



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTIETH LEGISLATURE, 2020**

ON THE FOLLOWING MEASURE:

S.B. NO. 2946, RELATING TO HOUSING.

BEFORE THE:

SENATE COMMITTEES ON HOUSING AND ON WATER AND LAND

DATE: Thursday, February 6, 2020 **TIME:** 1:45 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Clare E. Connors, Attorney General, or
Matthew S. Dvonch, Deputy Attorney General

Chairs Chang and Kahele and Members of the Committees:

The Department of the Attorney General provides the following comments on this bill.

This bill establishes a new program within the Hawaii Housing Finance and Development Corporation (HHFDC) called the ALOHA Homes Program (the Program). Under the Program, HHFDC is authorized to construct high-density residential developments on State lands within a one-half mile radius of public transit stations. HHFDC is authorized to sell 99-year leases for units within such developments to Hawai'i residents at a price not to exceed \$300,000, or a price affordable to an individual or family whose income does not exceed 80 percent of the area median income, as defined by the United States Department of Housing and Urban Development, whichever is lower. Proceeds from the sale of leases would be used to finance future ALOHA Homes projects. This bill also establishes an ALOHA Homes Revolving Fund to finance the ALOHA Homes Program and exempts expenditures from the fund from legislative appropriation and allotment requirements.

This bill also authorizes HHFDC to sell non-ALOHA Home leasehold condominiums for 99-year terms. It also provides that land set aside by the Governor to HHFDC, and land leased to HHFDC by other State agencies, are not considered "public lands" under chapter 171, Hawaii Revised Statutes (HRS). This bill further amends section 302A-1603, HRS, to exempt any form of development by HHFDC pursuant to

chapter 201H, part II, subpart B, HRS, from the land component impact fee and construction cost component impact fee requirements of the Department of Education. Finally, this bill requires HHFDC to develop an ALOHA Homes demonstration project by July 1, 2025.

Section 201H-M on pages 22 to 23 of this bill exempts expenditures from the ALOHA Homes Revolving Fund from legislative appropriation and allotment. Article VII, section 5 of the Hawai'i Constitution, however, prohibits such exemptions and provides that "[n]o public money shall be expended except pursuant to appropriations made by law." We suggest amending the bill to remove this provision.

Thank you for the opportunity to provide these comments.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committees on
HOUSING
and
WATER AND LAND**

**Thursday, February 6, 2020
1:45 PM
State Capitol, Conference Room 225**

**In consideration of
SENATE BILL 2946
RELATING TO HOUSING**

Senate Bill 2946 proposes to establish the ALOHA Homes Program to develop low-cost homes on State and county owned land in urban redevelopment sites to be sold in leasehold by the Hawaii Housing Finance and Development Corporation (HHFDC) to qualified residents. This measure proposes to require HHFDC to develop an ALOHA homes demonstration project by July 1, 2025 and exempt land set aside or leased to HHFDC from the definition of public lands under Section 171-2, Hawaii Revised Statutes. **The Department of Land and Natural Resources (Department) offers the following comments and amendment 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 Hawaii. 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 notes that HHFDC acquires some of its lands from the Department by Governor's executive order, legislative action, or deed. When the State lands are no longer needed for the stated ALOHA Homes Program, the lands should be returned to the Department to be used for other public purposes by the Department or other agencies. Therefore, the Department recommends amending the bill as follows:

§201H-O Lands no longer needed. Lands acquired by the corporation from another government agency, and that are no longer needed for the ALOHA homes program by the corporation shall be returned to the previous owner of those lands. Lands acquired by the corporation from a private party that are owned

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
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

by the corporation and designated for the ALOHA homes program but are subsequently no longer needed for the ALOHA homes program shall be retained by the corporation.

Thank you for the opportunity to comment on this measure.



SB2946
RELATING TO HOUSING
Senate Committee on Housing
Senate Committee on Water and Land

February 6, 2020

1:45 p.m.

Room 225

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on SB2946, which seeks to address the urgency of Hawai'i's affordable housing crisis. OHA appreciates the opportunity to be a meaningful part of the dialogue informing the development of this measure, and respectfully requests the following amendments be made (1) to ensure that lease term lengths are reasonably set; and (2) to clarify that state-owned lands set aside from the Governor or leased to the Hawaii Housing Finance and Development Corporation (HHFDC) remain consistently protected against inappropriate alienation; and (3) more equitably and appropriately reflect the interests of OHA and Department of Hawaiian Home Lands (DHHL) beneficiaries in the lands upon which the leasehold units may be located, as was proposed in similar measures this session and during the last legislative session.

First, consistent with past OHA positions, OHA expresses its concerns over the length of the of proposed 99-year leasehold interests in public lands, which may include Public Land Trust lands as well as "ceded" lands taken through the unlawful overthrow of the Hawaiian Kingdom, and to which Native Hawaiians maintain unrelinquished claims. Extremely long-term multi-generational leases, such as those proposed, may inhibit multiple future generations from ensuring the best use of public lands and Public Land Trust lands, and may inadvertently create a sense of entitlement on the part of lessees that has led and may continue to lead to the alienation of public and "ceded" lands. Notably, OHA objects to the sale or alienation of "ceded" lands except in limited circumstances, and has significant concerns over any proposal that may facilitate the diminution of the "ceded" lands corpus. While OHA understands that certain federal housing financing programs may require leasehold interests of 75 years, the 99-year leasehold interests in public lands proposed by this measure exceed even this lengthy 75-year lease term timeline. Thus, OHA suggests the following amendments to limit any leasehold interest under the ALOHA Homes program to no more than 75 years:

By amending the language on page 5, lines 3-6, to read as follows:

"(2) Authorize the Hawaii housing finance and development corporation (the "corporation") to sell the leasehold interest in residential condominium units located on

state lands for lease terms of seventy-five years; and”

And amending the language on pages 14, lines 17-21, and page 15, lines 1-3 to read as follows:

“§201H-E Sale of the leasehold interest of ALOHA homes; rules; guidelines. (a) The corporation shall adopt rules, pursuant to chapter 91, for the sale of the leasehold interest of ALOHA homes under its control within urban redevelopment sites; provided that each lease shall be for a term of seventy-five years. The rules shall include the following requirements for an eligible buyer or owner of an ALOHA home within an urban redevelopment site:”

And further amending the language on page 24, lines 1-3, to read as follows:

“(b) The term of the lease may be for seventy-five years, and the corporation may extend or modify the fixed rental period of a lease or extend the term of a lease of less than seventy-five years and the corporation may extend or modify the fixed rental period of the lease or extend the term of the lease.”

Although OHA maintains its concerns related to long-term multi-general leases, OHA does appreciate concerns raised regarding the potential for kupuna (elderly) without family or resources and those with special physical and health needs to outlive a 75-year lease; OHA is open to further discussion regarding whether or not statutory leases extension language to accommodate such exigent circumstances may be appropriate at this time.

Second, OHA requests that any proposals to exempt state lands from the definition of public lands in HRS § 171-2 be paired with amendments to ensure continued compliance with HRS § 171-64.7, a critical mechanism protecting our public lands, including “ceded” lands, from inappropriate alienation. The legislative approval required for the sale or gift of public lands under HRS § 171-64.7 ensures a close level of oversight, accountability, and transparency in the potential alienation of our limited public land base; this statutory requirement is particularly critical to maintaining the “ceded” lands corpus, and its enactment was a condition precedent to the settlement agreement in the OHA v. Housing and Community Development Corporation of Hawai’i lawsuit, brought in response to the State’s actions to sell and otherwise alienate “ceded” lands. After further review, OHA notes that 201H-9(c) authorizes HHFDC to sell property to any person or government. Therefore, even though it is OHA’s understanding that the ALOHA homes program does not anticipate fee sales, to the extent that this measure proposes to exempt any HHFDC-controlled state lands from the definition of public lands under HRS § 171-2 and the attendant public land provisions of Chapter 171, OHA urges that such

lands be expressly included under HRS § 171-64.7, consistent with lands HHFDC holds in title and other state lands excluded from HRS § 171-2.

Accordingly, OHA requests that the proposed subsection (d) of HRS § 201H-Q, found on page 24 lines 7-14, be amended to be read as follows:

“(d) State land set aside by the governor to the corporation and lands leased to the corporation by any department or agency of the State for a condominium described in this section shall be exempt from the definition of “public lands” under section 171-2, except for the provision in section 171-2(6) that subjects corporation lands to the accounting for all receipts for lands subject to section 5(f) of the Admission Act of 1959; provided further that any sale, gift, or exchange of real property shall be subject to the terms, conditions, and restrictions applicable to the sale, gift, or exchange of public lands in sections 171-50 and 171-64.7.”

Similarly, OHA respectfully urges that this measure include an additional section providing for parallel language to the proposed amendment to HRS § 171-2 to be added to HRS § 171-64.7(a)(4), to read as follows:

“(4) Lands that are set aside by the governor to the Hawaii housing finance and development corporation; lands leased to the Hawaii housing finance and development corporation by any department or agency of the State; or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title;”

Lastly, OHA urges the inclusion of language to ensure a set aside of leasehold units for transfer to OHA and/or DHHL, such as that found in an amended ALOHA Homes measure proposed last session. Given the maintained claims of Native Hawaiians in lands that may be developed and leased under this measure, the State’s fiduciary obligation to uphold the interests of Native Hawaiians in Public Land Trust lands that may be developed under this measure, as well as the State’s responsibilities to DHHL and its native Hawaiian beneficiaries, OHA strongly believes that it would be both equitable and appropriate to ensure a percentage of leasehold units contemplated for sale under this measure to be transferred to OHA and/or DHHL. OHA offers for the Committee’s consideration the following amendments that would better ensure that OHA and/or DHHL beneficiaries are able to more appropriately realize the benefits of SB2946. While OHA remains open to continued conversation regarding this matter, OHA proposes that the Committees consider two potential options to be inserted as a new subsection on page 14, after line 16:

The first option sets in statute the transfer of a specific percentage of ALOHA Homes units, specifically, at least 20% of units produced, to read as follows:

“(f) The corporation shall transfer at least 20% of ALOHA homes units within a residential project to the department of Hawaiian home lands or to the Office of Hawaiian Affairs, provided further that, if the transfer of at least 20% of units within a residential project would be unfeasible, the corporation shall set aside an equivalent number of units in a separate residential project for transfer to the department of Hawaiian home lands or the Office of Hawaiian Affairs.”

The second option would alternatively provide for the transfer of an unspecified amount or percentage of ALOHA Homes units, to be determined through administrative rules.

“(f) The corporation shall transfer ALOHA homes units within residential projects to the department of Hawaiian home lands or to the Office of Hawaiian Affairs, provided that the Corporation shall establish rules under chapter 91 to determine the number of units or the percentage of units to be transferred to the department of Hawaiian home lands or to the Office of Hawaiian Affairs, provided further that the corporation may not grant certificates of occupancy for any ALOHA homes units prior to the implementation of these rules.”

As highlighted in OHA’s testimonies in the past, **Native Hawaiians have significant and unique housing needs, and are particularly affected by the ongoing lack of affordable housing.** For example, data show that Native Hawaiians are less likely to own a home;¹ Native Hawaiian households are also much more likely to be crowded with more than two persons per bedroom,² and “doubled up,” with multigenerational or unrelated individuals living together in single households.³ Furthermore, Native Hawaiian households are twice as likely to have a ‘hidden homeless’ family member than all state

¹ See Office of Hawaiian Affairs, Native Hawaiian Homeownership Ho’okahua Waiwai Fact Sheet Vol. 2016, No. 1, page 3, available at <http://www.oha.org/wp-content/uploads/NH-Homeownership-Fact-Sheet-2016.pdf>. This figure includes 8,329 DHHL residential lease “owner-occupied” property units. DHHL Annual Report 2014, at 47, available at <https://dttl.hawaii.gov/wp-content/uploads/2011/11/DHHL-Annual-Report-2014-Web.pdf>. For non-DHHL properties, the Native Hawaiian homeownership rate is therefore 41.2%, 15.5 percentage points below the statewide rate.

² 21.3% of Native Hawaiian households are crowded with more than two persons per bedroom versus 10.9% of other households in the state. SMS, Hawai’i Housing Planning Study, at 73 (2019), available at https://dbedt.hawaii.gov/hhfdc/files/2020/01/FINAL-State_Hawaii-Housing-Planning-Study.pdf.

³ 24.5% of Native Hawaiian households, compared to 9.0% of state households include more than two generations or unrelated individuals. *Id.*

households.⁴ And a growing number of Native Hawaiian households are disproportionately at risk of becoming homeless.⁵ 75% of the Native Hawaiian demand for housing is for units affordable for households making below 140% AMI.⁶ This data demonstrates the dire need for affordable housing among the Native Hawaiian community and the potential of SB2946 to respond to that need, particularly if the above concerns are appropriately addressed.

Mahalo piha for the opportunity to testify on this measure.

⁴ 38% of Native Hawaiian households, compared to 19% of other households, reported having at least one person residing there because they had insufficient resources to buy or rent their own place. *Id.* at 74.

⁵ 32% of Hawaiian households indicated that they would become homeless if they lost their primary source of income for more than two months. This figure is up nine percentage points from the 2016 study, and compares to only 23% of non-Hawaiian households at similar risk. *Id.*

⁶ *Id.* at table 60.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
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
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 (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON HOUSING AND WATER AND LAND
ON
SENATE BILL NO. 2946

February 6, 2020
1:45 p.m.
Room 225

RELATING TO HOUSING

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 2946.

S.B. No. 2946 establishes the Affordable, Locally Owned Homes for All (ALOHA) housing program under the administration of the Hawai'i Housing Finance and Development Corporation (HHFDC); establishes the ALOHA homes revolving fund (ALOHARF); exempts certain land from the definition of public lands; requires HHFDC to develop an ALOHA homes demonstration project by July 1, 2025; appropriates an unspecified amount of general funds to be deposited into the ALOHARF; and appropriates an unspecified amount from the ALOHARF for FY 21.

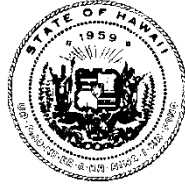
Funds from the ALOHARF would be used to provide low-cost, high density leasehold homes for sale to Hawai'i residents on State-owned lands within a one-mile radius of a public transit station. Revenues for the ALOHARF will be derived from all receipts and revenues of HHFDC pursuant to this measure, including the leasing of

commercial space. B&F notes that Act 167, SLH 2019, appropriated \$150,000 in general funds for HHFDC to study and formulate a plan to implement an ALOHA homes program and submit an interim report 20 days prior to the convening of the 2020 Legislature and that no interim findings were submitted, as the starting date of the contract was December 23, 2019, thus making the establishment of the program premature.

As a matter of general policy, the department 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. 2946, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

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

**SENATE COMMITTEE ON WATER AND LAND
SENATE COMMITTEE ON HOUSING**

February 6, 2020 at 1:45 p.m.
State Capitol, Room 225

In consideration of
S.B. 2946
RELATING TO HOUSING.

The HHFDC ***appreciates the intent*** of S.B. 2946, which boldly seeks to end the housing shortage in Hawaii through the establishment of the ALOHA Homes Program. We respectfully submit, however, that the measure may be premature.

Act 167, SLH 2019 (H.B. 820, H.D. 1, S.D. 1, C.D. 1) appropriated funds for HHFDC to study and prepare a plan to implement the ALOHA Homes Program. The Act requires HHFDC to submit a final report to the Legislature of its findings and recommendations, including any proposed legislation, no later than twenty days prior to the convening of the Regular Session of 2021.

HHFDC has just completed the procurement process to select a consultant for the study and will submit a report to the 2021 Legislature pursuant to the Act.

Thank you for the opportunity to testify.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committees on Housing and Water and Land
Thursday, February 6, 2020 at 1:45 P.M.
Conference Room 225, State Capitol**

RE: SB 2946, RELATING TO HOUSING

Chairs Chang and Kahele, Vice Chairs Kanuha and Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent** of SB 2946, which 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 Housing Finance and Development Corporation (HHFDC) to qualified residents. The bill would also exempt certain land from the definition of public lands and would require HHFDC to develop an ALOHA homes demonstration project by July 1, 2025.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

While we support the intent of SB 2946, we believe that under SB 3104, HHFDC will be tasked with many of the duties outlined in this bill. Therefore, we would ask that the Committee consider adopting SB 3104, as it may result in adopting all or portions of what is contained in the ALOHA Homes program.

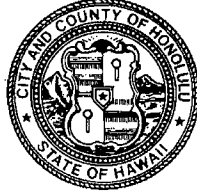
Thank you for the opportunity to provide comments on SB 2946.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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LATE

KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

February 6, 2020

The Honorable Stanley Chang, Chair
and Members of the Committee on Housing
The Honorable Kaiali'i Kahele, Chair
and Members of the Committee on Water and Land
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Chang and Kahele, and Committee Members:

**Subject: Senate Bill No. 2946
Relating to Housing**

The Department of Planning and Permitting (DPP) **offers comments** on Senate Bill No. 2946, which establishes the ALOHA Homes program.

We strongly support building affordable housing on State and county lands near rail stations. We applaud the intent of this program – to take bold action to increase the supply of affordable homes for local families – but we think the program could be adjusted slightly to maintain their affordability for generations. We also appreciate that the current draft addresses many of our comments on a similar Bill that was introduced last session. We are concerned with whether and how development of the State properties would align with City transit-oriented development (TOD) plans, zoning, and infrastructure investments.

We are also concerned about the long-term affordability goals and income mix proposed. It is an admirable goal to sell all units at a price affordable to families at 80 percent of AMI (or \$300,000, but this means that the same public subsidies are being given to both wealthy and lower income local families (including the value of the land, public infrastructure, fee waivers, and extra height and density). It might be more equitable to charge a price based on household income (like most affordable housing programs), so that only lower-income families pay a less-than-market price, rather than subsidizing wealthy families. While the State maintains the option to buy back the units on resale, the program does not appear to keep the units affordable over time, since they can be resold at market prices after five years (with 75 percent of the profit going back to the State). A \$300,000 condo would likely more than double in value on resale (especially near rail stations) and no longer be available to local lower and middle-income families. Yes, 75 percent of that windfall profit would go back to the program to develop more housing, but all the units would become unaffordable market-priced units over

The Honorable Stanley Chang, Chair
and Members of the Committee on Housing
The Honorable Kaiali'i Kahele, Chair
and Members of the Committee on Water and Land
Hawaii State Senate
Senate Bill No. 2946
February 6, 2020
Page 2

time. It might be preferable to limit appreciation on resale to the formula linked to the Consumer Price Index increases, and maintain a long-term affordable inventory.

Since some of the State lands that could be used for ALOHA Homes are large tracts, we also suggest that some portion of those large tracts be reserved for affordable rental housing. It would be unfortunate to have thousands of homes on hundreds of acres be limited only to people who earn 80 percent of the AMI or greater – especially when the majority of the documented housing need is for families below that threshold. For instance, roughly half of the City and County of Honolulu employees are at the 60 percent of AMI level or below. If the ALOHA Homes program is not adjusted to produce those rental units, we suggest that the Bill should specify that land be set aside in each phase of development for rental projects developed via other programs.

We support the intent of Senate Bill 2946, and look forward to working with you to refine the Bill so that we can fully support it.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathy Sokugawa", written in a cursive style.

Kathy K. Sokugawa
Acting Director



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEE ON HOUSING AND
THE COMMITTEE ON WATER & LAND
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225
THURSDAY, FEBRUARY 6, 2020 AT 1:45 P.M.**

To The Honorable Stanley Chang, Chair;
The Honorable Dru Mamo Kanuha, Vice Chair; and
Members of the Committee on Housing,

To The Honorable Kaiali'i Kahele, Chair;
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair; and
Members of the Committee on Water & Land,

TESTIMONY IN SUPPORT OF SB2946 RELATING TO HOUSING

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing share our support of SB2946.

As affordable housing and rentals are one of our top priorities, we support this bill that is another tool in the toolbox for addressing our housing crisis. We also appreciate that this is a statewide effort and addresses many topics the community is concerned about such as ensuring the units are owner-occupied and for residents.

We appreciate the opportunity to testify on this matter and ask that this bill be passed.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-2946

Submitted on: 2/4/2020 2:44:46 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Nelson	Testifying for Faith Action for Community Equity	Support	No

Comments:

Aloha, I am Liz Nelson and am testifying in support of this Aloha Homes bill. There is a huge lack of AFFORDABLE HOUSING on this island. And the Aloha Stadium project seems to be a good site and situation to add a goodly amount of this kind of housing. Sen Chang and several Faith Action members travelled to Hong Kong and Singapore to see very successful affordable housing buildings and feel that that model can work here. The need for new 50,000 homes for our islands was just written up in the newspaper and we all are very aware of the homeless crisis that exists.

Please give careful consideration to this bill. Thank you



February 4, 2020

Senate Committees on Housing and Water and Land
Thursday, February 6, 2020, 1:45pm
Conference Room 225

SB2946 – Relating to Affordable Housing

Aloha Committee Chairs, Vice-Chairs, and Members:

I am submitting testimony in my capacity as Director of Lending and Development for Hawaiian Community Assets (HCA), Hawaii’s largest HUD-approved housing counseling agency, and Hawaii Community Lending (HCL), a Department of Treasury certified community development financial institution, to offer **COMMENTS for SB2946**.

SB2946 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 Hawaii housing finance and development corporation (HHFDC) to qualified residents.

Our organizations support the intent of the bill, but believe there is the need to first utilize existing State statute to implement a pilot project that maximizes our ability to leverage public and private investments to build affordable housing and results in a study with best practices and lessons learned to inform a future ALOHA homes program.

99-Year Leases for Low-Cost Homeownership Already Possible through HHFDC

The State Legislature passed a bill in 2006 that allows the Hawaii Housing Finance and Development Corporation (HHFDC) to issue 99-year leases of public land for affordable housing.

Under HRS 201H-57, the HHFDC may issue “[l]and leases to nonprofit organizations providing affordable housing”. The statute goes on to state that leases shall be for 99 years at the cost of \$1 per year and will be long-term, renewable, and transferable with the land reverted back to HHFDC in the event the land is no longer being used for affordable housing. To date, the statute has never been used, no nonprofit has received a 99-year lease for affordable housing.

Rather than expanding the issuance of 99-year leases of public land and relaxing the requirements for their use as proposed in the current version of SB2946, our organizations recommend HHFDC to first use HRS 201H-57 to implement a pilot project that would provide 99-year leases to nonprofit community land trusts and/or nonprofit developers targeting the housing needs of ALICE households earning up to 80% AMI. This would provide our nonprofits with low-cost land necessary to meet the mortgage qualifications of ALICE households up to 80% HUD area median income (AMI) as well as position them to leverage State funds to attract other public and private sources of capital to the greatest extent possible.

As part of the ALOHA homes pilot project, nonprofits could partner with for-profit developers to include in developments the building of market-rate housing units up to 140% AMI for leasehold, if there is a market demand, while still ensuring the State Legislature is targeting our public resources to our greatest projected housing demand first-and-foremost (i.e. households earning up to 80% AMI).

Additionally, we recommend a study be conducted and completed by 2026 on the use of the lands under these nonprofits, their real and potential impact on affordable housing for households earning below 80% AMI, and opportunities for leveraging additional public and private resources to increase investments in affordable housing for ALICE households through a future ALOHA homes program.

Mahalo for your time, leadership and consideration. **Please take action and adopt our recommendations for SB2946.** Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions or need additional information.

Sincerely

A handwritten signature in black ink that reads "Jeff Gilbreath". The signature is written in a cursive, slightly slanted style.

Jeff Gilbreath
Director of Lending and Development



Senate Committee on Housing
Senate Committee on Water and Land
February 6, 2020 at 1:45 p.m.
State Capitol Conference Room 225

SUPPORTING SB 2946

The Church of the Crossroads, founded in 1922, is Hawaii's first intentionally multicultural church and is committed to a mission of peace, justice, and environmental preservation.

Hawaii faces a critical need for affordable housing because so many people are struggling financially. About half of Hawaii's residents do not have enough to pay for all of their basic needs because their earnings are not enough to cover Hawaii's high cost of living. These are the people who are a paycheck or two away from homelessness.

State and county housing agencies have been trying to create affordable housing in the usual ways. But development costs are so high and the shortage of affordable housing is so great that they have been able to create only a fraction of what is needed.

This bill proposes a new approach, adapting the Singapore model to fit Hawaii's circumstances. Singapore was facing a housing crisis half a century ago. Its government was determined to take action, and since then it has been able to develop nearly a million residential units for its citizens that today house 80% of them. In Singapore, a government agency plans, develops, and constructs the housing units, which are integrated with commercial, recreational, and social urban amenities. These dense, mixed-use walkable developments are environmentally efficient and minimize the need for personal vehicles.

For Honolulu, the rail transit system that is under construction would further reduce the need for personal vehicles. The State is the largest landowner along the rail line, owning about 2,000 acres. Since the cost of that land would be zero, the development of affordable housing there is realistic.

This bill requires homes to be priced to be affordable to individuals or families earning 80% of the area median income -- or \$300,000 -- whichever is less. It is designed for residents who need housing by requiring the following:

- (1) The owner must be a resident of Hawaii.
- (2) The owner must live in the housing unit.
- (3) The owner or spouse of the owner or anyone else living in the housing unit may not own any other residential property.

The shortage of affordable homes in Hawaii is so great that residents are leaving to relocate on the mainland where housing costs are lower. This bill has the potential to significantly increase the supply of affordable housing for the people of Hawaii.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF SB 2946: Relating to Housing

TO: Senator Stanley Chang, Chair, Senator Kaiali'i Kahele, Chair; and Members, Committees on Housing and Water and Land

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

Hearing: **Thursday, 2/6/20; 1:45 PM; CR 225**

Chair Chang, Chair Kahele, and Members, Committees on Housing and Water and Land:

Thank you for the opportunity to provide testimony **in support** of SB 2946, which establishes the ALOHA Homes program to develop low-cost homes on state-owned and county-owned in urban redevelopment sites to be sold in leasehold. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners in Care.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

While we have usually focused on the need for affordable rental units to house our most vulnerable and at-risk citizens, we now join the cohort of supporters for ALOHA Homes. As a State, we **MUST** find housing solutions that enable our young workers, the future of our State, to continue living in Hawaii. Dense, high-rise living is the wave of the future, especially for our island state. We support the concept of ALOHA Homes which promotes higher density along the rail line, for truly affordable housing for owner occupants. The mix of transportation and commercial activities may reduce the dependence upon cars and the oil/gas they require. This supports other State goals to "go green". We support state land being used for leasehold condos which would not only reduce the initial cost of these units but also reduce speculation which drives up prices over time.

The innovative ideas in ALOHA Homes may need further refinement. We need to start now to investigate innovative construction methods and other advancements in technologies to make lower cost housing feasible. We must also remember that we are building communities, not just housing, which can support and enhance the lives of our Hawaii residents for years to come.

We applaud you for your focus to find new innovative ways to create for-sale units which are truly affordable for Hawaii's workforce and the critical ALICE population. The **KEY** is the cost. Keeping the cost of a unit down to \$300,000 to \$350,000 would give hope to so many of our struggling families.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.





BEFORE THE SENATE HOUSING AND WATER AND LAND COMMITTEES
FEBRUARY 6, 2020

SENATE BILL 2946
Relating to Housing

Aloha Chair Chang, Vice Chair Kanuha, Chair Kahele, Vice Chair Keith-Agaran and Members of the Committee,

Ka Lāhui Hawai'i Political Action Committee (KPAC) submits the following written testimony in **STRONG OPPOSITION** to Senate Bill 2946 which would create the ALOHA homes program to develop housing along the rail allowing them to condemn property as needed and give out 99 year leases for "state lands" aka Hawaiian Kingdom crown and government lands. This bill would also exempt lands leased or transferred to the control of Hawai'i Housing Finance and Development Corporation from the definition of "public lands" as defined in chapter 171 of the Hawai'i Revised Statutes.

