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Statement of
RODNEY FUNAKOSHI
Planning Program Administrator, Office of Planning
before the
SENATE COMMITTEE ON WAYS AND MEANS
Monday, February 25, 2019
10:30 AM
State Capitol, Conference Room 211

in consideration of
SB 498, SD1
RELATING TO HOUSING.

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

The Office of Planning (OP) **supports** SB 498, SD1, which includes the approval of all State agencies' redevelopment plans for parcels along the rail transit corridor among the OP's duties as lead agency to coordinate and advance smart growth and transit-oriented development (TOD) planning within the State. The bill also requires affordable housing to be included as part of every development or redevelopment plan for State TOD along the rail transit corridor unless the OP determines that housing is not feasible or desirable on a property.

OP supports measures that increase the availability of affordable housing, particularly where needed most, at the lower ends of the affordability range. The proposed measure would assist in focusing the State's efforts on affordable housing towards this segment. There is some concern with the requirement that 20 percent of all housing units be affordable to households at 80 percent and below Area Median Income (AMI) level. This level of affordability may not be feasible for developers unless the State lands are provided at little or no cost to the developer along with additional public subsidy of the affordable units.

During OP's review and approval of TOD projects, therefore, there should be consultation with the Hawaii Housing Finance and Development Corporation. Accordingly, we recommend that the proposed amendments to HRS § 225M-2 (b) on page 7 be revised as follows (added text is double-underlined):

“(H) Approve all state agencies' development or redevelopment plans for parcels along the rail transit corridor [-]; provided that every development or redevelopment plan shall include housing units with at least twenty per cent reserved for residents with an income less than or equal to eighty per cent of the area median income, unless the office of

planning, in consultation with the Hawaii housing finance and development corporation, determines that housing, at the required affordability level is not feasible or desirable on a particular property. For the purposes of this subparagraph, “development or redevelopment plans” means conceptual land use plans that identify the location and planned uses within a defined area.”

Thank you for this opportunity to testify.



February 23, 2019

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

Comments regarding SB 498, SD1 Relating to Housing (Requires inclusion of an unspecified minimum percentage of affordable housing units in state agencies' development and redevelopment plans along the rail transit corridor. Allows the Office of Planning to make exceptions to the affordable housing requirement.)

WAM Hrg: Monday, February 25, 2019, 10:30 a.m., in Conf. Rm. 211

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, resort operators, and major utility companies. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to provide **comments relating to SB 498, SD1.**

SB 498, SD1. This measure requires inclusion of an unspecified minimum percentage of affordable housing units in state agencies' development and redevelopment plans along the rail transit corridor. Allows the Office of Planning to make exceptions to the affordable housing requirement. Effective 7/1/2050.

LURF's Position. LURF appreciates and supports the findings relating to this measure, which is to increase the affordable housing stock and also support rail ridership goals by locating denser, mixed use developments along the rail transit line. However, LURF has the following **comments relating to this measure:**

- **The specific percentage of units should be deleted.** We share the concerns of the Office of Planning, that requiring a specific minimum percentage of units to be affordable to households at eighty percent and below Area Median Income (AMI) may not be feasible for some developers, unless State lands are provided for little or no cost to the developer along with additional public subsidies for the affordable units.
- **Amend this bill to require consistency with applicable affordable housing requirements of the county or State laws and rules relating to affordable housing.**

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

SB-498-SD-1

Submitted on: 2/24/2019 8:59:34 AM

Testimony for WAM on 2/25/2019 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Suzanne Skjold	Individual	Comments	No

Comments:

Aloha,

I am truly disappointed in reading this bill. Any development along the rail line needs to fully benefit those who live here and are paying the ridiculous and growing high cost of the rail project.

I propose requiring all (or at least 80%) of housing developed in connection with the rail to be available for sale ONLY to residents of Hawaii, and to impose tax penalties for purchases of properties for investment. Most of the housing the State allowed to be built in Kakaako, and soon at Mayor Wright Homes, has and will be sold to wealthy people who do not live here.

This is one of the main reasons our housing costs are so high. Adding a small percent of affordable housing units to a development that will be 80% luxury condos takes all options for housing away from the working and middle (and even upper middle) classes and will not solve any of the housing issue. The cost of housing will come down for everyone when working residents do not need to compete with ultra rich investors from all across the world.

I do fully support including affordable housing in this bill, AND the creation of a policy that ensures all future rail development actually creates housing for RESIDENTS and not the global investment class.

Last, I ask you remove the ability of the State agency to make exceptions to affordable housing requirements without a public comment period and require a demonstrate public good that could not be got by another means. A developer not making enough profit on a project is not a reason.

Thank you for taking the time to think about other ways we can build in this State and prevent the same mistakes from being made over and over aat the expense of residents.

Mahalo for your time and action to really address one of our greatest issues.

Suzanne Skjold

LATE



O`ahu County Committee on Legislative Priorities

COMMITTEE WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Monday, February 25, 2019

TIME: 10:30 a.m.

PLACE: Conference Room 221
State Capitol

RE: SB 498, SD 1, Relating to Housing

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and Members of the Committee on Ways and Means:

I am Melodie Aduja, Chair of the O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i ("DPH"). Mahalo for this opportunity to submit testimony on SB 498, SD 1. The O`ahu County Committee on Legislative Priorities ("OCCLP") hereby submits its testimony in **SUPPORT of SB 498, SD 1, Relating to Housing.**

SB 498, SD 1, provides that all state agencies' development - or redevelopment plans for parcels along the rail transit corridor shall include housing units with at least per cent reserved for residents with an income less than or equal to eighty per cent of the area median income, unless the office of planning determines that housing is not feasible or desirable on a particular property. For the purposes of SB 498, SD 1, development or redevelopment plans means conceptual land use plans that identify the location and planned uses within a defined area.

DPH supports expanding programs that prevent displacement of existing residents, especially in Native Hawaiian and Pacific Islander communities; creating affordable and workforce housing; and preserving neighborhood-serving nonprofit organizations and small businesses. DPH will reinvigorate housing production programs, repair public housing and seek increased funding for rental assistance programs. DPH will fight for robust funding to end homelessness in our cities and counties once and for all, through targeted investment to provide the necessary outreach, social services, and housing options for all populations experiencing homelessness. DPH will engage in a stronger, more coordinated, and better funded partnership

among Federal, State, and local governments to end chronic homelessness. *Democratic Party of Hawai'i Platform (2018), p. 6, ln. 26-33*

For the foregoing reasons, to wit, that DPH favors reinvigorating housing production programs, repairing public housing and seeking increased funding for rental assistance programs and fighting for robust funding to end homelessness in our cities and counties once and for all, through targeted investment to provide the necessary outreach, social services, and housing options for all populations experiencing homelessness, OCCLP supports SB 498, SD1, and urges its passage out of the Committee on Ways and Means.

Mahalo nui loa

Me ka `oia`i`o

/s/ Melodie Aduja

Melodie Aduja

Chair, O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i

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LATE

SB-498-SD-1

Submitted on: 2/25/2019 4:14:47 PM

Testimony for WAM on 2/25/2019 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Alvarez	Individual	Oppose	No

Comments: