



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

February 16, 2021 at 1:45 p.m.
State Capitol, Room 225

In consideration of
S.B. 1, Proposed S.D. 1
RELATING TO HOUSING.

S.B. 1, Proposed S.D. 1, establishes the ALOHA homes program to help end the housing shortage by authorizing HHFDC to develop low-cost homes on state-owned and county-owned lands in urban redevelopment sites to be sold in leasehold to qualified residents. The HHFDC **supports the intent of the Proposed S.D. 1, but we have significant concerns with provisions requiring the transfer of units to the Department of Hawaiian Home Lands (DHHL) or the Office of Hawaiian Affairs (OHA).** Our comments on specific provisions of the Proposed S.D. 1 follow.

Section 1: Findings and Purpose

HHFDC has concerns with any reference to low-cost homes as the measure does not provide enough detail to make clear the units will be produced at a low cost.

Section 2: ALOHA Homes Program

HHFDC has significant concerns with proposed **§201H-D(f)**, which requires HHFDC to transfer ALOHA Homes units within residential projects to the DHHL or OHA. 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. The Department of the Attorney General has raised concerns due to the different government jurisdictions that could trigger the status of Hawaiian Home Lands under the Hawaiian Homes Commission Act.

Additionally, the transfer of units to DHHL or OHA is viewed as risky, complicated, and adds more layers of bureaucracy that would defeat the purpose of expediting delivery of affordable units to the market. The reluctance of developers to participate in these types of complicated arrangements is very concerning.

We believe that HHFDC's current collaborations with DHHL and OHA are far more productive endeavors to increase the supply of housing for Native Hawaiians. We also note that a 2015 report of the HHFDC's Low-Income Housing Tax Credit (LIHTC) program for affordable rental housing developments showed that 36.3% of LIHTC household members were Native Hawaiian and Other Pacific Islander alone. Another good example is the assistance HHFDC provides to self-help housing programs like the ones in Maili and Pokai Bay, where 91% of homeowners participating are Native Hawaiian and Other Pacific Islander. Native Hawaiians benefit whenever HHFDC programs facilitates the delivery of more units to the community.

HHFDC also has the following comments on proposed **§201H-E(a)(1)**. The ALOHA Homes study notes that use of voting in the most recent primary or general election as an indication of Hawaii residency for a government program has not been legally tested. We respectfully suggest that this language be replaced with the definition of "qualified resident" used in 201H-32, HRS, because this language is widely understood and accepted.

HHFDC has the following comments on the proposed **§201H-Q(d)**, which adds the requirement that lands set aside by the Governor and lands leased to HHFDC by any state department or agency are considered "public lands" for the purpose of accounting for section 5(f) lands. Homeownership is one of the five purposes of Section 5(f) of the Admissions Act lands, and some lands owned by HHFDC in its corporate capacity are private land. This added requirement does not apply to lands for any other department or agency. Therefore, we do not support this provision.

Section 4: Exemption from Definition of "Public Lands"

The HHFDC supports this provision to exempt lands set aside to the HHFDC by Executive Order or leased from another State department or agency from the definition of "public lands" subject to the jurisdiction of the Department of Land and Natural Resources (DLNR). The bill will extend HHFDC's statutory exemption for the limited lands it holds in its corporate capacity and will help to streamline the development of affordable housing on state lands.

This section will help to shave months off the development process by reducing the number of DLNR approvals required once land is set aside to HHFDC. Housing development will be subject to all conditions imposed by the Board of Land and Natural Resources and as set forth in the Executive Order. This includes the return of state land if it is no longer needed for housing.

Section 5: Amendment to §171-64.7, HRS.

HHFDC supports this provision as consistent with our current practices with respect to transfers of the fee interest in its lands.

Section 6: Housekeeping amendment to Part II of Chapter 201H, HRS.

HHFDC supports this housekeeping provision, which makes housekeeping amendments clearly separating HHFDC's existing housing development programs from the ALOHA Homes program.

Section 7: Exemption of ALOHA Homes from School Impact Fees.

HHFDC appreciates the intent of this provision. School impact fees do increase the cost of housing development.

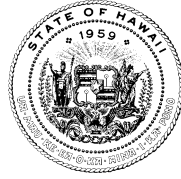
Sections 8-10: General fund appropriations to "seed" the ALOHA Homes Revolving Fund and to establish 3.0 full-time equivalent (FTE) positions.

HHFDC appreciates the intent of these provisions, provided that its passage does not replace or adversely impact priorities indicated in the Executive Biennium Budget. We concur that administration of the ALOHA Homes Program would require an additional 3.0 FTE positions.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

JOSH GREEN
LT. GOVERNOR
STATE OF HAWAII



WILLIAM J. AILA, JR.
CHAIRMAN
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES
DEPUTY TO THE CHAIRMAN

**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 HOUSING
HEARING ON FEBRUARY 16, 2021 AT 1:45PM VIA VIDEOCONFERENCE

SB 1, Proposed SD1, RELATING TO HOUSING

February 16, 2021

Aloha Chair Chang, Vice Chair Kanuha, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill that establishes the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawaii Housing Finance and Development Corporation (HHFDC) to qualified residents and requires HHFDC to transfer a number of ALOHA homes units to DHHL or the Office of Hawaiian Affairs.

The Department appreciates the overall motivation behind this measure and the specific provision to transfer units to DHHL. 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.



SB1
RELATING TO HOUSING
Ke Kōmike ‘Aha Kenekoa o ke Kuleana Hale Noho

Pepeluali 16, 2021

1:45 p.m.

Lumi 225

The Office of Hawaiian Affairs (OHA) respectfully **OPPOSES** SB1, as drafted. OHA appreciates that this measure aims to address Hawai‘i’s affordable housing challenges. OHA also appreciates the contemplated benefits to Native Hawaiians via rulemaking that would transfer some unspecified proportion of residential ALOHA Homes units in anticipated projects to OHA or the Department of Hawaiian Home Lands (DHHL); such transfers would provide some recognition of Native Hawaiians’ unrelinquished claims to leased “ceded” lands that would be foreclosed for generations at time. **However, OHA does have concerns regarding the proposed long-term, multigenerational leases of potentially “ceded” lands leased or set aside to the Hawai‘i Housing Finance and Development Corporation (HHFDC) outside of the proposed ALOHA Homes program, which would not account for or protect such claims.**

OHA therefore opposes this bill; however, OHA does respectfully offer the following comments and recommendations to address its concerns, including comments to (1) urge the inclusion of language that can ensure that the sale of 99-year leasehold interests nonetheless recognizes or protects and preserves Native Hawaiian claims to “ceded” lands; and (2) establish income limits or preferences to provide a more meaningful opportunity for lower income individuals most in need of affordable housing, including Native Hawaiians, to benefit from this measure.

