beach for the past 25 years, I have seen our community grow and flourish, and although I left for college in the late 90's, I always planned to return and give back to my community. I was fortunate enough to find a job and further my career and education, eventually earning a Masters in Secondary Education and coming back to teach science at my alma mater, James Campbell High School. However, it took more than a decade for me to save enough money to purchase my own home and start a family. In my neighborhood, many of the homeowners are not locals. In fact, there seems to be a revolving door for military neighbors moving in and out every few years. I was lucky, the home I am living in was about to be foreclosed on, and although I celebrated, that meant there was someone out there who could not afford their home.

I seriously considered staying on the mainland after college. Had it not been for my parents monetary support throughout college and the offer to live with them while I continued my education, I would not have been able to make ends meet. If I had to purchase a home today, my husband and I would not be able to afford it. My siblings, both in their 30's have not returned to Hawaii, due to the lack of affordable housing. Many of my cousins, among them pharmacists and ER nurses, have left for places like Idaho and Colorado to be able to afford their homes and send their children to college without struggling or worrying about paying the bills.

SB3104 SD1 would give my family and my former students the opportunity to thrive in Hawaii and use their education and skills to contribute to our society. I do not want my own children thinking they have to leave home to live their best life. Authorizing HHFDC to lease affordable housing property for 99 years, as well as the development of affordable housing near UH West Oahu will help to keep our talented students and families here, and bring our families back home.

Thank you for this opportunity to testify.

Mahalo,

Marites Galamgam

SB-3104-SD-1

Submitted on: 2/24/2020 11:54:16 AM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Desree Suzuki	Individual	Support	No

Comments:

Written testimony in support for S.B. No. 3104, Relating to land development.

I stand with STRONG support for SB3104. Moving from house to house, stability was never common grounds for me while growing up in Hawaii. As a child I attended 7 different schools. 4 elementaries and 3 high schools total. The reason for the frequent transfers were all due to change of residence. I never really had a place to call "home", just somewhere we were living temporarily. From a young age I felt the impact of rising housing costs that affected me directly through the hardships that my parents had faced trying to support a family of 7. Eviction was always the ending terms of our leases', until eventually we were able to stay at grandmas house that she had owned and is still the root to our family events and gatherings today. I am so fortunate my family has this home on the westside of Oahu. A place that I am familiar with, that I know will always be there. Something I never had throughout my childhood. My father fell in and out of homelessness, being too young at the time I felt horrible and helpless to his situation. Now that I am older, I think of how I'd give and do anything to afford a place of my own, that my father would know was always there for him..and I could finally give to him what he desperately tried to provide for me; a home. By passing this bill, it will allow me to stay in my hometown, and not have the fear of having to move to the mainland like the rest of my family who could not afford to stay and live in Hawaii, the place where we were born. Thank You

SB-3104-SD-1

Submitted on: 2/24/2020 12:14:06 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Regina K. Hilo	Individual	Oppose	No

Comments:

LATE

SB-3104-SD-1

Submitted on: 2/24/2020 12:40:40 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Keoni	Individual	Support	Yes

Comments:

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means
Thursday, February 25, 2020, 12:30PM
Hawaii State Capitol, Room 211

RE: Support for S.B. 3104, Relating to Land Development

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members:

My name is Keoni Williams and I was born and raised in Manoa but now live in Makiki. I'm in the "gap group" population between 80% and 140% AML.

Being raised in a single-parent household, home ownership was a goal that always seemed out of reach. Our family believes in hard work and pulling ourselves up by our bootstraps, but the affordable housing crisis is a systemic issue that requires policy changes.

The hard work and perseverance of working-class families alone cannot increase the housing supply. In conjunction with working my way up the ladder through education and professional development, I know I must encourage our leaders to increase housing supply and ensure home ownership is attainable for young Hawaii residents like me as we grow older.

S.B. 3104, Relating to Land Development, has a number of important provisions, intended to provide meaningful reforms to help working Hawaii residents to afford to live in Hawaii. In particular, I support S.B. 3104's intent to increase the funding stream for the Rental Housing Revolving Fund, allow the state to do 99-year leases for affordable homes, issue \$275M in bonds to help pay for infrastructure in West Oahu and on the neighbor islands, and make other important changes.

I understand that there are still a few months left in the legislative session, but I humbly request your committee to approve S.B. 3104 so the community can continue its discussion about how best to encourage affordable housing development in Hawaii.

