

United States Senate

Testimony in SUPPORT of SB 3104
RELATING TO LAND DEVELOPMENT

LATE

February 6, 2020

The Honorable Stanley Chang, Chair
The Honorable Dru Mamo Kanuha, Vice Chair
Hawai'i State Senate Committee on Housing

The Honorable Kaiali'i Kahele, Chair
The Honorable Gilbert S. C. Keith-Agaran, Vice Chair
Hawai'i State Senate Committee on Water and Land

Dear Chairs Chang and Kahele, Vice Chairs Kanuha and Keith-Agaran and
Members of the Senate Committee on Housing and Senate Committee on Water and Land:

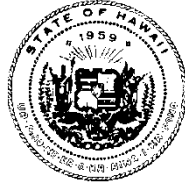
I am testifying in strong support of SB 3104. This bill represents the effort of stakeholders and elected leaders across the state to identify steps that can and must be taken to implement structural reforms to increase the supply of affordable housing in Hawai'i.

For too many, housing means overcrowded dwellings, fear of becoming homeless because rent goes up or crushing commutes on crowded highways. We must do better for working families, not just for a prosperous future but to give people some breathing room for family time, to volunteer to help neighbors, for personal growth and all the other things that make a community vibrant and resilient. Everyone deserves that quality of life.

This bill advances us down the path to take bold, ambitious steps to face down the biggest obstacle we face for a better Hawai'i. Thank you for your commitment and for the opportunity to testify.



BRIAN SCHATZ
United States Senator



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. 3104
RELATING TO LAND DEVELOPMENT.

The HHFDC ***strongly supports*** S.B. 3104, provided it does not adversely impact priorities set forth in the Executive Supplemental Budget. This omnibus housing development measure will facilitate the development of affordable homes for Hawaii's workforce.

HHFDC has the following specific comments on this bill.

Part II

- Section 3 amends §201H-9, HRS, to authorize HHFDC to issue leases for real property set aside by the Governor or leased by any State department or agency for a period not to exceed 99 years. HHFDC would prefer an amendment to §171-2, HRS, to exempt such lands from the definition of "public lands", as proposed in S.B. 2853 and H.B. 2297. Should both bills pass, we respectfully request adding a new subsection (f) to read as follows:

(f) The powers conferred upon the corporation by this section shall be in addition and supplemental to the powers conferred by any other law, and nothing in this section shall be construed as limiting any powers, rights, privileges, or immunities conferred.

- We strongly support the appropriation of funds in Sections 5 through 7, which addresses one of the major impediments to the development of affordable housing; namely, the lack of major off-site infrastructure. Section 6 targets \$200 million for infrastructure to support the development of housing on lands owned by the University of Hawaii at its West Oahu campus. However, we respectfully request that the appropriation language in Section 6 be broadened to provide HHFDC with the added flexibility to fund those regional infrastructure projects that will enable the completion of housing projects as quickly as possible. We suggest the following language be added to Section 6:

SECTION 6. There is appropriated out of the dwelling unit revolving fund the sum of \$200,000,000 or so much thereof as may be necessary for fiscal year 2020-2021 for the establishment of regional infrastructure for the primary purpose of supporting development of housing on lands located within one mile of a rail transit station, including lands owned by the university of Hawaii that are near or adjacent to the university of Hawaii West Oahu campus;...

- We note that HHFDC will require at least 3.0 full-time project manager positions to oversee the infrastructure work funded by this bill. We estimate that total salary and fringe benefits for these positions will require approximately \$500,000 per year to fund.

Part III

- Section 9 amends §201H-12(b), HRS, to authorize HHFDC to develop public land having an area between 15 acres and 25 acres in an agricultural district using the process established pursuant to new §205-3.1(e). Section 201H-38(a)(4), HRS, provides for an expedited 45-day process for State land use district boundary amendments. We believe that the amendment to §201H-12(b), HRS, is additive to the existing State land use redistricting process. We respectfully request an amendment such that page 8, lines 19 to 21, read as follows:

(b) The corporation may develop public land in an agricultural district subject to the prior approval of the land use commission, when developing lands greater than fifteen acres in size, and public land in a conservation district subject to the prior approval of the board of land and natural resources[-]; provided that the corporation may use the process established pursuant to section 205-3.1(e) develop lands having an area between fifteen acres and twenty-five acres. ~~using the process established pursuant to section 205 3.1(e).~~ The corporation shall not develop state monuments, historical

sites, or parks. When the corporation proposes to develop public land, it shall file with the department of land and natural resources a petition setting forth the purpose for the development. The petition shall be conclusive proof that the intended use is a public use superior to that which the land has been appropriated.

