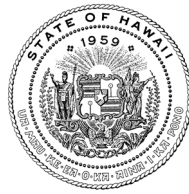


JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON HOUSING AND WATER & LAND
ON
SENATE BILL NO. 865, S.D. 2

March 21, 2023
9:00 a.m.
Room 430 and Videoconference

RELATING TO HOUSING

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 865, S.D. 2: 1) establishes the Affordable, Locally Owned Homes for All (ALOHA) Homes Program within the Hawai'i Public Housing Authority (HPHA); 2) provides for the disposition of lands acquired by HPHA but no longer needed for the ALOHA Homes Program; 3) establishes the ALOHA Homes Revolving Fund (AHRF); 4) authorizes HPHA to sell leasehold units; 5) exempts the sale of leasehold interest for ALOHA homes units from the General Excise Tax; 6) exempts ALOHA Homes Program developments from School Impact Fees; 7) appropriates an unspecified amount of general funds for FY 24 and FY 25 to be deposited into the AHRF and appropriates an unspecified amount of revolving funds from the AHRF for FY 24 and FY 25 for the purposes of this measure; 8) appropriates an unspecified amount of general funds for FY 24 and FY 25 for the establishment of the following full-time equivalent (FTE) positions: 3.00 FTE Program Managers and 1.00 FTE Development Specialist within HPHA for the ALOHA Homes Program; and 9) sets a

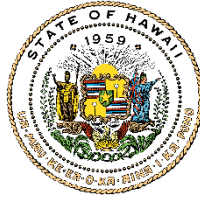
repeal date for the measure with provisions for the lapsing of AHRF funds and the reenactment of Section 302A-1603, HRS. The measure provides further guidelines for the establishment of rules and governing principles of ALOHA homes-related development projects, as well as qualifications for residents for the program.

As a matter of general policy, B&F does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 865, S.D. 2, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

Testimony of
DAWN N. S. CHANG
Chairperson

Before the House Committees on
HOUSING
and
WATER & LAND

Tuesday, March 21, 2023
9:00 AM

State Capitol, Conference Room 430 & Videoconference

In consideration of
SENATE BILL 865, SENATE DRAFT 2
RELATING TO HOUSING

Senate Bill 865, Senate Draft 2 proposes to establish 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 Public Housing Authority (HPHA) to qualified residents. The measure also proposes to provide for the disposition of lands acquired by HPHA but no longer needed for the ALOHA Homes Program; and appropriate funds. **The Department of Land and Natural Resources (Department) offers the following comments to this measure.**

The purpose of this bill is to increase the number of affordable residential leasehold units for sale to qualified persons, in the State of Hawai'i. The measure proposes that the ALOHA Homes units would be built within one mile of the Honolulu Rail Transit System, in urban redevelopment sites. The Department has four parcels adjacent or in close proximity to the planned Keone'ae rail station in East Kapolei, O'ahu which would be impacted by this measure. The Department's long-term objective is to lease the parcels for income generating purposes to support the Department's natural resource management and protection programs. The Department also recognizes the State's obligation to provide affordable housing to residents in need and notes that planned uses for the parcels include affordable and other types of rental housing units. Other proposed uses include transit oriented mixed uses including commercial, retail, hotel, and medical. Additionally, the Department intends to include light industrial uses for parcels located further away from the rail station. Setting aside the land to another agency will result in a loss of revenue for the Department as some of the housing is planned on the mixed-use site next to the rail station, and

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

LAURA H.E. KAAKUA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

the Department has already invested significant resources to developing affordable housing on its parcels. The Department is already planning on working with Hawaii Housing Finance and Development Corporation (HHFDC) for the housing area located on the parcel east of Kualakai Parkway, O‘ahu. Beyond generating income to support its programs, the Department believes that the proposed project’s multiple uses will be a critical economic, employment and residential component of the East Kapolei community.

The revenues collected by the Department’s Land Division cover the entire annual operating budget for the Land Division, the Department’s Office of Conservation and Coastal Lands, and the Dam Safety and Mineral Resources Programs of the Department. The revenues fund over 80 Department staff positions, including 5 positions within the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, and wildland firefighting. Revenues collected by other divisions have supported watershed protection, preservation of cultural and historical sites and public recreational resources. Furthermore, the Department has provided lands for affordable housing projects, often at the expense of generating revenue to support its own programs.

The Department understands the need for affordable housing and has historically supported the development of affordable housing through the conveyance or transfer of management of lands to HHFDC for affordable housing or rental projects statewide. In most instances, the lands transferred to HHFDC could have been used for more intensive income producing purposes. Rather, these lands were instead dedicated by the Department to alleviate the significant lack of supply of affordable housing and rental units for the less fortunate citizens of Hawai‘i. The following affordable housing/rental projects have been supported by the transfer of lands from the Department to HHFDC:

- The Villages of Leiali‘i in Lāhaina, Maui, 1,033 acres of land mauka of downtown Lāhaina.
- 690 Pohukaina in Kaka‘ako, approximately 2.168 acres in Honolulu’s urban core, adjacent to the rail line with access to existing infrastructure.
- Halekauwila Place in Kaka‘ako, approximately 1.249 acres adjacent to the 690 Pohukaina project.
- Hale Mōhalu in Pearl City, O‘ahu, 4.75 acres of land designated Urban, adjacent to Kamehameha Highway with access to existing infrastructure.
- The Villages of La‘i‘ōpua, in North Kona, Island of Hawai‘i, 802 acres adjacent to Queen Ka‘ahumanu Highway between Kona International Airport and Kailua Kona.

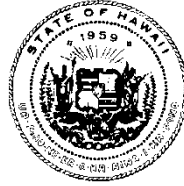
The Department further notes that its strategic plan for the development of the four parcels already includes affordable and workforce rental housing units that would be located within a one-mile radius of the transit station. This project is in the planning phase, and initial market studies along with agency consultation, indicate that the Department’s proposed housing development contains the maximum amount that would be feasible for a developer to undertake. Per the Department’s East Kapolei Affordable Rental Market Study, “on the supply side, the actual financing and construction cost realities present a high barrier to achieving such a high unit count... These lower Area Medium Income (AMI) units need greater subsidy to offset the

costs. And the subsidies currently available do not appear sufficient to fund large-scale production of units serving the lower AMI households.” Based on preliminary studies, the areas that are designated for housing units are physically capable of holding a maximum 2,000 units but the East Kapolei Affordable Rental Market Study found that developing that many units is not feasible due to financing. The Department is currently in the process of conducting an Environmental Impact Statement (EIS) for the project. As the EIS budget is limited to \$1,300,000.00, the focus will be to study the most realistic scenario. In addition to requiring at least \$1,000,000.00 in additional funding, expanding the scope of the EIS to include additional housing development would add another 1-2 years to the EIS timeline because it would require that the Department redo its traffic, noise, engineering, and urban design studies.

Finally, the Department has concerns that this measure will result in unrealistic expectations of the volume and density of development around and/or near the rail stations. While in some areas this may be appropriate, such as in the urban core, in others, it may be unsuitable and appear to be disjointed from other nearby developments that were not granted carte blanche on height and housing density requirements. The Department has attended area neighborhood board meetings to get community feedback on development of the Department’s parcels near the Keone‘ae Rail Station, and to observe general community sentiment on density in East Kapolei. If the Legislature desires that the Department study the development of higher density housing, the Department cautions that, aside from requiring additional funding for the EIS, the East Kapolei community and nearby landowners may not support the development of significantly higher housing density on the Department’s parcels.

Mahalo for the opportunity to comment on this measure.

JOSH GREEN, M.D.
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY, PLEASE REFER TO:

Statement of
Hakim Ouansafi, Executive Director
Hawaii Public Housing Authority

Before the
HOUSE COMMITTEE ON HOUSING
AND
HOUSE COMMITTEE ON WATER & LAND

Tuesday, March 21, 2023
9:00 AM – Room 430, Hawaii State Capitol

In consideration of
SB 865, SD2
RELATING TO HOUSING

Honorable Chair Hashimoto and Chair Ichiyama, and Members of the House Committee on Housing and House Committee on Water & Land, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 865, SD2, relating to housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of SB 865, SD2, 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 HPHA to qualified residents. Provides for the disposition of lands that are acquired by the HPHA but no longer needed for the ALOHA Homes Program. Appropriates funds.

The HPHA views this measure as part of the overall solution to assist the State in developing the housing needed to get out of the affordable housing crisis. Over 18 years ago, Act 196 of 2005, as amended by Act 180 of 2006, the Housing and Community Development Corporation of Hawaii (HCDCH) was bifurcated into two separate agencies – HPHA and Hawaii Housing Finance and Development Corporation (HHFDC). At that time the primary purpose of the HPHA was to manage a variety of forms of housing assistance, including public housing, housing assistance

payments, rental supplement, and homeless programs. However, the HPHA continued to pursue the redevelopment of its existing public housing stock as demonstrated through the submission of applications to Federal grant programs such as the HOPE VI Revitalization Grant and the Choice Neighborhoods Initiative.

In 2005, the Hawaii State Legislature and the U.S. Department of Housing and Urban Development (HUD) had the foresight to support the HPHA's efforts to engage in public private partnerships to develop a variety of housing, including public housing, affordable housing, commercial and industrial. These efforts were reinforced with the Legislature's assistance with the passage of Act 251, SLH 2022, which allows the HPHA to develop any and all types of housing projects to ensure that the HPHA continues to be part of the solution for the State's affordable housing crisis.

The HPHA published a Request for Qualifications (RFQ), seeking a Master Developer for its upcoming Ka Lei Momi Project. This ambitious public-private partnership (PPP) aims to construct 10,000 new affordable units over the next decade. With access to federal tools and programs like Rental Assistance Demonstration (RAD), Choice Neighborhood Initiative (CNI), Section 18 Demolition/Disposition, and Moving to Work (MTW), the HPHA is well-positioned to utilize mixed-finance strategies through a PPP where these new affordable units are so desperately needed. Additionally, this RFQ calls for up to 1,000 leasehold units with the first 300-unit tower at the Mayor Wright Homes public housing property thanks to the appropriation and legislative intent in the 2022 CIP budget.

Today, as the HPHA continues to look towards the future, it continues to align itself with the current national trends in the redevelopment of its public housing inventory. As the affordable housing crisis has worsened across the nation, and has been magnified here in Hawaii, the Federal government continues to develop new tools and make funding available for PHAs to take advantage of redevelopment programs that were not available over a decade and a half ago. These new programs, such as Mixed-Finance Redevelopment, emphasize the conversion of public housing and promotes the de-concentration of poverty. Through the redevelopment process, a mixture of public housing, affordable housing, market rate and commercial uses will be created to benefit the community.

HPHA's desire is not to remain a static agency, sitting on the sidelines while our community continues to suffer during the housing crisis. Our mission and fiduciary responsibility are to constantly look to the future and to challenge ourselves to make the most of the land, financial and human resources we have to contribute to resolving the housing crisis.

The HPHA appreciates the opportunity to provide the Committees with the HPHA's testimony. We thank you very much for your dedicated support.



LATE

SD865 SD2
RELATING TO HOUSING
House Committee on Housing
House Committee on Water & Land

March 21, 2023

9:00 AM

Room 430

The Office of Hawaiian Affairs (OHA) **OPPOSES** SB865 SD2, which establishes the ‘ALOHA Homes Program’ that proposes to facilitate mechanisms that could lead to the permanent alienation of public lands, and misappropriates the use of the ‘Ōlelo Hawai‘i expression, “aloha,” to encourage high density urbanization that has often led to the forceful severing of Native Hawaiians from their homelands and the systemic erasure of Native Hawaiian culture and identity.

I. This Measure Misappropriates the Most Iconic Expression of the Hawaiian Language as a Marketing Ploy for the Perpetuation of Rampant Urbanization That Has Led to the Severing of Native Hawaiians From Their Homelands and the Systemic Erasure of Native Hawaiian Culture and Identity

I ka ‘ōlelo no ke ola, i ka ‘ōlelo no ka make. Respected kupuna (elder) tūtū Pilahi Pahi shared her ‘ike (knowledge) and mana‘o (thoughts/beliefs) with the State of Hawai‘i, when she acronymized the most iconic expression of ‘Ōlelo Hawai‘i (Hawaiian language), “aloha,” to be:

Akahai – meaning kindness to be expressed with tenderness;
Lōkahi – meaning unity, to be expressed with harmony;
‘Olu‘olu – meaning agreeable, to be expressed with pleasantness;
Ha‘aha‘a – meaning humility, to be expressed with modesty;
Ahonui – meaning patience, to be expressed with perseverance.

This “gift to the people of Hawai‘i” was enshrined within the laws of the State and has since stood as the ‘Aloha Spirit Law” for nearly 40 years¹ – with origins rooted in these Islands since time immemorial.

This measure proposes a new definition for “aloha,” one that would erode an existing definition of the expression, which was gifted to the State through the wisdom of a respected Native Hawaiian elder. **OHA notes that, while “ALOHA,” in this measure, is used as an acronym, the arrangement of the acronym to mirror the most iconic expression of the**

¹ Haw. Rev. Stat. §5-7.5 (1986).