Mahalo for the opportunity to provide this testimony.

Sincerely,

Keoni Williams
Makiki

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means
Thursday, February 25, 2020, 12:30PM
Hawaii State Capitol, Room 211

RE: Support for S.B. 3104, Relating to Land Development

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Members:

My name is Jacob Noh, and I am born and raised and grew up in Makiki; currently live in Palolo Valley. I'm in the "gap group" between 80% and 140% AMI.

Since the age of 18, living on my own was the only option I had. At that time, my parent's household of 5 people were living in a 2-bedroom apartment. As my first step into adulthood, moving out seemed appropriate but it also provided my younger siblings more room to grow up in. As a result of that decision, I was at the mercy of the cost of living in Hawaii and still am today.

I have roughly paid \$215,000 collectively in rent for the last 18 years of my life. This amount astounding and shocking for someone like myself whom has made many decisions to keep Hawaii as my home to take care of family, be close with friends and work as many jobs as possible to afford the cost of living here. Making conscious decisions to grow my income level and living with moderate expenses, I am still chasing the ultimate dream of owning my own home.

Till this day, renting is my reality and to hear that the State is intentionally looking to provide any means of affordable housing has given me some hope. There has been a continuous stream of luxury condominiums and high priced homes that are sold as dreams to me and my demographic of friends and colleagues but in reality, how many of us are being left behind from that dream? I urge the legislature to take serious steps in providing the "middle class" hard working locals an option to stay in Hawaii and continue to call it home.

S.B. 3104, Relating to Land Development, has a number of important provisions, intended to provide meaningful reforms to help working Hawaii residents to afford to live in Hawaii. In particular, I support S.B. 3104's intent to allow the state to do 99-year leases for affordable homes, require the State to identify all state-owned lands that could be used for housing, expedite historic and land use district boundary reviews to cut down on the approval time required for affordable projects, and make other important changes.

While there are still over two months left in the legislative session, I humbly request your committee to approve S.B. 3104 so the community can continue its discussion about how best to encourage affordable housing development in Hawaii.

Mahalo for the opportunity to provide this testimony.

Sincerely,

Jacob Noh
hellojacobnoh@gmail.com
Palolo Valley

LATE

SB-3104-SD-1

Submitted on: 2/24/2020 2:12:23 PM
Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Regilyn Balliao	Individual	Support	No

Comments:

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing

February 24, 2020

Regilyn Balliao
regilynballiao@gmail.com

Written Testimony in Support for S.B. No.3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104,

I was born and raised in Ewa Beach and have moved out of Hawaii due to a lack of affordable housing. My family and friends who still live in Hawaii are struggling to keep a permanent home or to be able to afford to live alone.

My uncle who has 5 young children are living in one room together in my grandfather's house. They are unable to have a house of their own because it is too expensive for them to rent or own a home. With this bill, it should help people have affordable housing. It is my dream to move back to Hawaii and be able to own a home.

Thank you for this opportunity to testify.

Sincerely,

Regilyn Balliao

LATE

SB-3104-SD-1

Submitted on: 2/24/2020 4:56:40 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Juanita Kawamoto Brown	Individual	Support	No

Comments:

February 24, 2020

Aloha WAM Chair Senator Donovan Dela Cruz and Vice chair Gilbert Keith-Agaran and esteemed members. My name is Juanita Brown Kawamoto and I am testifying in strong support for SB3104 SD 1. I have witnessed in my lifetime the many promises made by elected officials for decades ago have tried and tried to help our community to achieve affordable housing. I am thankful to be able to say with much hope and determination that the cooperation by the Senate, House and Executive branch of the State of Hawaii have truly created the beginnings of a viable plan for real affordable housing in this generation. Imua Kakou!

Mahalo for the opportunity to testify.

SB-3104-SD-1

Submitted on: 2/24/2020 7:41:13 PM

Testimony for WAM on 2/25/2020 12:30:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Trinette Furtado	Individual	Oppose	No

Comments:

Aloha Mai and Mahalo for the opportunity to testify on this measure.

My name is Trinette Furtado and I live in the moku of Kula on the island of Maui.

I **oppose** passage of this measure, **SB 3104 SD1 as currently written**. There are a few alarming pieces to this that need further examination and amendment. I would like to suggest that you add amendments that ensure the state Land Use Commission maintains its ability and authority to examine the impacts of development on public trust resources and Hawaiian rights.