- Section 10 of the bill amends section 205-3.1, HRS, by adding new subsection (e) which allows a person to petition the county decision making authority for a district boundary amendment involving lands comprising 25 acres or less "provided that the majority of the development for which the boundary change is sought shall be for affordable housing." We suggest an amendment to this provision to reference the definition of "affordable housing" in section 201H-57(b), HRS (i.e. at or below 140 percent of the area median income).

Part IV

HHFDC does not have any comments on this portion of this bill.

Part V

HHFDC supports the intent of Part V, which establishes the position Office of the Housing Ombudsman to focus efforts on addressing the housing shortage.

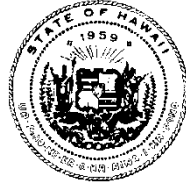
Part VI

HHFDC is in strong support of Part VI, which lifts the \$38,000,000 cap on the Rental Housing Revolving Fund's (RHRF) share of conveyance taxes. HHFDC currently receives 50 percent of conveyance taxes, up to a maximum of \$38 million per fiscal year. Any excess accrues to the General Fund.

Based on data provided in the Department of Taxation's annual reports, since FY2015, when the RHRF's share of conveyance taxes was increased to 50%, there has only been one year in which the \$38 million cap has not been reached.

Thank you for the opportunity to testify.

DAVID Y. IGE
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

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

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

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

In consideration of
SB 3104
RELATING TO LAND DEVELOPMENT

Honorable Chair Chang, Honorable Chair Kahele, and Members of the Senate Committee on Housing and Members of the Senate Committee on Water and Land, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 3104, relating to land development.

The Hawaii Public Housing Authority (HPHA) supports, with amendments, SB 3104, which addresses many housing related issues that will assist our state to get out of the housing crisis.

The HPHA would like to humbly request that page number 23, lines 1-2 and page 23, lines 9-10 be removed from the measure.

In order to receive federal funds, the HPHA, and all other housing authorities, enter into an Annual Contributions Contract (ACC) which provides the terms and conditions between the HPHA and the United States of America, by the Department of Housing and Urban Development (HUD) and covers all federal public housing projects and programs. The HPHA is required to operate these programs in compliance with federal rules and laws. **Page 23, lines 1-2** of the bill is unnecessary, will add an administrative burden and would interfere with the federally mandated grievance process that is currently in place which would cause the HPHA to be in violation of the ACC, rendering the HPHA federally non-compliant and put federal funding at risk.

Similarly, **page 23, lines 9-10** of the bill is unnecessary because it would interfere with the ACC federally mandated roles and responsibilities of the HPHA's Board of Directors (Board). The Board consists of eleven (11) total members, nine (9) are appointed by the Governor and confirmed by the Senate. HUD mandates that the Board be the "legally and financially responsible governing body of a Public Housing Authority (PHA) and the first line of accountability for the PHA's performance".

It is the Board that is tasked with providing policy guidance to the HPHA when it comes to improving the living conditions for the residents that call our public housing communities their home. Any policy that conflicts with this important role of the Board will not only interfere with the Board's obligations, but also slow down the progress of the HPHA's rehabilitation and redevelopment projects.

The HPHA is the only housing agency that is specifically named in this measure but we would like to inform you that our development team and Construction Management Branch public servants have the expertise and are already tasked with facilitating redevelopment and rehabilitation of our existing state public housing units. The HPHA is only one of a couple of state agencies that have embarked in development of additional units and in fact, three of our projects have already been initiated and are at different stages of progress. Please know that the HPHA does, and will continue to, communicate and work with all government departments and agencies, private sector development partners, utilities and all directly affected entities when it comes to the redevelopment of any HPHA properties.

The HPHA appreciates the opportunity to provide the Committees with the HPHA's testimony regarding SB 3104. We thank you very much for your dedicated support.



**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 3104, RELATING TO LAND DEVELOPMENT

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 3104, which would propose the following:

1. Authorizes the Hawaii Housing Finance and Development Corporation to lease real property for a period not to exceed 99-years for the development of certain projects that include affordable housing. Requires the Hawaii Housing Finance and Development Corporation to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings.
2. Authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawaii West Oahu campus.
3. Authorizes the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less.
4. Authorizes a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the development will be for affordable housing.
5. Authorizes the State Historic Preservation Division (SHPD) to delegate the responsibility of historic preservation project reviews to the impacted county.
6. Establishes the Office of the Housing Ombudsman.
7. Removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year.