- 1. Any contemplated sales of 99-year leasehold interests in “ceded” lands set aside or leased to the HHFDC must recognize or protect and preserve Native Hawaiian claims to the “ceded” lands corpus.**

SB1 contemplates a significant expansion of the public lands, including “ceded” and Public Land Trust lands, that could be leased under HHFDC’s very flexible and liberal land disposition authorities. Currently, HHFDC can only give out extremely long-term, century-long 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. SB1 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, including specifically through 99-year leasehold sales. Currently, most public lands are largely 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 for the leasing of public lands. **Allowing public lands to be leased or set aside to the HHFDC and subsequently disposed of via 99-year leases, without regard to the protections of HRS Chapter 171, could result in the foreclosure of Native Hawaiian claims to "ceded" lands for generations at a time.**

OHA notes and appreciates that, under the ALOHA Homes program section of this bill, rules would need to be implemented to transfer some proportion of developed ALOHA Homes leasehold units to OHA or DHHL. Given the unique and significant housing needs of Native Hawaiians, the contemplated transfer of residential units in the proposed ALOHA Homes program to OHA or DHHL may be an appropriate benefit that to some degree recognizes the outstanding claims of Native Hawaiians to "ceded" lands that may be encumbered for multiple generations at a time.¹

However, OHA notes that **the proposed Section 201H-Q in this bill would also allow for the sale of 99-year leaseholds for any state lands set aside by the governor to HHFDC, or any lands leased to HHFDC by any state department or agency, without any recognition of or accounting for Native Hawaiian claims to "ceded" lands subjected to such leaseholds.**

Given that potentially large amounts of "ceded" lands may be set aside or leased to HHFDC and subsequently developed and subjected to extremely long-term, 99-year leasehold sales under this measure; the resulting foreclosure of Native Hawaiian claims to such lands for generations at a time; and proposed Section 201H-Q's lack of any conditions or requirements that can appropriately account for or recognize and protect such claims, OHA must oppose this measure as written. **However, OHA does note that language substantially similar to that in the ALOHA Homes portion of this testimony -- requiring rules regarding the transfer of some percentage of units -- would mitigate its opposition. Alternatively, OHA also offers the following language that may address its concerns, by replacing the language found on page 24, lines 16-20, to read as follows:**

"(a) The corporation may sell leasehold units in condominiums organized pursuant to chapter 514B and developed under this subpart on state land to a "qualified resident" as defined in section 201H-32; provided that for leasehold sales involving lands classed as government or crown lands prior to August 15, 1895, or exchanged for such lands, sale agreements shall contain terms and conditions approved by the board of trustees of the Office of Hawaiian Affairs. Such terms and conditions may include provisions that

reflect the maintained claims of native Hawaiians in the “ceded” lands corpus, such as provisions requiring rights of first refusal, equity recaptures in subsequent sales or the transfer or commitment of resources by purchasers for programs serving native Hawaiian interests, a reservation of the rights and interests of a native Hawaiian self-governing entity in such lands, or any other relevant provision.”

2. Most Native Hawaiian housing needs are for units offered at 80% AMI or below, and the lack of income limits in this measure will likely result in those with higher incomes benefitting most from the proposed “affordable” housing.

OHA notes that 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. **Even with the price limitations for Aloha Homes units that would be required under this bill, without any income restrictions or preferences for eligible buyers, Aloha Homes units developed on public and “ceded” lands are likely to be purchased much more quickly by those with higher incomes, who are more likely to have the available capital necessary to acquire such units immediately.** Accordingly, to ensure that those most in need of affordable housing relief are able to benefit from this measure, **OHA urges the Committee to consider including income limits or preferences, such as providing for the graduated pricing of units based on eligible buyers’ incomes.** Even if such limits or preferences are imposed for a set period of time, lower income families, including Native Hawaiians, may have a much more meaningful opportunity to take advantage of the ALOHA Homes program.

Accordingly, OHA respectfully urges the Committee to **HOLD** SB1, or adopt the recommendations described above. Mahalo piha for the opportunity to testify on this issue.

ⁱ 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 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://dttl.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). Native Hawaiian households are also much more likely to be crowded with more than two persons per bedroom, and “doubled up,” with multigenerational or unrelated individuals living together in single households. 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 (21.2% of Native Hawaiian households are crowded with more than two persons per bedroom versus 10.9% of other households in the state; 24.5% of Native Hawaiian households, compared to 9.0% of other households also include more than two generations or unrelated individuals). Furthermore, Native Hawaiian households are twice as likely to have a ‘hidden homeless’ family member than all state

households. *Id.* at 74 (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). Moreover, a growing number of Native Hawaiian households are disproportionately at risk of becoming homeless. *Id.* (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). 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. *Id.* 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.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/16/2021

Time: 01:45 PM

Location: CR 225 & Videoconference

Committee: Senate Housing

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 0001 RELATING TO HOUSING.

Purpose of Bill: Establishes the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawaii Housing Finance and Development Corporation (HHFDC) to qualified residents. Exempts certain land from the definition of public lands. Requires HHFDC to gain legislative approval before disposing of certain lands. Requires HHFDC to transfer a number of ALOHA homes units to the Department of Hawaiian Home Lands or Office of Hawaiian Affairs. Provides for the disposition of lands acquired by HHFDC but no longer needed for the ALOHA homes program. Requires HHFDC to develop an ALOHA homes demonstration project by July 1, 2026. Appropriates funds.

Department's Position:

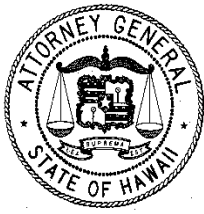
The Hawaii State Department of Education (Department) offers comments on SB 0001.

Hawaii's school impact fee law, Hawaii Revised Statute (HRS) Sections 1601-1612, plays a vital role in the development of new school facilities in designated areas where the construction of new housing directly increases student enrollment. Other than direct appropriations from the legislature, school impact fees are the only other source of funding to support the development of new school facilities for the Department.

The Legislature created school impact fees in 2007, with amendments in 2010 and 2016. HRS Section 302A-1603 (a)(3) specifies that anyone who develops new residences in a school impact fee district must pay impact fees "including all government housing projects." Adding additional exemptions would limit the Department's potential for funding sources.