I would also like to suggest you add amendments to the lease terms that the HHFDC would have and would be authorized to grant, through passage of this measure. Allowing a lease term of 99 years does nothing to ensure that the rights of Kā• naka to "ceded lands" that are leased, are acknowledged or that we are fairly and adequately compensated. The state has a duty to protect Hawaiian rights and lands and limiting the LUC's authority and allowing a long lease term to the HHFDC for use or disposal, does nothing to ensure or outline more affordable housing that could be built for our communities.

Please consider making further amendments to this proposal that will protect Hawaiian rights, Hawaiian lands and the mechanisms of government already in place (and working just fine!) that continue to ensure public trust interests are protected.

Please consider amending this measure or voting NO, if it is to move forward as is.

Mahalo for your time and consideration.

LEGISLATIVE TESTIMONY



SB3104-SD1
RELATING TO LAND DEVELOPMENT
Senate Committee on Ways and Means
February 25, 2020 @ 12:30 pm

On February 22, 2020 a broad cross section of stakeholder groups met to discuss both the opportunities and challenges related to SB3104-SD1. All in attendance agreed on the shared goal of taking a step forward in addressing Hawaii’s housing crisis while meeting the needs of our ALICE population. It was clearly understood that we have an opportunity to create change for the reality faced by too many families struggling across the state. Collectively, we offer our recommendations that reflect our compromises. While we agreed to disagree on specific topics, we had consensus to move Hawaii forward in hopes of creating a better life for local families who far too often are choosing to leave as a means to survive. We committed to one voice following robust dialogue to address the following priority areas related to the bill:

- Affordability
- Land Use Commission
- Historic Preservation
- Ceded and public trust lands
- Identification of lands for implementation of this bill

Affordability

The group acknowledged the need to meet the state’s housing demand for both low income and workforce housing and suggests broader language. While there has been controversy over the affordability thresholds, we support language that keeps open the possibility of a mix between market rate units and various levels of affordability with preference for developers that can deliver the greatest amount of lower cost units.

“(2) The corporation shall work to address all levels of affordable housing and will prioritize and give preference to projects that are able to deliver more lower cost housing.”

Land Use Commission

The group was unable to come to full agreement on the current provisions in SD1 regarding amending the state Land Use Law, though there was significant

agreement on many issues, including that the district boundary amendment processes should not be changed for conservation land. However, we could not agree unanimously on exactly what improved LUC enforcement provisions should look like. Instead, it is suggested by the group to eliminate any reference to LUC in the bill with a continued commitment by all around the table to addressing the issues prior to the next legislative session.

Historic Preservation

The group recommends adopting the SD1 language understanding the following:

- Allows county delegation of historic reviews after consultation with OHA with regards to whether county has met listed conditions.
- Requires a written MOU entered into with OHA, SHPD, and county that specifies the scope of authority being delegated.
- Clarifies the original intent - that delegation to county does not include the department and the burial council's kuleana related to actual burials.
- Requires OHA approval for certification of third-party reviewers.

Ceded and Public Trust Lands

The group agreed that ensuring the interests of Native Hawaiians in "ceded" and public land trust lands is very important in light of the possible significant use of these lands and Native Hawaiians specific interests, but in the short time we had, could not come to an agreement on exactly what that should look like. In lieu of concrete and explicit benefits for Native Hawaiians, the group agreed;

- Further discussion on the topic was necessary
- For lands set aside or leased to HHFDC, there shall be a 75-year maximum and only if the lands are for affordable housing.

Language:

SECTION 7. (a) The Hawaii housing finance and development corporation shall submit to the legislature a program (or a study) that addresses housing concerns, including but not limited to:

(6) Including the interest of native Hawaiians;

By amending page 2, line 2, to read as follows:

"development corporation for a period not to exceed 75"

And amending page 4, lines 9-15, to read as follows:

"(6) Lands set aside by the governor or leased by any state department or agency to the Hawaii housing finance and development corporation for the primary purposes of developing affordable housing, or lands to which the

Hawaii housing finance and development corporation in its corporate capacity holds title;”

And by inserting a new section in the measure, to read as follows:

SECTION __. Section 201H-9, Hawai‘i Revised Statutes, is amended to read as follows:

“[H]§201H-9[H] Acquisition, use, and disposition of property. (a) The corporation may acquire any real or personal property or interest therein by purchase, exchange, gift, grant, lease, or other means from any person or government to provide housing. Exchange of real property shall be in accordance with section 171-50.