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.

The Chamber appreciates the Legislature's work to introduce a package of bills to address cost-of-living issues through a comprehensive and holistic approach. We believe that we all must play a part in allowing Hawaii residents to find brighter futures here at home. The



Chamber of Commerce HAWAII

The Voice of Business

Chamber is committed to contributing to collaborative approaches. Our businesses are an integral part of our communities, and many face similar challenges that families grapple with on a daily basis.

According to the Department of Business, Economic Development and Tourism, the state of Hawaii needs about 50,000 more housing units by 2025 to meet residential demand. SB 3104 contains many of the issues that need to be addressed in the state in order to increase the supply of housing at all price points for Hawaii's residents.

Allowing for the sale of 99-year leasehold condominiums would allow the state to retain the fee simple interest in the property while allowing lessee's essentially three generations of use of the property. This is similar to how the governments in Hong Kong and Singapore lease out government owned residential units, as it allows families to build equity and provides the security that the unit can be passed on to other family members.

Investment in infrastructure capacity buildings around the UHWO campus and on the neighbor islands is the required first step in building our way out of our housing crisis. As more site-specific information becomes available, our hope is that other landowners adjacent to the state lands will partner with the state and be able to leverage state investments in infrastructure to open more lands for housing, both for sale and rentals.

Addressing the duplicative land use entitlement process by allowing agencies to petition the counties is a step in the right direction. The counties are the "urban planners" and are responsible for identifying areas of growth needed on each island. Through this bill, the counties would be responsible for planning for their own growth.

We understand the issue with SHPD has been the challenges of hiring and retaining qualified staff. Allowing the counties to hire professionals who meet the requirements established by SHPD would allow for timely processing of reviews and approvals. In addition, the legislation should consider allowing for third-party reviews where private entities can be "certified" by SHPD to conduct non-discretionary reviews to assist SHPD and/or the counties in processing the various permits. This third-party review system is currently being used by the City and County of Honolulu for processing building permits.

Establishing the Office of the Housing Ombudsman is a step in the right direction. While the responsibilities are rather broad, there should be some consideration to prioritizing around issues and items that will increase the supply of housing at all price points as quickly as possible. For example, the office should be responsible for identifying the state-owned lands that need to be redeveloped along the transit corridor on Oahu. Leaving this strategic decision to agencies with little or no real estate development experience is not in the state's best interest. The office should also be working with the Counties to get housing projects approved and permits issued in an efficient manner.



Chamber *of* Commerce HAWAII

The Voice of Business

While we believe this bill is a step in the right direction, we also realize that there is much more work ahead as we start building our way out of our housing crisis. We are hopeful that this effort by the state will be matched by both the counties and private sector to find cooperative ways to increase the supply of housing.

Thank you for the opportunity to provide testimony in support of SB 3104.

DAVID Y. IGE
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

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

**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 3104
RELATING TO LAND DEVELOPMENT**

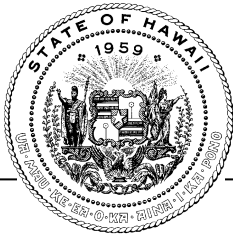
Senate Bill 3104 proposes to provide solutions to expeditiously develop housing for working families in the State, including delegating responsibility to the Counties to carry out Section 6E-42, Hawaii Revised Statutes (HRS), reviews relating to historic properties, aviation artifacts, or burial sites. **The Department of Land and Natural Resources supports this measure, including the proposed amendments to Section 6E-42, HRS.**

Senate Bill 3104 SECTION 14 proposes to amend Section 6E-42, HRS, to authorize the Department to delegate responsibility to the counties to carry out Section 6E-42, HRS, reviews. The Department believes that delegation of Section 6E-42, HRS, reviews to a county that requests delegation has the potential to help facilitate the development of much needed housing, any associated required infrastructure, as well as a wide variety of other projects subject to county permit requirements. The Department also believes such a delegation can be accomplished in a manner that ensures substantive review of permit applications and meaningful consideration of the effects of permitted projects on the historic properties as intended by Section 6E-42, HRS.

The Department believes that SECTION 14 of Senate Bill 3104 provides an appropriate basis for developing a program to authorize delegation to the counties. It outlines the minimum requirements a delegated program must meet. Of critical importance, Senate Bill 3104 authorizes the Department to adopt rules to govern delegating this responsibility to the counties that request it.