Thank you for this opportunity to provide testimony on SB 0001.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in every school to engage and elevate our communities. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY-FIRST LEGISLATURE, 2021**

ON THE FOLLOWING MEASURE:

S.B. NO. 1, Proposed SD 1, RELATING TO HOUSING.

BEFORE THE:

SENATE COMMITTEE ON HOUSING

DATE: Tuesday, February 16, 2021 **TIME:** 1:45 p.m.

LOCATION: State Capitol, Room 225 and Videoconference

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

Chair Chang and Members of the Committee:

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

This bill establishes a new program within the Hawaii Housing Finance and Development Corporation (HHFDC) called the ALOHA Homes Program. Under the program, HHFDC is authorized to construct residential developments on state lands within a one mile radius of public transit stations. HHFDC is authorized to sell 99-year leases for units within such developments to Hawai'i residents priced at minimum levels necessary to ensure that developments are revenue neutral for the State and the counties. The median ALOHA Homes price shall be adjusted annually for inflation, as determined by the Bureau of Labor Statistics Consumer Price Index for urban Hawaii.

This bill requires HHFDC to transfer units in ALOHA Homes developments to the Office of Hawaiian Affairs or the Department of Hawaiian Home Lands (DHHL), provided that HHFDC shall establish administrative rules to determine the number or percentage of housing units to be transferred. This bill also establishes an ALOHA Homes Revolving Fund to finance the ALOHA Homes Program and exempts expenditures from the fund from legislative appropriation and allotment requirements.

This bill also authorizes HHFDC to sell non-ALOHA Homes leasehold condominiums for 99-year terms. It also provides that land set aside by the Governor to

HHFDC, and land leased to HHFDC by other state agencies, are not considered “public lands” under chapter 171, Hawaii Revised Statutes (HRS). This bill further amends section 302A-1603, HRS, to exempt any form of development by HHFDC pursuant to chapter 201H, part II, subpart B, HRS, from the land component impact fee and construction cost component impact fee requirements of the Department of Education.

I. Definition of “Owner-occupied residential use”

This bill on page 6, lines 9 to 12, defines “owner-occupied residential use” to mean “any use currently permitted in existing residential zones consistent with owner occupancy, but shall not mean renting or leasing to any tenant or lessee of any kind.” Because owners of ALOHA homes are themselves lessees under 99-year leases from HHFDC, we recommend clarifying the definition of “owner-occupied residential use” to read as follows:

“Owner-occupied residential use” means any use currently permitted in existing residential zones consistent with owner occupancy, but shall not mean renting or subleasing by the owner of an ALOHA home to any tenant or sublessee of any kind.”

II. Transfer of Units to the Department of Hawaiian Home Lands

The bill (proposed S.D. 1) on page 14, lines 19-21 and page 15, lines 1 - 6, requires HHFDC to transfer units to DHHL, subject to administrative rules established by HHFDC. 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. So that the units may acquire the status of Hawaiian home lands and allow DHHL to lease the units exclusively to native Hawaiians, the bill would need to be amended to state that DHHL shall receive fee simple title to the portion of land underlying the units.

An additional concern will arise, however, should the units acquire the status of Hawaiian home lands. Under section 204 of the HHCA, DHHL has exclusive authority over the zoning and other land use controls on Hawaiian home lands. This could result in a patchwork of units governed by HHFDC's various restrictions on use, occupancy, and sale, and units governed by any restrictions that DHHL chooses to impose. Clarity would be required as to which units are under the governance of HHFDC statutes and rules and which units are under the governance of DHHL, as the resulting implications will be different depending on the governing body. Therefore, we suggest amending the bill by requiring that any such transfer of ALOHA Home units to DHHL would be conditioned upon DHHL's agreement to subject such units to HHFDC's restrictions on use, occupancy, and sale requirements, and any zoning or other requirements applicable to the project. The transfer of units to DHHL should also be conditioned on DHHL's promulgation of any administrative rules that may be necessary to bind DHHL lessees to such restrictions. This would address the concern of a patchwork of units and ensure uniformity and consistency of governance of all of the units within a project.

III. ALOHA Homes Revolving Fund

The bill on page 22, lines 8-20, exempts the ALOHA Homes Revolving Fund from legislative appropriation and allotment. Article VII, section 5, of the Hawai'i State Constitution, however, prohibits such exemptions and provides that "[n]o public money shall be expended except pursuant to appropriations made by law." We suggest amending the bill to remove this provision.

Thank you for the opportunity to provide these comments.

February 16, 2021

COMMITTEE ON HOUSING

Senator Stanley Chang, Chair
Senator Dru Mamo Kanuha, Vice Chair

SB 1 RELATING TO HOUSING

Establishes the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawaii Housing Finance and Development Corporation (HHFDC) to qualified residents. Exempts certain land from the definition of public lands. Requires HHFDC to gain legislative approval before disposing of certain lands. Requires HHFDC to transfer a number of ALOHA homes units to the Department of Hawaiian Home Lands or Office of Hawaiian Affairs. Provides for the disposition of lands acquired by HHFDC but no longer needed for the ALOHA homes program. Requires HHFDC to develop an ALOHA homes demonstration project by July 1, 2026. Appropriates funds. (Proposed SD1)

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

My name is Homelani Schaedel, a beneficiary homestead leader residing in Kapolei, and an advocate for the Hawaiian Home Commission Act (HHCA).

Before you establish the ALOHA homes program, there is one already in place, it was established by the Federal government over one hundred (100) years ago; it is the Hawaiian Home Commission Act of 1920, as amended.

Before you sell lands protected under the Public Land Trust in leasehold for 99 years, remember Native Hawaiians have not relinquished their sovereign rights to those lands.

Don't pacify us by "transferring" ALOHA home units to the Department of Hawaiian Home Lands (DHHL). Provide DHHL with the sufficient funds they have consistently requested to develop lots, so they can provide an affordable home to the over 28,000 beneficiary applicants on their Waitlist.

Beneficiaries of the HHCA have been extremely patient for one hundred (100) years! Now is the time for you to **see us, hear us, and serve us** before you create yet another program to serve others. We are the first people of Hawai'i, please do not continue to ignore us.

A'ole, I do not support this bill.

Mahalo for allowing me time to share my mana'o.

