

JOSH GREEN, M.D.  
GOVERNOR



DENISE ISERI-MATSUBARA  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM  
**HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

IN REPLY PLEASE REFER TO:

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

**HOUSE COMMITTEE ON FINANCE**

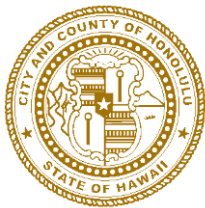
February 24, 2023 at 10:00 a.m.  
State Capitol, Room 308

In consideration of  
**H.B. 360 HD2**  
**RELATING TO HOUSING.**

HHFDC **has concerns** about H.B. 360 HD2, which affects affordable housing projects developed under Section 201H-38, Hawaii Revised Statutes, commonly referred to as 201H projects. This bill increases the deadline for a county council to take action on a 201H project's application, from 45 days to an unspecified amount, after receipt of the proposed project's preliminary plans and specifications from HHFDC.

HHFDC recognizes the need for more affordable housing and has concerns about any measure that delays approval times for affordable housing, especially in light of rising interest rates and construction rates.

Thank you for the opportunity to provide testimony.



**CITY COUNCIL**  
CITY AND COUNTY OF HONOLULU  
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February 22, 2023

**TO:** CHAIR KYLE T. YAMASHITA, COMMITTEE ON FINANCE  
VICE CHAIR LISA KITAGAWA, COMMITTEE ON FINANCE

**FROM:** COUNCILMEMBER CALVIN SAY  
HONOLULU CITY COUNCIL, DISTRICT V

**SUBJECT: TESTIMONY IN SUPPORT OF HOUSE BILL 360 HD2**

Aloha Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance:

I am a current member of the Honolulu City Council representing District 5 and serving as the Chair of the Zoning Committee. I stand in **strong support of HB 360 HD2**, which increases the deadline for a county council to take action on an affordable housing project's application after receipt of the proposed project's preliminary plans and specifications from the Hawaii Housing Finance and Development Corporation.

Affordable and low income housing is one of the necessary solutions for Hawaii's housing crisis, and I understand the need for quick action from the State and counties to allow developments to be built expeditiously to meet Hawaii's needs. In general, I am very supportive of affordable housing projects that come before the Council for approval. I believe these projects are essential to keep our local families on the islands, and the 201H-38 process is a key incentive in attracting developers to build them.

The 45-day approval deadline currently allowed to the City by the 201H-38 process, however, does not give councilmembers or the public enough time to meaningfully discuss the projects and their requested exemptions. An extension of time to allow for the legislative body of the county in which the housing project is to be situated would allow a more comprehensive discussion of the projects, so that not only are we approving affordable housing projects, but we are approving them with the exemptions that best meet the needs of all stakeholders. The City and County of Honolulu's Council and its Committees meet once a month. This could mean, depending on when the resolution is introduced, the Council may have as little as a couple of weeks to take action on the resolutions.

Thank you for this opportunity to testify in support of HB 360 HD2. Thank you for your time and consideration.

**HB-360-HD-2**

Submitted on: 2/22/2023 11:28:50 AM

Testimony for FIN on 2/24/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kevin Carney	Affordable Housing Connections LLC dba AHC Hawaii	Oppose	Written Testimony Only

Comments:

Members of the House Committee on Finance, AHC Hawaii is **strongly opposed** to any extension of the 201H 45 day approval process. Developing affordable housing, particularly rental housing, is already a rigorous process with extensive reviews by various State and County agencies. Do not create any further delays to producing and delivering housing units to those most in need.

Kevin R Carney

President & Principal Broker (RB-16444)



Housing Hawaii's Future  
PO Box 3043  
Honolulu, HI 96802-3043

February 23, 2023

Dear Chair Yamashita, Vice Chair Kitagawa, and Finance Committee members,

**On behalf of Housing Hawai'i's Future, I write in STRONG OPPOSITION of HB 360, increasing the deadline for a county council to take action on an affordable housing project's application from forty-five days to an unspecified number of days after receipt of the proposed project's preliminary plans and specifications from the Hawai'i housing finance and development corporation.**

Housing Hawai'i's Future is a movement led by young locals who will create opportunities for Hawai'i's next generation by ending the workforce housing shortage.

If you want to make housing unaffordable, just add risk, uncertainty, and delays to development.

It's baffling to me that the legislature is considering a bill that would do exactly that: delaying 201H projects.

And to leave the deadline unspecified in this draft is unconscionable, as it does not permit a robust public debate about what a realistic deadline should be.

**For these reasons, I urge you to defer HB360.**

Thank you,

A handwritten signature in black ink that reads "Sterling Higa".

Sterling Higa  
Executive Director  
Housing Hawai'i's Future

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**HB-360-HD-2**

Submitted on: 2/22/2023 9:54:16 PM

Testimony for FIN on 2/24/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tim Streitz	Individual	Support	Written Testimony Only

Comments:

Thank you for working to fix the broken 201H law. I have witnessed in my neighborhood how developers manipulate the good intentions of the law by requesting enormous exemptions, which cause significant conflicts with the project site's established zoning and neighborhood character, while contributing little towards affordable housing at the lower end of the range, such as 80 to 100 percent of the area median income. We must demand better projects with more affordably priced units in order to use this 201H process. Otherwise, developers can still provide housing units as allowed under the existing zoning.

Please amend HD2 to allow counties at least 90 days to review and approve the requested exemptions, which is important because these are complex projects that need to address community concerns. These projects are similar to zone changes since they can change allowed land use, height, floor area ratio, and other regulations.

Please also consider incorporating these items into the bill:

- Keep affordable units as such for at least 30 years if not in perpetuity. This will provide for a larger affordable housing stock if affordable units do not disappear after their restriction period ends.
- Specify a larger percentage of affordable units that are required to utilize the 201H process (i.e., more than 50 percent).
- Cap the amount of exemptions that can be sought over the property's existing zoning height and density so as not to drastically deviate from the character established by zoning and long-range plans of those communities.

Narrowing the parameters of exemptions allowed and affordability required will provide better guidance toward desirable products that are more broadly acceptable.

**HB-360-HD-2**

Submitted on: 2/23/2023 7:32:10 AM

Testimony for FIN on 2/24/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Caroline Azelski	Individual	Oppose	Written Testimony Only

Comments:

Oppose HD2.. The deadline could be increased but should not be open-ended.

**HB-360-HD-2**

Submitted on: 2/23/2023 10:02:37 AM

Testimony for FIN on 2/24/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Galen Fox	Individual	Support	Written Testimony Only

Comments:

My testimony **SUPPORTS** HB360, HD2. The Kuilei Place project on Kapiolani Blvd. has been rushed by City Council using the 45 day rule over the unanimous opposition of the area's neighborhood board, which begged for time to take the project to its community. It's a monstrous, four-time more dense, taller than City rules permit, project with over 1000 units, entirely out of character with the surrounding neighborhood. 35% of the units described as "workforce housing," but priced for workers making up to \$183,000 a year. The other 65% can make more! And in the name of "workforce housing," the project displaces existing truly workforce households with no place to go, handing them 2 months free rent. For Shame!