There are a lot of problems with this measure:

1. **Hawaiian Trust Lands are in danger of being condemned.** The Department of Hawaiian Home Lands and the Kamehameha Schools lands are within the development vicinity of the Rail system and under this proposed measure is in danger of the being condemned for the purposes of the ALOHA homes program. The development along the rail will extend far beyond the proposed housing units in order to incorporate recreation areas, walkways, schools, etc.
2. **Stolen Hawaiian Lands that make up the "Public Trust" are being given out in pseudo ownership for 99 year leases for development with no input from the Kanaka Maoli community.** The majority of the lands held by the State of Hawai'i are "ceded lands" or Hawaiian Kingdom crown and government lands. Professor Williamson Chang stated in a lecture given on October 1, 2014 entitled "Hawaii's 'Ceded Lands' and the Ongoing Quest for Justice in Hawai'i" that the Joint Resolution was incapable of acquiring these Hawaiian Kingdom public lands. Despite this analysis, the former Crown and government lands of the Kingdom of Hawai'i were illegally transferred to the US and as a condition of Statehood was transferred to the State of Hawai'i to be held as a public trust for 5 purposes including the betterment of the conditions of native Hawaiians (as defined in the Hawaiian Homes Commission Act, 1920).
3. **Using "Public Trust" lands for the purposes of building "affordable housing" with no income qualification limit is a breach of the trust.** The Admissions states that if "Public Trust" lands are used for any other object besides the 5 purposes this shall constitute a breach of trust for which suit may be brought by the United States.

4. **The Kanaka Maoli people have unsettled and unrelinquished claims to the 1.8 million acres of Hawaiian Kingdom crown and government lands that were illegally seized by the US and now make up the vast majority of the “state lands” that is being proposed for the ALOHA homes program.** The Apology Bill aka US Public Law 103-150, passed by Congress and signed by President Clinton in 1993, recognized that “the indigenous Hawaiian people never directly relinquished their claims to their inherent sovereignty as a people or over their national lands to the United States” and that “the Republic of Hawai‘i also ceded 1,800,000 acres of crown, government and public lands of the Kingdom of Hawai‘i, without the consent of or compensation to the Native Hawaiian people of Hawai‘i or their sovereign government”.

The Ka Lāhui Hawai‘i Political Action Committee (KPAC) affirms and defends our Kanaka Maoli peoples’ right to over 1.8 million acres of our national lands.

Respectfully submitted,

M. Healani Sonoda-Pale
Chair, KPAC

LATE

SB-2946

Submitted on: 2/5/2020 2:29:35 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Robin Danner	Testifying for HCDC, an affordable housing nonprofit	Support	No

Comments:

Aloha, the Homestead Community Development Corporation (HCDC), founded in 2009 is a nonprofit dedicated to affordable housing and job creation on or near Hawaiian Home Lands as created under the Hawaiian Homes Commission Act of 1920. HCDC, supports SB2946, establishes the ALOHA program. HCDC support the efforts to develop multi-family units for the low to moderate income general public which includes Native Hawaiians. Thank you.



LATE

Young Progressives Demanding Action
P.O. Box 11105
Honolulu, HI 96828

February 6, 2020

**TO: Senate Committee on Housing
Senate Committee on Water & Land**
RE: Testimony in support of SB2946

Dear Senators,

Young Progressives Demanding Action (YPDA) advocates for public policies that reflect the values of young people throughout the State of Hawai'i.

Honolulu's housing shortage is the largest in the nation. There are less than 42 homes available for every 100 adults, where most cities have more than 50. Hawaii's refusal to ensure a sufficient housing stock has resulted in out of reach housing prices. We are officially in a housing crisis.

The responsibility falls on the state to end this housing crisis. This ALOHA Homes plan will take a two pronged approach to this crisis. It proposes to significantly increase the housing stock while also ensuring that the units that are built are available at affordable prices for the local residents.

As this is the only reasonable plan that has been proposed by any legislator to address the housing crisis, it's imperative that the state do everything in its power to implement this as robustly as possible.

We support SB2946.

Thank you for the opportunity to testify,

YPDA Economic Justice Action Committee
Action@ypdahawaii.org



LATE

SENATE COMMITTEE ON HOUSING, AND WATER AND LAND
State Capitol, Conference Room 225
415 South Beretania Street
1:45 PM

February 6, 2020

RE: SENATE BILL NO. 2946, RELATED TO HOUSING

Chairs Chang and Kahele, Vice Chairs Kanuha and Keith-Agaran, and members of the committees:

My name is Dwight Mitsunaga, 2020 President 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 S.B. 2946, which 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 housing finance and development corporation (HHFDC) to qualified residents. The bill will also exempt certain land from the definition of public lands.

We believe that under S.B. 3104, HHFDC will be tasked with many of the duties outlined in S.B. 2946. However, rather than get into the details of how HHFDC should implement a new affordable/workforce housing program, we would prefer to focus on getting S.B. 3104 passed this session and allow HHFDC to work through implementation of the legislation, as it may ultimately result in adopting all or portions of what is contained in the ALOHA Homes program.

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

LATE



Environmental Caucus of The Democratic Party of Hawai'i

Thursday, February 6, 2020

Senate Bill 2946

Testifying in Support, with an amendment

Me ke Aloha Chairs Chang and Kahele, Vice-Chairs Kanuha and Keith-Agaran, and members of the Housing and Water and Land Committees

The Environmental Caucus of the Democratic Party **supports passage of SB2946, Relating to Housing.**

We are grateful for the initiative resulting in this bold and paramount legislation for island residents.

