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GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

LATE

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
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IN REPLY PLEASE REFER TO:

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

HOUSE COMMITTEE ON HOUSING

February 15, 2023 at 9:30 a.m.

State Capitol, Room 312

In consideration of
H.B. 360 HD1
RELATING TO HOUSING.

HHFDC **has concerns** about H.B. 360 HD1, which affects affordable housing projects developed under Section 201H-38, Hawaii Revised Statutes and 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 90 days after receipt of the proposed project's preliminary plans and specifications from HHFDC.

HHFDC recognizes the need for more affordable housing and is concerned that doubling the time allowed for county reviews could possibly delay the time for approvals, resulting in delays in producing affordable housing projects.

Thank you for the opportunity to provide testimony.

HB-360-HD-1

Submitted on: 2/13/2023 9:48:05 AM

Testimony for HSG on 2/15/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Carney	Individual	Oppose	Written Testimony Only

Comments:

House Committee on Housing: AHC Hawaii is very strongly opposed to extending the deadline for county's to approve 201H-38 affordable rental projects from 45 days to 90 days. Time is money and this proposed extension of time increases the carrying costs and therefore the price of developing low income rental housing. County councils and the County's respective planning and perrmitting departments are well aware of these proposed projects prior to the time of submittal of the 201H application. Numerous meetings have been held with the public, county and state departments to make them aware of what is being proposed and to obtain feedback in gaining compliance with any and all concerns.

The 201H statute was created to help expedite the production of much needed rental housing many years ago and that need still exists today. Please **do not approve** any extention of the current 45 day deadline for project approval.

Kevin R. Carney RB-16444

President & Principal Broker

HB-360-HD-1

Submitted on: 2/13/2023 6:44:24 PM

Testimony for HSG on 2/15/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
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.

Allowing counties at least 90 days to review and approve the requested exemptions 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.

LATE

HB-360-HD-1

Submitted on: 2/15/2023 3:59:44 AM

Testimony for HSG on 2/15/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Support	Written Testimony Only

Comments:

We have such a dire need for more housing, also low cost housing. It just makes sense given how long things take here to extend the time frames.