



March 22, 2022

Representative Nadine K. Nakamura, Chair
Representative Troy N. Hashimoto, Vice Chair
House Committee on Housing

Re: **HR 126– URGING ALL STATE AND COUNTY AGENCIES TO FOLLOW THE TRUE INTENT OF CHAPTER 201H, HAWAII REVISED STATUTES, AND THE EXPRESS PROVISIONS OF SECTION 201H-38, HAWAII REVISED STATUTES, RATHER THAN IMPOSE ADDITIONAL RESTRICTIONS AND PROCESSES, TO ADDRESS THE SHORTAGE OF AFFORDABLE HOUSING IN HAWAII**
Hearing date: March 22, 2022 at 10:00AM

Aloha Chair Nakamura, Vice Chair Hashimoto and Members of the Committee:

Mahalo for the opportunity to submit testimony in **STRONG SUPPORT of HR 126** urging all state and county agencies to follow the true intent of HRS § 201H and the express provision of HRS § 201H-38 rather than impose additional restrictions and processes to address the affordable housing crisis in Hawaii.

HRS § 201H was enacted to establish the Hawaii Housing Finance and Development Corporation (HHFDC) to serve as the State's housing and finance development agency to: 1) develop fee simple or leasehold property; 2) construct dwelling units; 3) sell, lease, or rent the dwelling units at the lowest possible price to qualified residents. Specifically, under HRS § 201H-38 HHFDC may develop affordable housing projects that are "exempt from all statutes, ordinance, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions development and improvement of land and the construction of dwelling units thereon."

Primarily, it is the policy of the Legislature and the stated purpose of HRS § 201H-38 that **qualifying affordable housing projects be exempt from all laws, rules and regulations that impact development**. This allows for streamlining of the development of affordable housing projects in order to increase unit inventory for Hawaii families in an efficient manner. Further, HRS § 46-15.1 grants the counties the same housing powers and authority as those granted to HHFDC that may reasonably construed to be exercised for the purpose of affordable housing. The policy to be exempt from governmental regulation and granting of authority to execute the exemption from regulation is vital to the creation of much needed affordable housing for Hawaii residents.

Certain state and county agencies have been reluctant to provide deference as required under HRS § 201H-38 to qualifying housing projects when applying government regulations. Without providing deference to regulations, the process of developing affordable housing is significantly impaired. In turn, non compliance with HRS § 201H-38 weakens the State's ability to construct the estimated 50,000 units needed

between 2020 and 2025. This is especially concerning with the raising median price of single-family houses reaching \$1,125,000 in February 2022 leading to significant portions of our residents leaving Hawaii.

Accordingly, we support HR 126 as it urges the state and county agencies to affirm their commitment to the intent of HRS § 201H-38 and abide by the express provision of the statute. This will preserve the streamlining of the development process for affordable housing projects and address one of the legislature's main priorities to create necessary affording housing units. We appreciate the Legislature's commitment to assisting in the development of affordable housing and look forward to working together.

Sincerely yours,
Imanaka Asato, LLLC