SD865 SD2
RELATING TO HOUSING
House Committee on Housing
House Committee on Water & Land

Hawaiian language is no mere coincidence – it is a marketing ploy to sell a foreign concept and to make it seemingly more “Hawaiian” so as to increase the success of its surreptitious infiltration under the guise of being appropriate for Hawai‘i; this is an example misappropriation.

II. This Measure Proposes a Mechanism That Would Facilitate the Permanent Alienation of Public Land Trust Lands Resulting in the Undermining of OHA’s Revenue and a Violation of the State’s Trust Obligations to the Native Hawaiian People

OHA wishes to emphasize that over the years, the Public Land Trust corpus has been gradually eroded to afford a ‘work-around’ for public entities to own, sell, and otherwise dispose of public lands for private ownership; long, multi-generational leases, such as 99-year leases have led to the permanent alienation of Public Land Trust lands. The unintentional consequences of this erosion directly result in the undermining of the State’s trust obligations to the Native Hawaiian people – one of the most critical of these obligations being the appropriation of adequate funding to address, in significant part, the inequities and disparities faced by Native Hawaiians.

Crown and Government lands of the Hawaiian Kingdom, often referred to as “Ceded Lands” of the Public Land Trust corpus, are continuously held in trust for the betterment of the conditions of Native Hawaiians.² In addition to its codification within the Hawai‘i Admissions Act, lawmakers sought to ensure the continuous uplifting of Native Hawaiian socio-economic status through the creation of OHA and the enacting of these principles into State law.³ OHA serves as the principal public agency of the State responsible for the programs and activities of Native Hawaiians,⁴ whose well-being is often positively impacted by the programs and services funded by revenue from the public land trust. OHA maintains that the Native Hawaiian people continue to assert their claim to Crown and Government lands; claims that have yet to be settled.

² Pub. L. 86-3, 73 Stat. 4; Hawai‘i Admissions Act of 1959.

³ HRS §10-3.

⁴ Id.



SD865 SD2
RELATING TO HOUSING
House Committee on Housing
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Native Hawaiians continue to endure inequities and disparities that stem from unresolved historical injustices⁵ – injustices that established systems of oppression and institutions of racism that have yet to be dismantled and which persist in their severing of Native Hawaiians from their ancestral lands, their annihilation of Native Hawaiian presence in the Hawaiian Islands, and their attempted erasure of Native Hawaiian identity.⁶ The State of Hawai‘i, on the condition of its admission to the Union,⁷ was obligated with an extra duty of care to the Native Hawaiian people,⁸ as a result of these historical injustices. The State reinforced that extra duty of care for the betterment of conditions of Native Hawaiians by enshrining this founding principle within the Hawai‘i State Constitution.⁹ The State has continuously acknowledged its extra duty of care to the Native Hawaiian people through additional statutory obligations vested in OHA¹⁰ and in recognition of Native Hawaiians as the only indigenous, aboriginal, and maoli people of Hawai‘i.¹¹

Despite the intractable traverse that far-too-many Native Hawaiians must endure, which is most evident in the diasporic conditions¹² that have priced out Native Hawaiians from their homelands,¹³ or in the myriad of onerous health disparities faced by Native

⁵ Pub. L. 103-150 (1993), 107 Stat. 1510 “Apology Resolution.”

⁶ “If we are ever to have peace and annexation the first thing to do is to obliterate the past,” stated by Samuel Mills Damon, Vice President of the Provisional Government and Executive Council for the Republic of Hawai‘i, Council of State (Provisional Government of the Hawaiian Islands, 1895). 26 November 1895. Hawaii State Archives Series 424 Vol. 4.

⁷ Pub. L. 86-3, 73 Stat. 4; Hawai‘i Admissions Act of 1959.

⁸ Id. at §5(f).

⁹ Haw. Stat. Con. Art. XII, Section 4-7 (1978).

¹⁰ Haw. Rev. Stat. §10.

¹¹ Haw. Rev. Stat. §10H-1.

¹² “Hawai‘i has rapidly transformed economically, socially, and politically, creating a place that is unable to support a thriving Native Hawaiian community. This has resulted in a Native Hawaiian diaspora as individuals and families move away from the islands in search of economic and educational opportunities. This diaspora presents a modern challenge to Native Hawaiian identity and culture, bringing separation of people from each other, from the land, and from the ancestral home,” Ciera Pagud, Shawn Kana ‘iaupuni, Wendy Kekahio, *Eia Hawai‘i, he Moku: Exploring Native Hawaiian Migration Patterns Past to Present*, Dec. 2022, p.11.

¹³ “Hawai‘i’s economic conditions, specifically job availability and career advancement, play a large role in overall [Native Hawaiian out-migration] decisions; More Native Hawaiian participants seek better paying jobs outside of Hawai‘i as a result of struggling financially than non-Hawaiians,” Ciera Pagud, Shawn Kana ‘iaupuni, Wendy Kekahio, *Shifting Sands and Economic Currents Affecting the Decision to Leave Hawai i*, Dec. 2022, p.2.



SD865 SD2
RELATING TO HOUSING
House Committee on Housing
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Hawaiians still hanging on for survival in these islands,¹⁴ this State will occasionally invoke policies and proposals that undermine its extra duty of care to the Native Hawaiian people. **OHA asks the Legislature, as it has done many times before, to recognize and uphold its extra duty of care for the betterment of conditions of Native Hawaiians.**

The majority of Native Hawaiian families, in Hawai‘i, are unable to make ends meet,¹⁵ with 63% of Native Hawaiians reporting that they are finding it difficult to get by.¹⁶ Native Hawaiians have the lowest household income.¹⁷ Native Hawaiians have the highest poverty rates for individuals and families.¹⁸ Native Hawaiians make less money,¹⁹ with lower average earnings for both men and women.²⁰ Native Hawaiians have the highest rate of using public assistance and homeless services.²¹ Native Hawaiians are overrepresented among the homeless in Hawai‘i.²² OHA is deeply concerned with Native Hawaiians being driven out of Hawai‘i by economic instability stemming from socio-political-economic upheaval, which has largely disconnected Native Hawaiians from their ‘āina for more than a century. Today, more Native Hawaiians live outside of the Hawaiian Islands, far beyond the boundaries of their own homeland.²³

¹⁴ “Native Hawaiians have a disturbingly higher rate of chronic diseases than many other ethnic groups and the general population in Hawai‘i and the larger U.S. While the leading causes of death are generally the same, the rates of Native Hawaiians afflicted with chronic diseases are greater and occur a decade earlier. These rates are disturbingly three times greater than for the general population of Hawai‘i.” Department of Native Hawaiian Health, John A. Burns School of Medicine, *Assessment and Priorities for the Health and Well-Being in Native Hawaiians and Pacific Islanders*, 2020, p.9.

¹⁵ Aloha United Way / United for ALICE, *ALICE in Hawai‘i: 2022 Facts and Figures*, Nov. 2022, p.6.

¹⁶ Id. at 9.

¹⁷ Dept. of Business, Economic Development and Tourism, *Demographic, Social, Economic, and Housing Characteristics for Selected Race Groups in Hawaii*, Mar. 2018, p.3.

¹⁸ Id. at 13.

¹⁹ OHA Report, *Affordable Housing for Hawai‘i and Native Hawaiians: Exploring Ideas and Innovation*, Aug. 2020, p.10.

²⁰ Dept. of Native Hawaiian Health, John A. Burns School of Medicine, *Assessment and Priorities for the Health and Well-Being in Native Hawaiians and Pacific Islanders*, 2020, p.12.

²¹ Id.

²² Partners In Care, *2022 Point In Time Count*, p.7.

²³ “Estimates from the American Community Survey showed that in 2011, there were about 296,400 Native Hawaiians in Hawai‘i and about 221,600 on the continental U.S. Just a decade later, those numbers flipped. In 2021, there were about 309,800 Native Hawaiians in Hawai‘i and about 370,000 in other states,” Hawaii Public Radio, *More Native Hawaiians Flock to mainland cities and leave Hawai‘i*, Jan. 23, 2023, *citing high costs*, citing the US Census Bureau’s American Community Survey 2021.



SD865 SD2
RELATING TO HOUSING
House Committee on Housing
House Committee on Water & Land

This measure’s proposals would not overtly address the issues that Native Hawaiians face amid this economic and housing crises, nor would the forceful outmigration of Native Hawaiians be stifled – what is certain, is that this measure would undermine OHA’s capacity to ever-serve the betterment of conditions of Native Hawaiians.

III. This Measure Proposes a Concept That Is Not Appropriate for Hawai‘i

Singapore's solution to its housing crisis is not an appropriate model for Hawai‘i. Singapore's governance is characterized as an Authoritarian Capitalism with strong-armed politics. The engineer of Singapore’s socio-economic ‘success,’ Lee Kuan Yew, lorded over the country through the continuously held dominion of his political party (People’s Action Party) which continues from 1959 through to this day. Lee reigned oppressively, routinely imprisoning opponents to the Party. In 2012, Human Rights Watch described Singapore as “the textbook example of a politically oppressive state.” OHA wishes to emphasize that Hawai‘i should not be taking its governing cues from an authoritarian regime.

Accordingly, Singapore is, at its closest, a third of a mile away from a continental landmass that is 127,355 square miles in size which is 213 times larger than the island of O‘ahu, at roughly the same size as the state of New Mexico. The state of Hawai‘i faces supply chain vulnerabilities due to its geographic isolation, which has in turn, contributed to the state’s incredibly high cost of living. Singapore does not face these kinds of vulnerabilities.

OHA, again, wished to emphasize that the appropriate socio-economic model for the state, including proposals for effective housing models, should take into consideration Hawai‘i’s isolated geography, its unique socio-cultural-historical composition, and the aspirations and expectations of the people of Hawai‘i for their home - especially Native Hawaiians whose homeland is Hawai‘i. OHA takes care to note that the values driving appropriate models for Hawai‘i should include Native Hawaiian and long-time-local values that allow people to thrive within a system that protects and preserves Hawai‘i’s unique and precious natural and cultural resources for past, present, and future generations.

OHA appreciates the opportunity to provide testimony on this measure and respectfully asks the Legislature to **DEFER SB865 SD2**. Mahalo nui loa.

SB-865-SD-2

Submitted on: 3/20/2023 9:34:09 AM

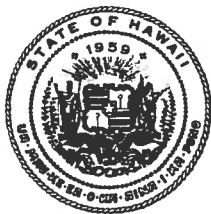
Testimony for HSG on 3/21/2023 9:00:00 AM

LATE

Submitted By	Organization	Testifier Position	Testify
Russell Tsuji	DLNR	Comments	Remotely Via Zoom

Comments:

Request for zoom link to testify on behalf of DLNR. Written testimony submitted on DLNR's Testimony account and additional staff will be present at the hearing. Thank you!



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813
Ph. (808) 586-8121 (V) • TTY (808) 586-8162 • Fax (808) 586-8129

March 21, 2023

LATE

TESTIMONY TO THE HOUSE COMMITTEES ON HOUSING AND WATER & LAND

Senate Bill 865 SD2 – Relating to Housing

The Disability and Communication Access Board (DCAB) offers comments on Senate Bill 865 SD2 – Relating to Housing. This bill would establish 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 Public Housing Authority to qualified residents and provide for the disposition of lands that are acquired by the Hawaii Public Housing Authority but no longer needed for the ALOHA Homes Program.

The housing crisis is magnified for people with disabilities. People with disabilities are twice as likely to be below the poverty level. Without action to address the affordable housing shortage, more people with disabilities are at risk of losing their independence or becoming homeless or institutionalized. This bill would assist people with disabilities who are facing housing insecurity.

In addition to addressing the affordable housing shortage, legislation should address the quantity of housing units that are accessible to people with mobility and communication disabilities. The Americans with Disabilities Act Standards for Accessible Design (ADA Standards) specifies the minimum percentage of accessible housing units in public facilities. The ADA Standards require only five percent of units to be accessible for mobility disabilities and two percent of units to be accessible for communication disabilities. The Fair Housing Act (FHA) design and construction requirements specify the minimum number of adaptable housing units in public and private buildings containing four or more units. The FHA requires all multi-family dwelling units to be adaptable for mobility disabilities in buildings with an elevator, but only requires ground floor units to be adaptable for mobility disabilities in buildings without an elevator. The FHA does not require units to be adaptable for communication disabilities.

According to the U.S. Census Bureau's 2021 Disability Characteristics for the State of Hawaii, 19.1 percent of Hawaii's residents that are sixty-five years and older have a mobility difficulty, 12.6 percent have a hearing difficulty, and 4.7 percent have a vision difficulty. The following adjustments exceed the minimum accessibility and adaptability requirements and thereby would provide Hawaii residents with disabilities, especially kupuna with disabilities, the opportunity to live independently and give more residents without disabilities an option to continue to live in their home as they age in place:

- In public facilities with residential dwelling units, at least twenty percent, but no fewer than one unit, of the total number of residential dwelling units shall provide

mobility features that comply with applicable technical requirements in the ADA Standards.