SB-1

Submitted on: 2/15/2021 11:07:30 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Amy Wake	Testifying for Trinity United Methodist Church	Support	No

Comments:

Rev. Amy C. Wake

Trinity United Methodist Church

1726 Komo Mai Drive

Pearl City, HI 96782

pastoramywake@gmail.com

Chair Chang, Vice Chair Kanuha, and members of the Senate Committee on Housing,

My name is Amy Wake and I strongly support passage of SB1, SD1.

Today, Hawaii's housing shortage is a crisis. Decades of restricted housing supply has resulted in the highest home prices in the nation, the lowest homeownership rate in the nation, and for the first time ever, a decrease in population for four straight years. The time for marginal change is over.

ALOHA Homes is the answer. By building tens of thousands of homes on existing state owned lands near rail stations, and selling them at cost to Hawaii residents who will be owner-occupants and own no other real property, this program is the first viable solution to end Hawaii's housing shortage. With amendments supported by HHFDC's new study, this bill is ready to be enacted.

ALOHA Homes is the first concept to take into account the reasonable concerns raised about housing proposals over the decades. It ensures the preservation of agricultural, conservation, and other undeveloped land. It ensures that no units will go to wealthy overseas investors. No taxpayer subsidy will be required to build these homes, and there will be no profiteering off public assets. The homes will be priced at the minimum level necessary to be revenue-neutral. With no income restriction, the homes will be socioeconomically integrated. Because they will be located on the rail line, these communities will be nearly car-free and will not contribute to traffic. These features are why this proposal can uniquely win the hearts and minds of the people of Hawaii.

I humbly urge your committee to pass SB1, SD1 to produce low-priced housing for all generations of Hawaii's people for decades to come.

Aloha,

Rev. Amy C. Wake



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 1: Relating to Housing

TO: Senate Committee on Housing

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

Hearing: Tuesday, 2/16/21; 1:45 pm; by videoconference

Chair Chang, Vice Chair Kanuha, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in support** of SB1, which establishes the ALOHA Homes program to develop low-cost homes on state-owned and county-owned lands in urban redevelopment sites to be sold in leasehold. I am Rob Van Tassell, with Catholic Charities Hawaii. We are also a member of Partners In Care.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii 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 Hawaii. Catholic Charities Hawaii has a long history of working in the areas of affordable housing and homelessness.

While we have usually focused on the need for affordable rental units to house our most vulnerable and at-risk citizens, we now join the cohort of supporters for ALOHA Homes. As a State, we **MUST** find housing solutions that enable our young workers, the future of our State, to continue living in Hawaii. Dense, high-rise living is the wave of the future, especially for our island state. We support the concept of ALOHA Homes which promotes higher density along the rail line, for truly affordable housing for owner occupants. The mix of transportation and commercial activities may reduce the dependence upon cars and the oil/gas they require. This supports other State goals to “go green”. We support state land being used for leasehold condos which would not only reduce the initial cost of these units but also reduce speculation which drives up prices over time.

The innovative ideas in ALOHA Homes may need further refinement. A demonstration project is critical to investigate innovative construction methods and other advancements in technologies to make lower cost housing feasible. We must also remember that we are building communities, not just housing, which will support and enhance the lives of our Hawaii residents for years to come.

We applaud you for your focus to find new innovative ways to create for-sale units which are truly affordable for Hawaii’s workforce and the critical ALICE population. The **KEY** is the cost. Keeping the cost of a unit down to around \$300,000 (depending upon size of unit) would give hope to so many of our struggling families.

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



SB-1

Submitted on: 2/15/2021 4:19:26 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Connie Mitchell	Testifying for IHS, The Institute for Human Services	Support	No

Comments:

IHS heartily SUPPORTS SB1 SD1 as Housing Policy that could impact opportunities postiviely for Homeless households in Hawaii, and in particular, Oahu. It has been stated inevery housing study that has been done in the last 40 years that Hawaii is in a hosuing crisis. Our homeless rate remians one of the highest in the nation.

While we understand that the homes being proposed in the ALOHA Homes Program are leasehold homes for purchase and may not be homes for the people homeless service providers typically assist, the shortage of housing inventory in general, makes it diffitcult for persons at the lower end of our economic spectrum to find rental housing. There are many renting households that, if given the opportunity to purchase an affordable home, would indeed jump at the opportunity. That would free up more rental inventory.

The additonal inventory of homes that would be created by this program (if continued in an assertive manner over severa years by the State) would help to decrease rents over all by increasing supply of housing. This bodes well for the next generation of resdients who choose to work and live in Hawaii.

Homelessness is ultimnately a function of people who do not generate sufficient income to pay for housing costs that are out of reach. The leasehold nature of the affordable homes created by this program will enable another generation of residents, after the upcoming one, to afford a home in the future. It is a way to provide an equitable quality of life for more persons who choose to work and reside in Hawaii, that though may not be bequeathed to another, will in fact be made available to another person seeking such an opportunity in the next round of homeownership.

The concepts laid out in the Hsouing Plan are also consistent with Honolulu County's Transit Oriented Development plan, which incorporates higher density housing in the urban developed areas, keeping the sparwl of development at bay

WE support SB1

Thank you for the opportunity to testify..

TESTIMONY IN SUPPORT OF SB 1, SD 1

TO: Chair Chang, Vice-Chair Kanuha, & Senate Housing Committee Members

FROM: Nikos Leverenz
Grants, Development, & Policy Manager

DATE: February 16, 2021 (1:45 PM)

Hawai'i Health & Harm Reduction Center (HHRC) **strongly supports** SB 1, SD 1, which establishes the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawai'i Housing Finance and Development Corporation (HHFDC) to qualified residents.

We support legislative efforts to ameliorate Hawaii's housing crisis. Affording more low-cost options like ALOHA homes will help alleviate some of the obstacles faced by Hawai'i residents who are struggling to procure or maintain adequate housing in the current rental housing market.

HHRC is a member of [Partners in Care](#) (PIC), a coalition of organizations from nonprofit homeless providers, government stakeholders, private businesses, community advocates, public housing agencies, hospitals, universities, affordable housing developers, law enforcement, and homeless and formerly homeless persons. PIC is a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O'ahu's Continuum of Care for homeless persons.

HHRC works with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems related to substance use and underlying mental health conditions.

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

SB-1

Submitted on: 2/16/2021 2:47:17 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Shuster	Testifying for Faith Action	Support	No

Comments:

Jason Shuster

5210 Likini Street

shuster@hawaii.edu

Chair Chang, Vice Chair Kanuha, and members of the Senate Committee on Housing,

My name is **Jason Shuster** and I **strongly support** passage of SB1, SD1.

Today, Hawaii's housing shortage is a crisis. Decades of restricted housing supply has resulted in the highest home prices in the nation, the lowest homeownership rate in the nation, and for the first time ever, a decrease in population for four straight years. **The time for marginal change is over.**

ALOHA Homes is the answer. By building tens of thousands of homes on existing state owned lands near rail stations, and selling them at cost to Hawaii residents who will be owner-occupants and own no other real property, this program is the first viable solution to end Hawaii's housing shortage. With amendments supported by HHFDC's new study, this bill is ready to be enacted.

ALOHA Homes is the first concept to take into account the reasonable concerns raised about housing proposals over the decades. It ensures the preservation of agricultural, conservation, and other undeveloped land. It ensures that no units will go to wealthy overseas investors. No taxpayer subsidy will be required to build these homes, and there will be no profiteering off public assets. The homes will be priced at the minimum level necessary to be revenue-neutral. With no income restriction, the homes will be socioeconomically integrated. Because they will be located on the rail line, these communities will be nearly car-free and will not contribute to traffic. These features are why this proposal can uniquely win the hearts and minds of the people of Hawaii.

I humbly urge your committee to pass SB1, SD1 to produce low-priced housing for all generations of Hawaii's people for decades to come.

Aloha,

Jason Shuster

SB-1

Submitted on: 2/15/2021 7:43:06 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Calvin Foo Pham	Testifying for Church of the Crossroads	Support	No

Comments:

Church of the Crossroads supports the ALOHA Homes proposal because our community needs to more affordable housing.



Senate Committee on Housing
February 16, 2021 at 1:45 p.m.
Conference Room 225

SUPPORTING SB 1 PROPOSED SD1

Faith Action for Community Equity strongly supports SB 1 Proposed SD 1, which creates the ALOHA Homes program that utilizes State land to develop homes for all Hawaii residents at prices they can afford.

Hawaii faces a housing shortage of crisis proportions. The Aloha United Way commissioned 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 people who have jobs, yet do not earn enough to afford the basic necessities because of Hawaii's high cost of living. They are a paycheck or two away from homelessness.

Prior to the Covid-19 pandemic, 37% of the households were ALICE, earning between \$30,000 and \$75,000 a year, which is below the median household income. Another 11% of the population lived below the poverty level. In total, 48% of Hawaii households were ALICE and below. Due to the economic collapse due to Covid-19, that proportion has risen to 59%.

The National Low Income Housing Coalition estimates that Hawaii faces a shortage of more than 40,000 homes for families earning incomes of 50% or below of the area median income.

State and county housing agencies have been trying to create affordable housing for decades. These traditional programs rely heavily on government subsidies because land costs and development costs are so high. Since the subsidies are limited, only a fraction of the needed housing has been built.

ALOHA Homes is structured to be revenue neutral so it does not depend on subsidies. It represents a new approach to develop affordable housing that adapts the highly successful Singapore model to fit Hawaii's circumstances. Half a century ago Singapore faced a crisis of a shortage of affordable housing that was even more severe than what Hawaii faces today.

Since then, Singapore has been able to develop nearly a million residential units that today house 80% of its population. A government agency plans, develops, and constructs housing units that are integrated with commercial, recreational, and social urban amenities. These dense, mixed-use walkable developments are environmentally efficient and minimize the need for personal vehicles.

For Honolulu, the rail transit system would further reduce the need for personal vehicles. The State is the largest landowner along the rail line, owning about 2,000 acres. That land should be dedicated to using the ALOHA Homes model to build housing for the people of Hawaii.

For the foregoing reasons, Faith Action for Community Equity strongly supports SB 1 Proposed SD 1.

PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

Testimony in Support of SB1SD1: Relating to Housing

TO: Committee on Housing.

FROM: Partners in Care (PIC)

Hearing: Tuesday, 2/16/21; 1:45 PM

By videoconference

Position: Support

Chair Chang, Chair Inouye, and Members, Committees:

Thank you for the opportunity to provide testimony **in support** of SB1, which establishes the ALOHA Homes program to develop low-cost homes on state- and county-owned land in urban redevelopment sites. I am Marya Grambs, Board member, Partners in Care (PIC).

Many of Hawaii's young people who graduated from college on the mainland have decided to stay there to live, largely because they can find housing that is much less expensive than here. Many people move to the mainland for the same reason. Too many Hawaii residents are leaving because home prices are simply not affordable for the average person/family; too many of those we love have been priced out of Hawaii.

The Aloha United Way issued the ALICE report three years ago, which showed that hundreds of thousands of families in Hawaii were living paycheck to paycheck because their income barely covered the basic necessities. That was before COVID, and the number has increased even further. Housing is the largest cost item by far in a typical family's budget, which highlights the need for an enormous amount of affordable housing.

The only real solution to our affordable housing crisis is dense, high-rise living, especially for our island state, even though it is distasteful for some. The alternative is simply not acceptable – continuing, year after year, with thousands of needed affordable rental and ownership housing going unbuilt while we collectively wring our hands and communities block affordable housing projects from being built in their neighborhoods. Having higher density along the rail line, with the mix of walkable transportation and commercial activities, supports another state goal of reducing our dependence on fossil fuels. Moreover, using state land for leasehold condos will significantly reduce the cost of these units.

We urge you to pass this demonstration project of ALOHA Homes so that Hawaii can move forward in developing desperately needed affordable housing through an ingeniously innovative and cost effective model.

SB-1

Submitted on: 2/13/2021 9:40:08 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
George Casen	Individual	Support	No

Comments:

Chair Chang, Vice Chair Kanuha, and members of the Senate Committee on Housing.

My name is *George Casen* and I **strongly support** passage of SB1, SD1.

ALOHA Homes will provide home ownership for the large percentage of our residents who are not financially able to break into the housing market. While pursuing advanced education, I worked in the retail trade part-time and have seen first-hand how many of the local people who I worked with are unable to purchase a home. I researched and wrote my Masters abridged thesis on the process that the government of Singapore established to provide ownership for citizens there. This acted as an economic stimulus as it freed up spending dollars to be used for other purchases. Prime Minister Lee Yew and his team of managers transformed a third world country into one of the most powerful economies in the world within a period of 30 years. Given the economic devastation caused by COVID-19, it behooves our legislature to pursue programs such as those President Franklin Delano Roosevelt encouraged during the Great Depression.