(b) The corporation may own or hold real property. All real property owned or held by the corporation shall be exempt from mechanic's or materialman's liens and also from levy and sale by virtue of an execution, and no execution or other judicial process shall issue against the same nor shall any judgment against the corporation be a charge or lien upon its real property; provided that this subsection shall not apply to or limit the right of obligees to foreclose or otherwise enforce any mortgage of the corporation or the right of obligees to pursue any remedies for the enforcement of any pledge or lien given by the corporation on its rents, fees, or revenues. The corporation and its property shall be exempt from all taxes and assessments.

(c) ~~The Subject to subsection (e),~~ the corporation may lease or rent all or a portion of any housing project and establish and revise the rents or charges therefor. The corporation may sell, exchange, transfer, assign, or pledge any property, real or personal, or any interest therein to any person or government.

(d) The corporation may insure or provide for the insurance of its property or operations against risks as it deems advisable.

(e) Notwithstanding any law to the contrary, as it relates to the leasing of lands set aside by the governor to the corporation, or lands leased to the corporation from other state agencies, no lease shall be for a longer term than seventy-five years, provided that the aggregate of the initial term and any extension shall in no event exceed seventy-five years, provided further that the lease is for the primary purpose of providing affordable housing.”

Identifying specific lands for the bill

The group is in support of the original language in SB3104, Part II item (3) that clearly identifies UH West Oahu lands in East Kapolei as a starting point to provide more affordable housing options to meet the needs and demand for low income and workforce housing.

“Authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of regional infrastructure with the primary purpose of supporting the development of housing on lands owned by the university of Hawaii near or adjacent to the university of Hawaii West Oahu campus;”

We firmly believe with the recommended amendments; the bill has a greater chance for broad based support while advancing the effort to address the needs of our ALICE population. Together we committed to work together, set aside our differences and focus on areas of compromise to collectively contribute to a better Hawaii for our children and grandchildren.

Mahalo for the opportunity!

The undersigned agree on taking a step forward to address Hawaii’s housing crisis.



Micah A. Kane, Hawaii Community Foundation

Michael Formby, Pacific Resource Partnership



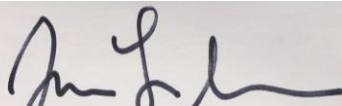
Norm Baker, Aloha United Way



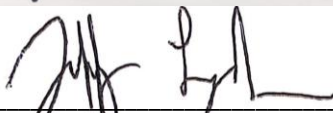
Gavin Thornton, Hawaii Appleseed



Dean Uchida, Building Industry Association, Chamber of Commerce of Hawaii



Jonathan Scheuer



Jeff Laupola, Member of Hawaii Executive Collaborative Government & Civics CHANGE Committee



Blair Suzuki, Member of Hawaii Executive Collaborative Government & Civics
CHANGE Committee

Joshua Magno, Pacific Resource Partnership



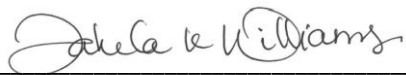
Kai Burgess, Kamehameha Schools

Colette Y. Machado, OHA Board of Trustee Chair

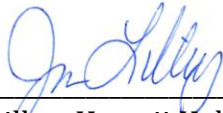
Sylvia M. Hussey, Ed.D., Ka Pouhana, Chief Executive Officer

Marti Townsend, Sierra Club of Hawaii

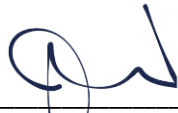
Jeff Gilbreath, Hawaii Community Lending



Lahela Williams, Hawaiian Community Assets



Jean Lilley, Hawaii Habitat for Humanity



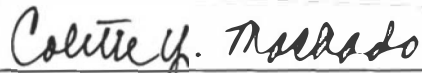
Kūhiō Lewis, Council for Native Hawaiian Advancement