- In public facilities with residential dwelling units, at least thirteen percent, but no fewer than one unit, of the total number of residential dwelling units shall provide communication features that comply with applicable technical requirements in the ADA Standards.
- In multi-story buildings with four or more residential dwelling units, an elevator shall connect each story and all dwelling units shall comply with the FHA design and construction requirements. EXCEPTION: In townhouses as defined by Hawaii Revised Statutes §502C-1, an elevator shall not be required to connect each story.

Investing in accessible, affordable housing recognizes the needs of our residents with disabilities, which includes our kupuna with disabilities.

Thank you for the opportunity to provide testimony.

Respectfully submitted,



KIRBY L. SHAW
Executive Director



SIERRA CLUB OF HAWAI'I

HOUSE COMMITTEE ON HOUSING HOUSE COMMITTEE ON WATER & LAND

March 21, 2023

9:00 AM

Conference Room 430

In **OPPOSITION** to **SB865 SD2**: Relating to Housing

Aloha Chairs Hashimoto and Ichiyama, Vice Chairs Aiu and Poepoe, and members of the Committees,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **OPPOSES SB865 SD2 as written**, but does offer a friendly amendment to better realize the intent of this measure to protect our public lands while facilitating affordable housing development.

The Sierra Club of Hawai'i appreciates that this measure seeks to strike a balance between achieving its vision of facilitating housing development while protecting the public interest in our public lands. **However, the explicit language of this measure mandating the sale of 99-year leasehold interests in condominium and ALOHA Homes units built on state lands could inhibit efforts to negotiate and address the unresolved claims to "ceded" lands acquired without the consent of or compensation to the Native Hawaiian community.** This in turn may exacerbate injustices that have rendered our islands ever more vulnerable to climate change, and prevent us from realizing the restorative justice for kānaka 'ōiwi that may be the key to our future resiliency. **Accordingly, the Sierra Club of Hawai'i respectfully asks that, should the Committees choose to move this measure forward, that the language of this measure be amended to clarify that such long-term leases be limited to those involving non-"ceded" lands, by:**

Amending page 14, line 17-18, to read as follows:

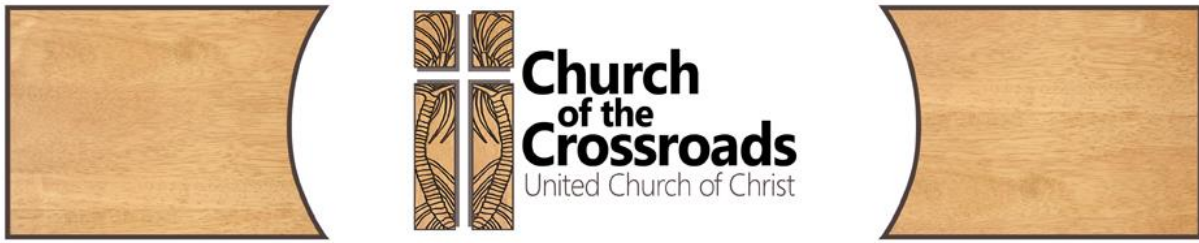
"sites; provided that each lease for an ALOHA Home built on non-ceded lands shall be for a term of ninety-nine years, and each lease for an ALOHA Home built on ceded lands may be for an initial term of fifty-five years with the privilege of extension to meet the requirements of the Federal Housing Administration, Federal National Mortgage Association, Federal Land Bank of Berkeley,

Federal Intermediate Credit Bank of Berkeley, Berkeley Bank for Cooperatives, or Department of Veterans Affairs requirements; provided that the aggregate of the initial term and extension shall in no event exceed seventy-five years. The rules shall include the following"

And amending page 22, lines 3-5, to read as follows:

"(b) The term of a lease involving non-ceded lands may be for ninety-nine years, and the term for a lease involving ceded lands may be for an initial term of fifty-five years with the privilege of extension to meet the requirements of the Federal Housing Administration, Federal National Mortgage Association, Federal Land Bank of Berkeley, Federal Intermediate Credit Bank of Berkeley, Berkeley Bank for Cooperatives, or Department of Veterans Affairs requirements; provided that the aggregate of the initial term and extension shall in no event exceed seventy-five years. For leases involving non-ceded lands, the authority may extend or modify the fixed rental period of the lease or extend the term of the lease."

Mahalo nui for your consideration of this testimony.



A Just Peace and Open and Affirming Congregation

TESTIMONY IN SUPPORT OF SB 865, SD 2

House Committees on Housing and Water & Land
March 21, 2023 at 9:00 a.m., Conference Room 430 & Video

Church of the Crossroads, Hawaii's first deliberately interracial congregation now in its 100th year, remains committed to celebrating diversity and fighting economic injustice. SB 865 tackles our high cost of living — 2/3rds above the national average — driven by our housing crisis.

Crossroads strongly supports SB 865, SD 2. It would create the ALOHA Homes program utilizing State land to develop homes for all Hawaii residents at prices they can afford.

The Aloha United Way commissioned a report entitled, "**Asset Limited, Income Constrained, Employed (ALICE): A Study of Financial Hardship in Hawaii.**" 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 costs, leaving them a paycheck or two away from homelessness.

Prior to Covid, 37% of the households were ALICE, earning between \$30,000 and \$75,000 a year, below the median household income. Another 11% of people were below the poverty line. That made 48% of Hawaii households ALICE and below. Since Covid, that figure has risen to 59%.

Governor Green says we need 36,000 housing units. 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. A Department of Business, Economic Development and Tourism report put the need at 72,000 through this decade.

Traditional State and county housing programs rely on government money because land and development costs are so high. With money limited, housing programs fall short. Last week, Honolulu Mayor Blangiardi said, "*Make no little plans, they have no magic to stir [our] blood.*"

ALOHA Homes' SB 865 is a Big Plan. Structured revenue neutral, it does not depend on government money. It represents a bold approach to affordable housing that overcame crises in Singapore, in Vienna, and in Helsinki, now reinvented to fit Hawaii's circumstances.

Singapore has developed nearly a million residential units that today house 80% of its population. In **Vienna**, the successful government program — the City has multiple times been named the "most livable" — puts 60% of its population in government homes. **Helsinki's** livable public housing shelters less than 20%, but it's enough to end that city's homelessness. In these three cities, agencies plan, develop, and construct housing units integrated with commercial, recreational, and social urban amenities. Their attractive, dense, mixed-use, walkable developments are environmentally efficient and minimize the need for personal vehicles.