I humbly urge your committee to pass SB1, SD1 to provide home ownership to the large majority of our citizens who have not had that opportunity.

Vincent Shigekuni

3138 Waialae Avenue #1009

Honolulu, Hawaii 96816

shigs@mac.com

Chair Chang, Vice Chair Kanuha, and members of the Senate Committee on Housing,

My name is Vincent Shigekuni and I strongly support passage of SB1, SD1 because we have not only been experiencing a housing crisis, but a social one as well.

We literally cannot afford not to provide our residents with newer, safer, and affordable housing opportunities because if we, as a State, continues not increasing our housing supply, the gap between the haves and have nots will widen even more, our residents will continue to out-migrate, crime will worsen, and the cost of social services will increase.

I humbly urge your Committee to pass SB1, SD1 to produce low-priced housing for all generations of Hawaii's people for decades to come.

Mahalo,

Vincent Shigekuni

SB-1

Submitted on: 2/13/2021 11:01:59 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Will Caron	Individual	Support	No

Comments:

Aloha Committee Members,

I support SB1, the A.L.O.H.A. Homes proposal, because it is a bold solution at a time when we desperately need one. Hawai'i's affordable housing problem is decades-old, but it has gotten even more severe over the past 10 years. In September 2020, the median price of an O'ahu single-family home reached a record high of \$880,000. At the same time, the pandemic-recession is hammering working families, sending the unemployment rate to its highest level in decades.

We have been trying the same for-profit model for housing development since this problem began. This model consistently fails to deliver the amount of affordable housing that we need. Too many of the units wind up being too expensive for the majority of local families so that the development can remain profitable. Hawai'i needs 65,000 housing units by 2025, and most of those need to be under 100 percent of the Area Median Income (AMI). We should try something different.

The A.L.O.H.A. Homes proposal has the potential to end Hawai'i's decades-long affordable housing crisis by addressing the main problems with the for-profit model of housing development. Although other strategies can and should be explored in tandem, no other proposal achieves the 65,000 units we need to catch up to our projected population growth rate and get out from under this crisis.

The program would build hundreds of thousands of affordable units of public housing on state-owned lands near rail stations. It is also carefully designed so that the units will end up satisfying the needs of local people.

I was born and raised on O'ahu, and I currently pay \$1,700 a month to rent a one-bedroom apartment in Palolo. My apartment is actually the back half of a house built in 1949. Two of my walls are boarded up doorways leading to the front half of the house where my landlord and his family live. Still, I enjoy a nice yard, a great location and friendly neighbors—I feel fortunate considering the overall housing situation in Hawai'i. However, it is a struggle to save much money beyond a minimal safety cushion. Homeownership, starting a family—even staying here at all—seems increasingly out of reach.

A.L.O.H.A. Homes proposes a per month mortgage payment for a two-bedroom home that I could own that is almost \$200 less than what I pay now to rent. With a 3 percent down payment under existing federal programs for first-time homebuyers, a monthly payment of \$1,506 can buy a \$300,000 home. According to the HHFDC, that would be affordable to a family of four making less than 50% of AMI. That gives A.L.O.H.A. Homes one of the lowest price tags for new, for-sale housing ever proposed in Hawai'i.

Importantly, considering the budget situation we currently find ourselves in, this program is entirely revenue neutral. There would be no taxpayer subsidy for these units.

A.L.O.H.A. Homes would be sold only to Hawai'i residents who would be owner-occupants, and who own no other real property. Given these requirements, it seems extremely unlikely that outsiders would move to Hawai'i just to take up this new housing.

The ability to own is important for quality of life. However, unlike fee-simple ownership, A.L.O.H.A. homes would be leased for 99 years and would revert to the state at the end of that time. This policy ensures that the state can redevelop the land to better suit the needs of the future, while providing owners the security of knowing that they will (almost certainly) never outlive the lease. The state must continue to produce enough affordable housing supply to meet demand, however, so that future generations will also be able to buy their own 99-year terms.

Much of Hawai'i's state land, where these developments would be located, is Hawaiian Kingdom land. This also makes fee-simple ownership of these homes more contentious, perhaps unethical. The United Nations recognizes the right to self-determination and treats it as an ongoing process designed to give indigenous people control over their futures. This means that independence and sovereignty must remain a possibility as long as there are Hawaiians who support it.

Under the A.L.O.H.A. Homes proposal, leases can be sold and resold on the secondary market, inherited, mortgaged and transferred just like any other real property. New buyers would buy the remaining lease term with a standard 30-year mortgage, as long as there were at least 35 years left on the term.

However, to prevent profiteering and speculation, the state would receive 75 percent of the profit in every secondary market transaction, not just the first resale. This revenue would be used exclusively for building upkeep, keeping maintenance fees low and preventing buildings from deteriorating due to lack of legislative appropriations, which is a serious likelihood given the state of many other public institutions.

This proposal is well thought out, feasible and abundantly necessary. It navigates many of the pitfalls of such a huge and complicated undertaking as solving Hawai'i's affordable housing crisis, which is only going to get worse without bold action. Please support SB1. Mahalo.

TESTIMONY OF ELLEN GODBEY CARSON IN SUPPORT OF SB1

To the Senate Committee on Housing
For Hearing on February 16, 2021 at 1:45pm
Conference Room 225

I strongly support SB1, the ALOHA Homes bill. While I write as an individual, I have served as President and director of Institute for Human Services, a leader for Faith Action for Community Equity, and member of the Church of the Crossroads Peace and Justice Mission Team, spending hundreds of volunteer hours helping Hawaii find better systemic ways to address its dual crises of homelessness and lack of affordable housing.

I believe the ALOHA Homes bill is the game changer we need. We need a way to create affordable housing that will be sustainable and budget neutral, with non-profit approaches to building tens of thousands of affordable units quickly. SB1 is designed to do just that. It also offers much needed community planning for our transit oriented areas in ways that will enhance the sense of community for those of us living in urban Honolulu.

Senator Chang's bills for ALOHA Homes (the Singaporean model of housing) are the only proposal I've seen in my 30+ years of living in Hawaii that have any hope of making a major change in the supply of affordable housing units, in a way that is sustainable and budget neutral, using market forces and creative intelligence instead of taxpayer subsidies.