The introduction of this bill outlines the problem very neatly. The Environmental Caucus embraces this bill as a reflection of Aloha 'Aina and as part of a national revival of forward-thinking programs to correct a terribly imbalanced and inequitable economy through a Green New Deal for Hawaii working families, meant to facilitate better access to affordable housing. As such, we offer a simple, friendly amendment to tie this initiative to the larger purpose of expressing solidarity with working families by correcting fundamental inequalities in our economy. The purpose in doing so is to connect with the energy being expressed nationwide with the Green New Deal, gathering greater support for this bill's important passage. We propose the following introductory sentence, to precede the current beginning sentence:

“Section 1. The Legislature finds that the Green New Deal places a strong emphasis on correcting the serious affordable housing situation facing Hawaii residents. [~~The Legislature finds that~~] T[~~h~~e] cost and availability of housing in the State are significant challenges facing Hawaii residents...” (etc.)

This bill will seem ambitious to some, but not for a wide majority of Hawaii residents, who recognize how out of balance our housing situation is, where “affordable” definitions are an ugly joke, essentially eliminating 70% of Hawaii households from the prospect of having decent housing. The spectacle of building housing for people who don't live here, affordable to a global affluent class and a few local families leveraging existing real estate to pay for their children's education is a scandal. Meanwhile the median income household fights for available space, all too often one paycheck away from landing on the street. We are supporting a number of construction workers with this strategy, but it is not benefiting the majority of working families. It is a cruel strategy of pitting some local families against other local families.

The equitable strategy proposed by this bill accomplishes a major boost in construction, for large and small projects alike, building whole communities, not just luxury highrise. While offering affordability to all who desperately need it as a universal opportunity, it properly uses public resources for a public purpose, extending opportunity to the families currently left out and excluding the use of public resources for private wealth-building by those who already have a stake in the economy. By using public resources, the plan allows for high density and provides an affordable mix of community functions, using

public transportation, bicycling, and walking in safe passageways. In doing so, it retains housing affordability for future generations, and by adding to the housing stock, spreads the opportunity for local families to build their nest eggs and to take pride in their stature.

Life in the islands has for too long tried to follow the colonial example of suburban sprawl, but the islands are much too small for that. Planners are finally coming to grips with the fact that while we have been sold a lifestyle, we cannot afford it. In fact, a recent poll indicates that the latest experiment - Kapolei – boasts the largest number of people who want to live somewhere else. The Rail boondoggle will not solve the transportation crisis, and people yearn for a return to a sense of place afforded by a true community setting. It is time to build communities once again, not pretentious suburbs but real communities that people can afford to live in, stay in, and build a future.

The co-signers of this bill are a testament to the importance and timeliness of this bill. The Chair is to be lauded for his tenacity and initiative in taking us down a more fruitful path. In the tradition of support for Hawaii working families, with special note on the growing inequalities within our communities, it is essential that we support this bill in addition to a number of complementary bills. For the Environmental Caucus and its Green New Deal initiative, our support for this and related housing bills is essential to assure affordable housing for all Hawaii working families. The Green New Deal Committee strongly urges prompt passage of this bill.

Mahalo for this opportunity to testify,

Charley Ice
Chair, Green New Deal Housing Committee
Environmental Caucus
Democratic Party of Hawai'i

LATE



SB 2946, RELATING TO HOUSING

FEBRUARY 6, 2020 · SENATE HOUSING
COMMITTEE AND SENATE WATER AND LAND
COMMITTEE · CHAIRS SEN. STANLEY CHANG AND
SEN. KAIALI'I KAHELE

POSITION: Support.

RATIONALE: IMUAlliance supports SB 2946, relating to housing, 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 Hawaii housing finance and development corporation (HHFDC) to qualified residents, exempts certain land from the definition of public lands, and requires HHFDC to develop an ALOHA homes demonstration project by July 1, 2025.

Today, **the lack of affordable housing exacerbates the economic insecurity suffered by local families, which sex traffickers use to prey upon potential victims with false promises of financial stability and prosperity.** Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2019* report found that a full-time worker would need to earn \$36.82/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015.

Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 111 hours per week to afford a modest one-bedroom apartment at fair market value and 146 hours per week to afford a two-bedroom—a number that is equivalent to

working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$16.68/hour, according to NLIHC, scarcely enough to meet their basic needs.

One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 63 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a third consecutive year in 2019, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by more than 4,700 people, to 1,415,872, from July 2018 to July 2019, when births, deaths, and migration were accounted for. That's the biggest numerical population drop since 2015 and it made Hawai'i one of just ten states in the country to lose population in 2019, according to the U.S. Census Bureau. People are simply being priced out of paradise.

While adoption of the Singapore housing model on which this proposal is based is complicated for the islands, **the Hawai'i Housing Planning Study released by SMS Research and Marketing Services earlier this year states that Hawai'i needs to build 50,156 new homes—for sale and rent—over the next five years to meet demand.** Yet, the study notes that homebuilders produced only 2,675 new homes on average annually from 2014 to 2017, down from a 2,800-home annual average between 2011 and 2014. To satisfy future demand, therefore, our state must produce 10,000 new homes per year. Over the next decade, however, SMS projects that an annual average of under 2,000 new homes will be produced, nowhere near enough to meet demand. To ensure that our islands are affordable for ourselves and future generations, we must take bold action **now** to increase our affordable housing supply for working families and advance the goal of providing homes for all.