For Honolulu, the rail transit system will further reduce the need for private autos. The State is the largest landowner along the rail line, owning about 2,000 acres, land we should dedicate to ALOHA Homes for the people of Hawaii. Mahalo.

(submitted by Galen Fox, moderator)



**HOUSE COMMITTEES ON HOUSING, AND WATER & LAND
Hawaii State Capitol
1:15 PM**

MARCH 21, 2023

RE: SB 865 SD2, RELATING TO HOUSING

Chairs Hashimoto & Ichiyama, Vice Chairs Aiu & Poepoe; and members of the committees:

My name is Max Lindsey, Government Relations Committee Chair 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.

BIA Hawaii supports the intent of SB 865 SD2, 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 Public Housing Authority to qualified residents, and provides for the disposition of lands that are acquired by the Hawai'i Public Housing Authority but no longer needed for the ALOHA Homes Program.

SB 865 SD2 consolidates many of the ideas and initiatives of which we have been strong proponents over the last few years. This type of consolidated and focused effort is required in order to build our way out of our housing crisis by increasing the supply of housing at all price points. We strongly support and encourage more dialogue on the bill especially on some of the specific action items. We support the purpose of focusing on low-cost, high-density leasehold houses on government lands located along the transit corridor. We do suggest that to avoid "gentrification," a mix of incomes and price points be provided.

The state of Hawaii is in a dire housing crisis. As the Legislature is aware, the cost of housing in Hawaii is extremely high, with Oahu's median price of homes being currently over \$1 million. Approximately 153,967 U.S. households are priced out of buying a home for every \$1000 increase in price, according to the National Association of Home Builders (NAHB). We are in support of legislation that would allow for the building of much-needed housing at every price point in Hawaii.

We appreciate the opportunity to provide our comments on this matter.



PO Box 744
Pearl City, Hawaii 96782
(808) 291-8890
hiecon.squarespace.org

Statement Before The
Senate Committee on HSG/WAL
Tuesday, March 21th, 2023
9:00am

In Consideration of
SB 865 SD2

Relating to Housing

As an organization committed to promoting economic development in Hawaii, HI Econ urges you to support Senate Bill 865 SD2 which would establish the Aloha Homes program to provide affordable homeownership opportunities for Hawaii residents. We believe that this program aligns with our organization's core values of connection, collaboration, and championed leadership as Hawaii's public housing authority will be using Hawaii's rail transit system to create a housing opportunity. We are confident that it would benefit Hawaii's economy and communities in numerous ways.

Affordable housing is a well-known necessity in Hawaii. The high rates of homelessness, overcrowding, and housing instability are just a few of the issues that low-income renters and homeowners in the state face, according to research released by the Hawaii Appleseed Center for Law and Economic Justice. According to a study by NiceRX, the median annual rent adds up to \$29,772, and it is costing Hawaii residents 49.3% of their income. This is significantly more than what the NYC Department of Housing Preservation and Development defines as affordable housing. They define an affordable cost of housing as a third or less of household income.

By giving Hawaii residents more options to purchase inexpensive homes, the Aloha Homes initiative could aid in addressing these issues. Through this program, qualifying households would receive low-interest loans and help with the down payment, lowering the obstacles to homeownership and fostering economic stability for families throughout the state. The program could also promote cooperation and connections between various sectors of Hawaii's economy by

Commented [1]: I changed this to the date and time of the hearing. I'm not entirely sure if it's this or the time that you wrote the testimony

collaborating with local businesses and organizations, resulting in a more robust and inclusive economic system.

Moreover, research has shown that affordable homeownership can have a positive impact on individual and community well-being. For example, a study by the Urban Institute found that homeownership is associated with improved physical and mental health outcomes, increased civic engagement, and greater social cohesion. By promoting homeownership opportunities for Hawaii residents, the Aloha Homes program could contribute to these positive outcomes and improve the overall quality of life for Hawaii communities.

Although the implementation of the Aloha Houses program would have many advantages, we acknowledge that there might be some arguments in opposition to the program. For instance, some would argue that the program won't likely be financially viable in the long run. Yet, we think that the Aloha Houses initiative could eventually bring Hawaii major economic advantages. The initiative could result in higher spending, the creation of jobs, and economic growth throughout the state by encouraging homeownership and economic stability for Hawaii people. For example, according to a report by the National Low Income Housing Coalition (NLIHC), "home building generates substantial local economic activity, including new income and jobs for residents, and additional revenue for local governments." It is estimated that the one-year impact of building 100 single-family homes in a local area will lead to \$28.7 million in local income, 394 jobs, and \$3.6 million in taxes for the local government.

Therefore, we strongly urge you to support Senate Bill 865 SD2 and the establishment of the Aloha Homes program. By promoting affordable homeownership opportunities for Hawaii residents and fostering collaboration and connection across Hawaii's economy, this program aligns with HI Econ's core values and has the potential to create positive change for Hawaii's communities. Thank you for your consideration.

Hailey Oh
Economic Policy Analyst
hoh25@punahou.edu
HI Econ

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childcare/#:~:text=Meaning%20only%2030%25%20of%20your,income%20to%20pay%20for%20it.

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March 21, 2023

9 a.m.

Conference Room 430 & Videoconference

To: House Committee on Housing

Rep. Troy N. Hashimoto, Chair

Rep. Micah P.K. Aiu, Vice Chair

House Committee on Water & Land

Rep. Linda Ichiyama, Chair

Rep. Mahina Poepoe, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SB865 SD2 — RELATING TO HOUSING

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SB865 SD2](#), which would establish the ALOHA homes program to facilitate the development and lease of low-cost homes for Hawaii residents.

The proposal before the committee accurately identifies many of the causes of the state's housing crisis and makes a laudable attempt to eliminate some of the barriers to affordable housing.

In particular, this bill would create thousands of leasehold housing units,¹ which would help ease the demand for housing in Hawaii.

¹ Stanley Chang, "[ALOHA Homes: An Innovative Solution to Hawaii's Housing Shortage](#)," Presentation at the Hawaii State Capitol, Nov. 16, 2018, video at 30:06.

However, we have concerns about the possible unintended consequences of this bill. Among them are:

>> Public sector projects cost more

The bill optimistically posits that the ALOHA Homes program would not end up costing Hawaii's taxpayers, but there is no guarantee that the plan would be economically sustainable without substantial infusions of taxpayer funding, as its supporters intend.