I was one of a few dozen people who paid our own way on Senator Chang's affordable housing study tour to Singapore and Hong Kong two years ago. I marveled at Singapore's system that allows approximately 90% of their population to own their own home, at affordable prices, on an island that shares many of the same daunting challenges we have in Hawaii. Our current methods for creating affordable housing in this state have been inadequate, incremental, unbelievably slow and tedious. We have failed to create the critical mass of new affordable housing we need.

In my opinion, these bills deserve our strongest support. Let's give them a chance to work in Hawaii. It's true that there will be much to be worked out in details of how best to make a Singaporean model work in Honolulu. That's why these bills need all of us working together toward this goal, to help Hawaii create a new model for sustainable affordable housing in the United States.

Respectfully submitted,

Ellen Godbey Carson
Honolulu, Hawaii

SB-1

Submitted on: 2/15/2021 12:59:50 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Thomas Brandt	Individual	Support	No

Comments:

Support with amendments proposed HHFDC.

SB-1

Submitted on: 2/15/2021 8:57:35 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Randolph Moore	Individual	Support	No

Comments:

i strongly encourage the passage of this bill. It will make a significant contribution to the amelioration of our long-standing and severe shortage of affordable housing.

Mahalo!

SB-1

Submitted on: 2/15/2021 10:39:41 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
anthony aalto	Individual	Support	No

Comments:

Anthony Aalto

anthony.aalto@gmail.com

3946 Lurline Dr, Honolulu

Aloha Chair Chang, Vice Chair Kanuha, and members of the Senate Committee on Housing,

My name is Anthony Aalto, I'm an environmental activist and a filmmaker. I urge you to pass I SB1, SD1.

I spent two years making *No Room In Paradise*, a documentary about homelessness in Hawaii. I learned the lesson that everyone in the field will tell you: the first need in dealing with homelessness is affordable housing. Once you have that, you can deal with the many other needs that so many of the chronically homeless exhibit, but until you can put a roof over their heads, you can accomplish little.

I am currently making the third film in a series about the climate crisis in Hawaii, for broadcast on Hawaii News Now. (The series is being supported with a state Grant In Aid.) The current film is set in the pandemic and examines how the Covid lockdown exposed the extraordinary vulnerability of our food system. We have spent a lot of time filming in Waianae where the food insecurity has been most strongly felt. It is hard to escape the fact that low-income native Hawaiian and Pacific Islanders have been extremely hard-hit, and it is hard not to conclude that part of the reason is because so many of their families are forced to live in overcrowded circumstances. In other words the consequences of our housing shortage include heightened exposure to disease and early death.

We need to significantly expand the amount of housing available in the lower and middle income reaches.

As an activist, I helped lead the Sierra Club's decision to support the rail project. We did so because we believed that there was a desperate need to build tens of thousands of units of affordable housing, and that the only way to do so without continuing to destroy our best farmland, without subjecting residents to ever-longer commutes that destroy family life and exacerbate the growing social equity gap, was to build dense communities near rail stations.

This was the rationale that our state and county elected officials articulated in pushing for the rail project. That project, at around \$10 billion, is the costliest and most consequential planning commitment of our generation. It is time to deliver the housing portion of the rationale behind that \$10 billion investment.

The ALOHA homes plan is precisely the opportunity to do so. The fact that it will require no government financing makes it even more attractive at a time when Covid has destroyed public finances.

Hawaii has a long history of poor planning. This is an opportunity to get it right. I respectfully urge you to do so by passing SB1, SD 1.

SB-1

Submitted on: 2/15/2021 10:49:03 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane S. Martinson	Individual	Support	No

Comments:

In response to the critical housing shortage for moderate to low-income households, I support SB1 and the proposed amendments with particular attention given to the provision in the bill which states “development shall provide necessary community facilities, such as parks, community meeting places, child care centers, schools, educational facilities, libraries, and other services, within and adjacent to residential development” to enhance desirability within a high density, leasehold development.

SB-1

Submitted on: 2/15/2021 10:53:24 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Calvin Foo Pham	Individual	Support	No

Comments:

We need creative solutions that clearly prioritize the needs of residents just looking for a stable home to thrive within our community. I support this bill.

SB-1

Submitted on: 2/15/2021 11:37:42 AM

Testimony for HOU on 2/16/2021 1:45:00 PM

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

Comments:

My name is John Kawamoto, and I support SB 1 Proposed SD 1, which creates the ALOHA Homes program that utilizes State land to develop homes for all Hawaii residents at prices they can afford.

Hawaii faces a housing shortage of crisis proportions. The ALICE population described by Aloha United Way has grown even further because of the economic collapse due to the Covid-19 pandemic. Today, 59% of Hawaii's population are ALICE and below.

Even prior to Covid-19, the National Low Income Housing Coalition estimated that Hawaii faced a shortage of more than 40,000 homes for families earning incomes of 50% or below of the area median income.

In Hawaii, real estate values have steadily risen for decades, along with construction costs and other development costs. Meanwhile, wages have stagnated. As a result, fewer and fewer families can afford to pay for the housing that they need because the cost of living has outpaced their ability to pay. If they decide to pay for adequate housing, many families don't have enough to pay for other necessities.

Government programs create affordable housing, but they have not been able to keep pace with the increasing need because traditional government programs rely heavily on subsidies. The subsidies are limited, so the housing that they can create is limited.

ALOHA Homes is an innovative program that does not depend on financial subsidies. It is based on the Singapore model, which has developed nearly a million residential units that house 80% of Singapore's population.

ALOHA Homes is designed to use State or county lands to build housing throughout the state, targeting areas that are already urbanized, primarily along the rail line in Honolulu. The vision is to develop housing that is integrated with commercial, recreational, and social urban amenities to create dense, mixed-use walkable developments are environmentally efficient and minimize the need for personal vehicles. It is the vision of the future.

For the foregoing reasons, I support SB 1 Proposed SD 1.

TO: Chair Chang, Vice Chair Kanuha, and Members of the Senate Committee on Housing

FROM: Barbara Polk

SUBJECT: SUPPORT FOR SB 1, SD1

I have been following the concept of ALOHA Homes for some time now, and strongly support passage of SB1 SD1. With the amendments, and now the support from the Hawaii Housing Finance and Development Corporation, the plans outlined in this bill appear to be an excellent solution to Hawaii's serious lack of housing for middle and low income people.

We have had enough of housing for multi-millionaires, with many such dwellings standing empty while they serve as investment properties or for 2nd, 3rd, 4th or more homes rather than as residences. As our homeless population continues to grow, and many middle income people are living crowded multifamily homes because they can no longer afford the cost of housing in Hawaii, it is much past time for the legislature to support this viable proposal that would greatly alleviate these problems.

