

---

Testimony of The Michaels Organization | Michaels Development - Hawai'i Region  
RELATING TO Senate Bill No. 866

Thursday, February 4, 2021 at 1:00 p.m.  
Conference Room 225

---

COMMITTEE ON HOUSING

Senator Stanley Chang, Chair, Senator Dru Mamo Kanuha, Vice Chair; and  
Senator Sharon Y. Moriwaki; Senator Kurt Fevella; and Senator Karl Rhoades; Members

**Support**

§201H-37 HRS provides the opportunity for *exemption from all statutes, ordinances, charter provisions, and rules of any government agency related to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of dwelling units thereon* for the development of affordable housing, helping to reduce the development costs and decrease the magnitude of necessary funding resources. The incentives provided by §201H-37 HRS have been successful in encouraging and facilitating the development of affordable housing for low-income families.

Providing additional incentives with the exemption from state fees related to discretionary approval and ministerial permitting, with the exception of application fees payable to the Hawaii Housing Finance and Development Corporation (HHFDC), will trigger additional savings to development costs that will further reduce the need for funding resources – stretching finite subsidies to enable even more affordable housing development.

Thank you for the opportunity to provide comments in **support** of Senate Bill 866.



Karen Seddon  
Regional Vice President  
Michaels Development – Hawai'i Region



February 2, 2021  
Senate Committee on Housing  
Thursday, February 4, 2021  
Conference Room 225, 1:00 p.m.

**SB866 – SUPPORT**

Aloha Committee Chair Chang, Vice-Chair Kanuha and Members;

I am submitting testimony in my capacity as Executive Director of Hawaii Habitat for Humanity Association (HHFHA), a nonprofit community development financial institution and State Support Organization for the direct service Habitat for Humanity organizations across the state to **SUPPORT SB866.**

HHFHA appreciates the Legislature’s work in introducing a number of bills that address cost of living issues, including affordable housing. Prior to the COVID-19 pandemic, Hawaii’s residents suffered from extreme housing costs. According to the National Low Income Housing Coalition, a majority of renters in Hawaii are cost burdened, spending more than 30% of their income on housing costs. This can be seen across most income groups, from the extremely low income group to middle income group. Between the extremely low income and very low income groups, a majority of renters suffer from severe cost burdens, spending over half their income on housing costs. Due to the pandemic causing Hawaii’s unemployment rate to reach a historical high, with expectations for our economy not to recover until 2024, these housing costs will continue to burden our families with even greater impact.

HHFHA supports this bill in temporarily exempting affordable housing projects from all state and county fees and exactions related to discretionary approval or ministerial permitting, with the exception of application fees, until 06/30/2027. The bill properly recognizes the delays, exactions and additional costs that are layered onto housing projects subject to the County’s permitting and entitlement process that drives up the costs of development. The savings from these exemptions will enable even more affordable housing development across our state.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.847.7676 or [jean@hawaiihabitat.org](mailto:jean@hawaiihabitat.org) should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink that reads "Jean Lilley".

Jean Lilley  
Executive Director