Jeff Laupola, Government & Civic Engagement Committee

Joshua Magno, Pacific Resource Partnership

Chris Deuchar, Kamehameha Schools

Kaui Burgess, Kamehameha Schools



Colette Y. Machado, OHA Board of Trustee Chair




Sylvia M. Hussey, Ed.D., OHA Ka Pouhana, Chief Executive Officer

Marti Townsend, Sierra Club of Hawaii

Scott Derrickson

Jeff Gilbreath, Hawaii Community Lending



Lahela Williams, Hawaiian Community Assets

Jean Lilley, Hawaii Habitat for Humanity

Kūhiō Lewis, Council for Native Hawaiian Advancement

“Authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of regional infrastructure with the primary purpose of supporting the development of housing on lands owned by the university of Hawaii near or adjacent to the university of Hawaii West Oahu campus;”

We firmly believe with the recommended amendments; the bill has a greater chance for broad based support while advancing the effort to address the needs of our ALICE population. Together we committed to work together, set aside our differences and focus on areas of compromise to collectively contribute to a better Hawaii for our children and grandchildren.

Mahalo for the opportunity!

The undersigned agree on taking a step forward to address Hawaii’s housing crisis.

Micah Kane, Hawaii Community Foundation



Michael Formby, Pacific Resource Partnership

Norm Baker, Aloha United Way

Gavin Thornton, Hawaii Appleseed



Dean Uchida, Building Industry Association, Chamber of Commerce of Hawaii

Jonathan Scheuer

Blair Suzuki, Government & Civic Engagement Committee

Jeff Laupola, Government & Civic Engagement Committee

Joshua Magno

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email=info@prp-hawaii.com, c=US
Date: 2020.02.24 16:15:34 -10'00'

Joshua Magno, Pacific Resource Partnership

Chris Deuchar, Kamehameha Schools

Kaui Burgess, Kamehameha Schools

Jocelyn Doane, Office of Hawaiian Affairs

Marti Townsend, Sierra Club of Hawaii

Scott Derrickson

Jeff Gilbreath, Hawaii Community Lending

Lahela Williams, Hawaiian Community Assets

Jean Liley, Hawaii Habitat for Humanity

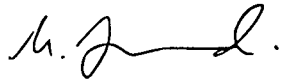
Jeff Laupola, Government & Civic Engagement Committee

Joshua Magno, Pacific Resource Partnership

Chris Deuchar, Kamehameha Schools

Kauai Burgess, Kamehameha Schools

Jocelyn Doane, Office of Hawaiian Affairs



Marti Townsend, Sierra Club of Hawaii

Scott Derrickson

Jeff Gilbreath, Hawaii Community Lending

Lahela Williams, Hawaiian Community Assets

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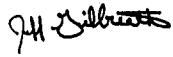
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LATE

SB-3104-SD-1

Submitted on: 2/24/2020 9:13:54 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Colby Takeda	Individual	Support	No

Comments:

This is good for Hawai'i. Please support.

-Colby Takeda

Mililani Resident

LATE

SB-3104-SD-1

Submitted on: 2/24/2020 10:42:44 PM

Testimony for WAM on 2/25/2020 12:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lorraine Wong	Individual	Support	No

Comments:

Senator Donovan Dela Cruz, Chair

Senator Gilbert Keith-Agaran, Vice Chair

Senate Committee on Ways and MEans

February 20th, 2020

Lorraine Grace Wong

Lorraine.g.wong@gmail.com

Written Testimony in Support for S.B. No. 3104SD1, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

I was born and raised in Ewa Beach and throughout the years have seen the struggles of family and friends unable to find affordable house. I have personally seen the community struggle to find affordable housing and let alone keep up with the demanding price of living there. I would love to move back home where I grew up and buy a home where my kids can grow up and be close to their grandparents, great-grandparents, aunts, and uncles. However, with the set median price range that dream may be put on hold.

I grew up in a multi-generation household as it was tough for my parents to find a decent priced home. They were fortunate enough to find a home that was a decent

price but needed to do a full renovation to make it their dream home. My brother, who has a master's degree from a prestigious school and a full-time job, cannot even find an affordable house or apartment that wouldn't have him worrying about the other necessities he would need to survive. My grandparents would not be able to live in their home they purchased without the help of their children with mortgage payments.

Affordable housing is a basic necessity in life and hard working people in Hawaii should not struggle to find affordable housing to live in their communities they call home. I believe this bill is a step in the right direction to make the dreams of those who are working hard to find affordable housing in the communities they grew up in especially the areas of Ewa Beach/Kapolei.

Thank you for this opportunity to testify.

Mahalo,

Lorraine Grace Wong