I urge you to support SB 1 SD1, for the sake of Hawaii's future.

Sincerely,

Barbara Polk

SB-1

Submitted on: 2/15/2021 12:01:30 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathleen Sato	Individual	Support	No

Comments:

My name is Kathleen Sato and I, along with my husband Mamoru Sato strongly support passage of SB1, SD1.

Today, Hawaii's housing shortage is a crisis. Decades of restricted housing supply has resulted in the highest home prices in the nation, the lowest homeownership rate in the nation, and for the first time ever, a decrease in population for four straight years. The time for marginal change is over.

ALOHA Homes is the answer. By building tens of thousands of homes on existing state owned lands near rail stations, and selling them at cost to Hawaii residents who will be owner-occupants and own no other real property, this program is the first viable solution to end Hawaii's housing shortage. With amendments supported by HHFDC's new study, this bill is ready to be enacted.

ALOHA Homes is the first concept to take into account the reasonable concerns raised about housing proposals over the decades. It ensures the preservation of agricultural, conservation, and other undeveloped land. It ensures that no units will go to wealthy overseas investors. No taxpayer subsidy will be required to build these homes, and there will be no profiteering off public assets. The homes will be priced at the minimum level necessary to be revenue-neutral. With no income restriction, the homes will be socioeconomically integrated. Because they will be located on the rail line, these communities will be nearly car-free and will not contribute to traffic. These features are why this proposal can uniquely win the hearts and minds of the people of Hawaii.

I humbly urge your committee to pass SB1, SD1 to produce low-priced housing for all generations of Hawaii's people for decades to come.

Aloha,

Kathleen and Mamoru Sato

SB-1

Submitted on: 2/15/2021 12:12:39 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Carolyn Eaton	Individual	Support	No

Comments:

Aloha, my name is Carolyn Eaton. I am an Oahu voter and live at 1310 Heulu St. in Sen. Taniguchi's district. I strongly support passage of SB 1, SD 1. Today, Hawai'i's housing shortage is a crisis. ALOHA Homes is the answer. By building tens of thousands of homes on existing State-owned land near rail stations and selling them at cost to Hawai'i residents who will be owner-occupants and own no other real property, this program is a viable solution to end Hawai'i's housing shortage.

With amendments supported by HHFDC's new study, this bill is ready to be enacted. ALOHA Homes is the first concept to take into account the reasonable concerns raised by housing proposals over the decades. It ensures the preservation of agricultural, conservation, and other undeveloped land. It ensures no units will go to overseas investors. No taxpayer subsidy will be required to build these homes, and there will be no profiteering off public assets.

This proposal has my support for these additional reasons: prices will be at the minimum level necessary to be revenue-neutral, the communities created will be socio-economically integrated, and they will be virtually car-free.

I request your support for SB 1, SD 1.

Let's do this for Hawai'i!

Mahalo,

Carolyn Eaton, 1310 Heulu St., #602, Honolulu, HI 96822

SB-1

Submitted on: 2/15/2021 12:18:41 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniela Minerbi	Individual	Support	No

Comments:

I firmly support SB1,

it is urgent to take care and to care of the so many people in our State who cannot afford housing, to provide its people the satisfaction of such basic human need, and to make sure that its people have the dignity of not living on a sidewalk or in continuing uncertainty on where to live.

I am most thankful for this opportunity to submit my testimony,

Daniela Minerbi

SB-1

Submitted on: 2/15/2021 2:03:43 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Keith Webster	Individual	Support	No

Comments:

Keith Webster

47-748 Hui Kelu St. #5, Kaneohe HI 96744

Chair Chang, Vice Chair Kanuha, and members of the Senate Committee on Housing,

I urge you to support passage of SB1, SD1. Our State was in a housing crisis 40 years ago and as the years have passed the crisis has only grown more acute. We are now in danger of losing our young people because the cost of housing in Hawaii has grown to where for many it is not possible to enter the workforce and start a family. Many of those who try find themselves living close to the edge for years, unable to save and build financial security.

After so many years without successfully addressing the problem it's time for new thinking. Aloha Homes is a strong approach to provide the housing our communities need. To retain the culture that defines Hawaii our people need to be able to live and prosper. Housing our people is central to our values and our future vitality requires us to act smartly and boldly now.

Thank you for your service to our people and for your thoughtful consideration of our future.

Aloha,

Keith Webster

SB-1

Submitted on: 2/15/2021 2:03:43 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Keith Webster	Individual	Support	No

Comments:

Keith Webster

47-748 Hui Kelu St. #5, Kaneohe HI 96744

Chair Chang, Vice Chair Kanuha, and members of the Senate Committee on Housing,

I urge you to support passage of SB1, SD1. Our State was in a housing crisis 40 years ago and as the years have passed the crisis has only grown more acute. We are now in danger of losing our young people because the cost of housing in Hawaii has grown to where for many it is not possible to enter the workforce and start a family. Many of those who try find themselves living close to the edge for years, unable to save and build financial security.

After so many years without successfully addressing the problem it's time for new thinking. Aloha Homes is a strong approach to provide the housing our communities need. To retain the culture that defines Hawaii our people need to be able to live and prosper. Housing our people is central to our values and our future vitality requires us to act smartly and boldly now.

Thank you for your service to our people and for your thoughtful consideration of our future.

Aloha,

Keith Webster

SB-1

Submitted on: 2/15/2021 4:13:06 PM

Testimony for HOU on 2/16/2021 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Richard Tillotson	Individual	Support	No

Comments:

Aloha,

I support SB 1. The Covid-19 pandemic has made this innovative but nonetheless proven program even more necessary. It has made the need for affordable more desperate even as it has made the state budget less able to address it.

State and county housing agencies have been trying to create affordable housing for decades. Those traditional programs rely heavily on government subsidies because land costs and development costs are so high. Since the subsidies are limited, only a fraction of the needed housing has been built. This is even more our situation in the era of Covid.

ALOHA Homes is structured to be revenue neutral so it does not depend on subsidies. It represents a new approach to develop affordable housing that adapts the highly successful Singapore model to fit Hawaii's circumstances. Half a century ago Singapore faced a crisis of a shortage of affordable housing that was even more severe than what Hawaii faces today.

They solved their housing crisis. We can solve ours the same way. ALOHA Homes legislation will get it done.

Thank you for your consideration and mahalo for your service.

Richard Tillotson