Our experience with the Honolulu rail project is sufficient to demonstrate that projected costs on public works projects do not necessarily reflect actual costs. In any government project, costs are likely to exceed original estimates.

For example, housing constructed pursuant to SB865 would be subject to HRS 104, which requires the use of prevailing wages,² which would raise costs higher than projects built in the private sector.

Additionally, Hawaii "encourages" the use of project labor agreements on projects worth at least \$25 million,³ and this has been demonstrated to raise the cost of government contracts by 12% or more.⁴

So what happens if the construction and maintenance costs of the ALOHA homes outstrip projections? Either the prices of the home leases will go up, undermining the intent of providing low-income residents with low-cost homes, or Hawaii taxpayers will end up footing the bill.

Given that construction costs alone in Honolulu are generally 38% higher than on the mainland,⁵ the only responsible option is to plan for higher-than-expected costs for this project.

Both of these factors would add to construction costs, making it harder for ALOHA homes projects to pencil out.

However, if legislators choose to move forward with this proposal, we suggest taking out the Chapter 104 requirement to use prevailing wages, since it would allow more flexibility to potentially use less expensive labor, which could translate into lower lease prices.

² [SB1_SD1](#) of 2021, p. 13 which states, "Development shall be subject to chapter 104."

³ "[Council approves PLAs despite many concerns](#)," Grassroot Institute of Hawaii, Oct. 9, 2019.

⁴ "[Honolulu City Council's PLA proposal is pilau](#)," Keli'i Akina, Grassroot Institute of Hawaii, Oct. 20, 2019; Paul Bachman and David G. Tuerck, "[Project Labor Agreements and the Cost of School Construction in Ohio](#)," The Beacon Hill Institute, May 2017, p.1; and Vince Vasquez, Dr. Dale Glaser and W. Erik Bruvold, "[Measuring the Cost of Project Labor Agreements on School Construction in California](#)," National University System Institute for Policy Research, 2011, p. 10.

⁵ "ENR Square Foot Costbook 2019 Edition," Engineering News-Record, 2018, p. 174.

>> 99-year leases

One of our greatest concerns is the 99-year leases that are at the heart of the ALOHA homes program.

Buying a 99-year lease means that one day the leaseholders will no longer have the right to occupy their units. In essence, the leases trade temporary stability for long-term headaches concerning transfer and value. This makes leasehold properties less valuable and less desirable than comparable properties that could be purchased fee simple.

Another strike against leasehold units is that in some instances they cannot be borrowed against for a loan, which takes away the ability of their occupants to borrow against the properties to start a business, invest or otherwise contribute to the local economy.

One of the reasons that home ownership is considered a path to upward mobility is because it creates equity. But the ALOHA homes program is not providing people with the advantage of home ownership. It is simply providing them with shelter and robbing them of the opportunities and financial security that flow from home ownership.

The example of the Hawaiian Home Lands program with its 99-year leases should be enough to demonstrate that leaseholds create administrative headaches for both the government and the lessees. What they don't create is intergenerational wealth, though we acknowledge that this proposal would nonetheless add to Hawaii's housing stock.

>> Traps the tenant

Another concern is that under the ALOHA Homes plan, the leaseholders face limits on their ability to sell their leases.

This bill says that if the leaseholders want to sell their unit, the state would get the right of first refusal. Moreover, the price at which a leaseholder could sell, either to the state or another buyer, would be fixed according to a formula determined by the state.

There also would be limits on the ownership of other real property while one is the leaseholder of an ALOHA home.

If enacted into law, the bill would incentivize holding on to the leasehold for as long as possible over purchasing another property — even when the “need” for an ALOHA home has passed.

Thus, the ability of the program to address perpetual shortages in affordable housing would be limited to the state's ability to build new homes.

>> No incentive to improve the property

Property improvements generally are made by owners who hope to profit from the increased value they create. However, because the ALOHA homes program limits the ability of lessees to profit from the sale of their properties, there would be little incentive to improve the units.

When improving and caring for a property is disincentivized, repairs and maintenance often fall by the wayside. Therefore, ALOHA homes units could eventually fall into disrepair.

The effect would be similar to that of rent-controlled apartment buildings in New York and San Francisco, where the lack of financial incentive to spend on upkeep has resulted in neglected, deteriorating buildings — with their physical state matching their reduced and restricted market prices.

To address this potential problem, the bill includes a requirement that each development establish an operating and maintenance program, along with the funding to cover that cost.

This requirement would further increase the price of each project, and it is not clear if this would even help much, since tenants still would not have any incentive to upkeep their units, which they do not own, over the long term.

To put it bluntly, the ALOHA homes program risks becoming another government housing project in the worst sense of the term.

Allowing the homes to be sold one day fee simple would at least create an incentive to invest in the maintenance of the property.

>> Does not provide rentals

The ALOHA homes program would have a limited effect on the amount of housing available and would not lower the cost of rent, since no new rentals would be added to the housing stock. Thus, while the intent of SB865 is to address Hawaii's lack of affordable housing, the bill overlooks a significant factor in the housing market — rentals — especially for those who cannot make use of the program.

>> Suggestions

Hawaii has the most restrictive barriers in the nation to the creation of housing,⁶ so we urge lawmakers to reduce those regulations regardless of the outcome of this bill.

⁶ Carl Bonham, Justin Tyndall and Rachel Inafuku, "[Measuring the Burden of Housing Regulation in Hawaii](#)," The Economic Research Organization at the University of Hawaii, April 14, 2022.

We also recommend creating some mechanism by which the properties could be sold fee simple, perhaps at the end of the leasehold period.

Additionally, the section should be deleted that allows the state for the purpose of building ALOHA Homes to take private property through eminent domain. This would otherwise present a grave worry to private landowners across the state.

We applaud the bill's exemption from the general excise tax in Section 3, and impact fees in Section 4, since these exemptions would at least help lower the price of the units.

Finally, we are open to further discussions about options that could improve on the ALOHA Homes model.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



Hawai'i YIMBY
Honolulu, HI 96814

hawaiiyimby.com
admin@hawaiiyimby.com

Tuesday, March 21, 2023

House Committee on Housing
House Committee on Water & Land
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for SB 865 SD 2 - RELATING TO HOUSING

Aloha Chairs, Vice Chairs, and Members of the Committees,

On behalf of Hawai'i YIMBY, I'm writing to support SB 865 SD 2, which would establish the ALOHA Homes program, a groundbreaking and innovative proposal to adapt the best features of the most successful social housing programs around the world to meet the urgent and professed needs of cost-burdened Hawai'i residents.