SB-2946

Submitted on: 2/3/2020 3:13:25 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Liz King Salz	Individual	Support	No

Comments:

Hawaii, and Oahu in particular, needs more low-cost housing, and the government must provide it. The private sector will never meet the needs of the folks on the lowest rungs of the economic ladder. When people cannot find housing, they are forced to make bad decisions, because there are no good decisions open to them. Homelessness is hard on people, the environment, and the entire community. EVERYONE will benefit from the construction of affordable housing. The negative affects of homelessness ripple throughout the entire economic pond. Building and maintaining affordable housing for the most needy amongst us is not only the right thing to do from a moral perspective, it also makes good economic sense. A safe and secure population improves the health and well-being of our entire community.

SB-2946

Submitted on: 2/4/2020 1:32:12 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Bruce Anderson	Individual	Support	No

Comments:

I support this bill to encourage truly affordable housing in our state.

SB-2946

Submitted on: 2/5/2020 2:11:50 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Cabalse	Individual	Oppose	No

Comments:

SB-2946

Submitted on: 2/5/2020 8:14:25 AM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Margaret ANN Renick	Individual	Support	No

Comments:

Passing this bill will do much to ease Hawaii's homeless situation, and improve quality of life for all of us. Thank you.

SB-2946

Submitted on: 2/5/2020 11:21:50 AM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
John Bickel	Individual	Support	No

Comments:

The housing crisis in Hawaii is that demand outstrips supply. This bill changes that dynamic.

SB-2946

Submitted on: 2/5/2020 12:43:02 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Godbey Carson	Individual	Support	No

Comments:

I strongly support this bill. I am a member of Faith Action and a prior president of the Insittute for Human Services, testifying here as an individual.

This bill proposes a new approach, adapting the Singapore model to fit Hawaii's circumstances. I was one of the volunteers who went on the legislative delegation to Singapore last year seeking better housing solutions for Hawaii. I came away so impressed by the model of urban high density housing Singapore uses, situated near rails lines, and built on government lands to help make units affordable. This bill is inspired by that model and requires homes to be priced to be affordable to individuals or families earning 80% of the area median income -- or \$300,000 -- whichever is less. It is designed for residents who need housing by requiring the following:

1. The owner must be a resident of Hawaii.
2. The owner must live in the housing unit.
3. The owner or spouse of the owner or anyone else living in the housing unit may not own any other residential property.

We desperately need tens of thousbands of more housing units. This bill is a game changer that would do that in a way to create positive transit-oriented development while allowing us to "keep the country country." This bill has the potential to significantly increase the supply of affordable housing for the people of Hawaii. Please pass this bill.

Thank you for your consideraiton of this measure.

Ellen Godbey Carson

SB-2946

Submitted on: 1/31/2020 10:47:36 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dyson Chee	Individual	Support	No

Comments:

SB-2946

Submitted on: 2/5/2020 3:21:19 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Lacques	Individual	Oppose	No

Comments:

LATE

SB-2946

Submitted on: 2/5/2020 2:06:22 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lani Minihan	Individual	Oppose	No

Comments:

These lands should not be allowed for development for low-income, when the income quotas are set so high. This is a false bill to open the lands disguised as beneficial for low-income, when it's really to open more real estate for foreigners moving to Hawaii.

I oppose this bill and it should be dissolved.

LATE

FAITH ACTION FOR COMMUNITY EQUITY

Before the Senate Committee on Housing
Senate Committee on Water and Land
February 6, 2020 at 1:45 p.m.
State Capitol Conference Room 225
SUPPORTING SB 2946

Faith Action for Community Equity is a coalition of religious and community organizations driven by a spiritual commitment to improve the quality of life for all of the people of Hawaii by addressing the root causes of social justice challenges.

Hawaii faces a critical need for affordable housing. About half of Hawaii's residents do not have enough to pay for basic needs. What they earn fails to match Hawaii's high cost of living; they live a paycheck or two away from homelessness.

State and county housing agencies have sought conventional approaches to generating affordable housing. But the shortage of housing within reach of lower income families is so great that the state has built only a fraction of what is needed.

The ALOHA homes program offers a new approach, fitting the Singapore model to Hawaii's circumstances. Singapore faced its housing crisis in the early 1960s. Singapore's government was determined to take action, and since then it has been able to develop nearly a million residential units for its citizens that today house 80% of them on land 40% the size of Oahu. Singapore's housing units are integrated with commercial, recreational, and social urban amenities. They are dense, mixed-use, environmentally efficient, walkable developments that minimize the need for personal vehicles.

Honolulu's rail transit system under construction would similarly reduce local project need for personal vehicles. Fortunately, the State is the largest landowner along the rail line, owning about 2,000 acres. Since the cost of that land would be zero, it's realistic to develop affordable housing near each planned rail station.

This bill requires homes to be sold at a median price of \$300,000, making them affordable to households earning 80% or less of area median income. To qualify, owners must be able to meet the following conditions:

- (1) be a resident of Hawaii.
- (2) live in the housing unit.
- (3) along with anyone else living in the housing unit, own no other residential property.

Hawaii's shortage of affordable homes is so great that residents are relocating lower priced homes on the mainland. This bill has the potential to significantly increase Hawaii's supply of affordable housing, holding families here and bringing back those who have left.

LATE

SB-2946

Submitted on: 2/5/2020 1:51:27 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Murphy	Individual	Oppose	No

Comments:

SB-2946

Submitted on: 2/5/2020 1:49:13 PM

Testimony for HOU on 2/6/2020 1:45:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Whispering Wind	Individual	Oppose	No

Comments:

LATE

SB-2946

Submitted on: 2/6/2020 10:18:19 AM

Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon Rudolph	Individual	Oppose	No

Comments:

oppose