



**TESTIMONY TO THE SENATE COMMITTEES ON PUBLIC SAFETY, INTERGOVERNMENTAL,  
AND MILITARY AFFAIRS, AND HOUSING  
State Capitol, Conference Room 225  
415 South Beretania Street  
2:45 PM**

February 8, 2019

RE: SENATE BILL NO. 517, RELATING TO HOUSING

Chairs Nishihara and Chang, Vice Chairs Wakai and Kanuha, and members of the committees:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities that people call home.

BIA-Hawaii is in **strong support** of S.B. 517, which proposes to amend Chapter 46 HRS by adding a section that requires each county to prepare a housing supply plan to plan for projected increases in the State's housing supply to meet housing demands of the respective county, identifies and analyzes existing and projected housing needs for all income levels, and identifies adequate sites for housing, including rental housing.

While several government studies have concluded that the State does not have and is not producing enough new housing units to meet normal population growth projections to 2025, none of the Counties have taken any initiative to increase the production of housing to meet the anticipated demand. This bill will require the Counties to pro-actively plan for new housing at all price points to meet anticipated demand.

We are in strong support of S.B. 517 and appreciate the opportunity provide comments.



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February 5, 2019

Senate Committees on Public Safety, Intergovernmental, and Military Affairs and Housing  
Friday, February 8, 2019  
Conference Room 225

### **SB517 – SUPPORT WITH AMENDMENTS**

Aloha Committee Chairs, Vice-Chairs, and Members:

I am submitting testimony in my capacity as Executive Director of Hawaiian Community Assets (HCA), Hawaii's largest HUD-approved housing counseling agency to **SUPPORT SB517 WITH AMENDMENTS.**

SB517 requires each county to prepare a housing supply plan to plan for projected increases in the State's housing supply to meet housing demands of the respective county, identify and analyze existing and projected housing needs for all income levels, and identify adequate sites for housing, including rental housing.

Our organization suggests two amendments to strengthen the proposed legislation. This includes the following:

**1. Add the Department of Hawaiian Home Lands (DHHL) to the legislation.** DHHL manages one of the nation's largest land trusts, however, the State agency has no housing development plan to address the more than 22,000 native Hawaiian beneficiaries who are waiting for their residential lease award, nor those beneficiaries who are unable to qualify for mortgage financing to purchase a home. It is equally the responsibility of the Administration and the State Legislature to hold DHHL accountable for their development of housing that is affordable for native Hawaiians as residents of our State.

**2. Require the Counties and DHHL to include for-sale housing in their housing supply plans.** With the need for 66,000 housing units by 2026 and an estimated 7,500 Federally-funded affordable rental housing units scheduled to come out of their mandatory affordability period, it is not enough for us to narrow our focus on developing rental housing alone. The housing supply plans must include every type of housing and require Counties and DHHL to think outside-the-box, looking at best practices within the State, across the United States, and throughout the world to address our housing affordability emergency. This amendment would give Counties and

DHHL greater flexibility to utilize their lands for the best possible housing opportunity that exists rather than unnecessarily limiting development to rental housing alone.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions or need additional information.

Sincerely

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

Jeff Gilbreath  
Executive Director

**LATE**

**SB-517**

Submitted on: 2/8/2019 12:54:30 AM

Testimony for PSM on 2/8/2019 2:45:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

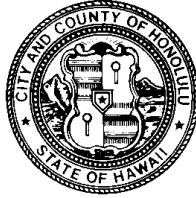
Comments:

DEPARTMENT OF PLANNING AND PERMITTING  
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**LATE**

KIRK CALDWELL  
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KATHY K. SOKUGAWA  
ACTING DIRECTOR

TIMOTHY F. T. HIU  
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI  
DEPUTY DIRECTOR

February 8, 2019

The Honorable Clarence K. Nishihara, Chair  
and Members of the Committee on Public Safety,  
Intergovernmental, and Military Affairs  
The Honorable Stanley Chang, Chair  
and Members of the Committee on Housing  
Hawaii State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Nishihara and Chang, and Committee Members:

**Subject: Senate Bill 517  
Relating to Housing**

The Department of Planning and Permitting **opposes, as drafted**, Senate Bill 517, which would require each county to prepare a housing supply plan to be included in the county's general plan. The Bill outlines more than 10 elements that must be included in the Plan.

The Department is not opposed to the gathering the specific information and analyses outlined in the Bill, but cannot support placing the burden of developing this far-ranging plan on the counties. Several required elements are not available and will require significant resources to research and analyze, such as estimating the cost structure of rental housing and identifying nonprofit partners to manage the future projects. This amounts to an unfunded mandate.

Other elements, such as the planned locations and amounts of new housing, is regularly contained in our Annual Report (<https://bit.ly/2DZWNf3>). Still other information and analyses are being gathered under other programs, such as the regularly updated Hawaii Housing Planning Study under the direction of the Hawaii Housing and Finance Development Corporation (HHFDC).

In addition, our General Plan takes a long-term view and is aspirational, comprised of a broad set of policies and objectives. The proposed housing plan is more of a "functional plan", as outlined in the Hawai'i State Plan (Chap. 226, HRS), with more detailed discussion on specific needs, priority alternatives and recommended implementation actions.

Lastly, it is unclear why this plan is being required, as the Bill does not include any State funding for the preparation of the plan, nor is there any commitment that the State will support findings of the plan.

The Honorable Clarence K. Nishihara, Chair  
and Members of the Committee on Public Safety,  
Intergovernmental, and Military Affairs  
The Honorable Stanley Chang, Chair  
and Members of the Committee on Housing  
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Over the years, there have been sufficient studies to show that the need and demand for affordable housing is extreme. Rather than focusing on compiling information into a single document, we suggest that the Bill be rewritten as a funding source to counties to increase the supply of affordable housing, with flexibility on how this would be accomplished; e.g., catalyzing projects in specific neighborhoods, creating systemic changes to entitlement processes and requirements, or evaluating why certain projects become successful projects. Alternatively, the Bill could provide the necessary funding to complete the required studies and assessments cited in the proposed housing supply plan. We are willing to work with the Legislature in developing an alternate strategy.

To sum, we respectfully ask that Senate Bill No. 517 be held in committee until a more practical version can be considered.

Thank you for the opportunity to testify.

Very truly yours,



Kathy K. Sokugawa  
Acting Director