The introduction of ALOHA Homes in 2021 helped spark a nationwide movement to build social housing. State and local governments are racing to enact social housing programs to address their housing needs, including:

- Montgomery County, Maryland, which established a Housing Production Fund in December 2021 that will begin building mixed-income affordable housing this year,
- Colorado, which passed a law in early June creating an agency to oversee the construction of publicly owned middle-income workforce housing,
- Rhode Island, which allocated \$10 million in late June for mixed-income social housing,
- San Francisco, which allocated funding in August to begin building social housing,
- Seattle, which just passed a ballot initiative next Tuesday to create a social housing program modeled after Vienna's,



Hawai'i YIMBY
Honolulu, HI 96814

hawaiiyimby.com
admin@hawaiiyimby.com

- and Maine and California, which each have social housing bills advancing in their state legislatures.

Now it's our turn. Hawai'i residents want ALOHA Homes. A 2021 report commissioned by the state found it "striking how many people when presented with the prices and requirements" of the ALOHA Homes program "responded by saying they felt hopeful. They wanted to be kept informed of program progress and wanted to know where and when the housing would be built".

After two years of revision and laying the groundwork, it's high time we pass this bill and provide them with an answer. Hawai'i residents struggling under the enormous burden of our high housing costs can't wait any longer.

Hawai'i YIMBY (*Yes In My Backyard*) is a new and rapidly growing grassroots advocacy organization dedicated to working to advance bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We urge your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Matt Popovich

Co-Lead, Hawai'i YIMBY



SB-865-SD-2

Submitted on: 3/15/2023 5:02:52 PM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Raelene Tenno	Individual	Support	Written Testimony Only

Comments:

I support the ALOHA homes concept. However, bigger restrictions should be placed on the ability to resell the unit. How many times has Hawaii built affordable yet to discover some of the units were sold again within months or a year of the 1st purchase.

The qualifying standards really needs to be restrictive to ensure it is being sold to an individual or family that will benefit from the principal of the ALOHA homes concept. Walking distance to practically everything.

Improving the units itself is not always to resell at a higher value. Often these units are built using cheap products and don't last to the expected life expectancy. The projected life expectancy of a kitchen cabinet and counter top will vary with the user and their understanding of "how to" keep it or maintain it for the best life. Some individuals understand the difference of a cheap pressed wood with laminate vs marble or solid surface product and are willing to invest for it's longevity and durability.

When I bought my 1st condo, I was so happy to have a home that was mine and didn't have to fear rent increase. But that feeling got tossed out with Maintenance Fee increases.

If **built** and **managed carefully** and with the upmost care and diligence, maintaining the property should be a win for all.

Thank you for allowing this testimony.

SB-865-SD-2

Submitted on: 3/15/2023 5:09:42 PM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bruce Anderson	Individual	Support	Written Testimony Only

Comments:

Hawaii desperately needs housing for low and medium income families, not more upper middle class + houses and condos that the developers build and call them affordable. This bill cites Singapore as a model. I lived in Singapore for a number of years and know that model works very well. Follow it as closely as possible, including the rules and regulations they enforce to keep the housing affordable to local lower income residents when being resold.

SB-865-SD-2

Submitted on: 3/15/2023 7:23:22 PM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Andrew Crossland	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this Bill.

SB-865-SD-2

Submitted on: 3/15/2023 10:41:27 PM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support SB865 SD2.

**TESTIMONY OF ELLEN GODBEY CARSON
IN STRONG SUPPORT OF SB865, SD2**

I strongly support SB865, SD2, the ALOHA Homes bill. While I write as an individual, I have served as President and director of Institute for Human Services, advocate for Faith Action for Community Equity Housing Now, and member of the Church of the Crossroads Peace, which have strongly supported the ALOHA Homes model.

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. SB65 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.

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 have traveled to Singapore to explore their affordable housing model, which 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
March 16, 2023

SB-865-SD-2

Submitted on: 3/18/2023 6:06:08 PM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Allison Mikuni	Individual	Support	Written Testimony Only

Comments:

I am writing in support of SB865 SD2 which will remove long-standing barriers and increase the supply of affordable housing for residents of the State.

Allison Mikuni; Palolo, Oahu Resident

SB-865-SD-2

Submitted on: 3/19/2023 3:52:37 PM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Elizabeth Nelson	Individual	Support	Written Testimony Only

Comments:

SB 865 would enable tens of thousands of needed homes for residents of Hawaii to be built on 2,000 acres of state land along the proposed rail line at no net cost to taxpayers. The ALOHA HOMES project would be attractive, dense. with retail, recreational, medical, and social amenities a walk away and transit nearby.

Please vote for this, as we so desperately need housing that our residents and truly afford. Thank you very much.

Elizabeth Nelson

SB-865-SD-2

Submitted on: 3/19/2023 11:55:33 PM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joan Matsukawa	Individual	Support	Written Testimony Only

Comments:

I'm writing in support of SB865 which will provide funding for affordable property for residents in our state. Unless you've inherited property purchased some time ago or have extensive financial resources you are unable to become property owner in Hawai'i today. This results in rental expenses that are leaving the individual or family and their decedents forever, rather than becoming the largest part of their financial and shelter resource into the future.

Ownership of your home generates dignity and a sense of stability needed by our children and their families. High real estate and housing costs, have create a financial divide that can't be overcome without the help of the state. It's created a hopelessness that leads to behaviors we cannot manage as a society including the exacerbation of homelessness. If we cannot put our children into homes they will become tomorrow's lost souls. It's not fair and has to be turned around with multiple solutions, at the high end for that population, opporutnities like this.

Short term solutions are not adequate. SB865 begins to address one long term solution for many families. Placing them along the route of the rail line is so smart. I forsee it won't be the rail, but the distance from the rail folks have to walk or bus to get to their work or home that will make the millions we have spent show a return we're satisfied with. Access is an equalizer. This would be a win win.

Thank you,

Joan Matsukawa

SB-865-SD-2

Submitted on: 3/20/2023 7:31:31 AM

Testimony for HSG on 3/21/2023 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Tillotson	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please pass this bill!

- Our housing crisis has pushed Hawaii’s cost of living 2/3 higher than the rest of the country, with 59% of our people 1-2 paychecks from homelessness or already there. We lose a higher share of people to the rest of the U.S. than all but two states. A majority of native Hawaiians now live on the mainland.
- SB865 would enable tens of thousands of needed homes for residents to be built on 2,000 acres of state land along the proposed rail line at no net cost to taxpayers.
- The ALOHA Homes projects would be attractive, dense, with retail, recreational, medical, and social amenities a walk away and transit nearby.

Thank you for considering my testimony and mahalo for your service.

Richard Tillotson