SECTION 14 also proposes to authorize the Department to create a program to certify third-party reviewers to review reports and ensure that they are complete, include all essential information, meet the minimal requirements of the regulations, and that the data and analysis support the recommendations in the documents prior to submission to the Department for Section 6E-42, HRS, review. Senate Bill 3104 establishes minimum standards for third-party reviewers, and requires that the Department adopt rules to govern the certification of third-party reviewers. The Department believes that third-party review may help expedite reviews by ensuring that submissions are complete and contain all necessary information before the Department's review is initiated. The Department supports this provision.

Thank you for the opportunity to comment on this measure.



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
SENATE COMMITTEES ON HOUSING AND WATER AND LAND
Thursday, February 6, 2020
1:45 PM
State Capitol, Conference Room 255
in consideration of
SB 3104
RELATING TO LAND DEVELOPMENT.

Chairs Chang and Kahele, Vice Chairs Kanuha and Keith-Agaran, and Members of the Senate Committees on Housing and Water and Land.

The Office of Planning (OP) **supports** SB 3104, an omnibus bill proposing various measures to promote and fund the development of affordable housing.

OP serves as the lead agency for State transit-oriented development and as Co--Chair of the Hawaii Interagency Council for Transit-Oriented Development (TOD Council), a multi-agency council charged with coordinating State agency TOD planning with the counties. OP and the TOD Council have been strong advocates of TOD and Smart Growth development principles. A guiding purpose of the TOD Council's *Strategic Plan for TOD* is to include mixed-use and affordable and rental housing projects on State lands in each county, especially in areas close to public transit.

The East Kapolei area is one of three priority areas identified in the *Strategic Plan for TOD* due to the proximity of major State agency lands, including the University of Hawaii (UH), Department of Land and Natural Resources (DLNR), and the Department of Hawaiian Home Lands. The bill's funding for regional infrastructure could benefit UH West Oahu as well the DLNR's undeveloped master planned parcels.

OP also represents the State's position in all Land Use Commission proceedings. Relative to Part III of SB 3104 regarding district boundary amendments, we request consideration of the following:

1. Clarify that "majority of the development" refers to the number of residential units developed.
2. On Page 12, lines 3 and 11, consider adding also lands that are proposed to be parceled.
3. Delete Section 12 pertaining to the Special Permit process, as this process is unrelated to district boundary amendments for housing.

Thank you for this opportunity to testify.



SB3104
RELATING TO LAND DEVELOPMENT
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) Committee on Beneficiary Advocacy and Empowerment will recommend that the Board of Trustees **OPPOSE** SB3104, which would allow the Hawai'i Housing Finance and Development Corporation (HHFDC) to lease state lands to developers for up to 99 years, for projects that reserve only half of their units for households with incomes of up to 140% of the Area Median Income (AMI), and provide other further statutory changes intended to expedite the production of housing. OHA appreciates the intent of this measure to address the dire housing needs of Hawai'i's residents, but respectfully expresses concerns regarding certain provisions that may unduly impact the interests of its beneficiaries. **Should the Committees choose to move SB3104 forward, OHA respectfully but strongly urges the Committees to amend this measure to (1) safeguard the Land Use Commission's (LUC's) important mechanisms for the protection and mitigation of adverse impacts to public trust resources and Native Hawaiian rights; and (2) ensure that lease term limits are reasonably set, and do not jeopardize the "ceded" lands corpus, to which Native Hawaiians continue to maintain claims.** OHA also urges the Committee to further consider amendments that may (1) prioritize lower cost housing projects that better address the needs of the vast majority of Native Hawaiian and other Hawai'i families that fall well below 140% AMI; and (2) more equitably and appropriately reflect the interests of OHA and Department of Hawaiian Home Lands (DHHL) beneficiaries, as proposed in similar measures last legislative session. Finally, OHA additionally offers a suggestion regarding the proposed State Historic Preservation Division (SHPD) delegation of its historic preservation review responsibility to the counties, and the contracting of certain review tasks to third parties.

- 1. The Land Use Commission district boundary amendment process provides important mechanisms critical to mitigating adverse impacts to public trust resources and Native Hawaiian rights, and should not be eroded based on an erroneous assumption that it contributes to housing development delays.**

First, OHA has substantial concerns regarding this measure's proposal to reduce the Land Use Commission's (LUC's) jurisdiction over state land use district boundary amendments (DBAs), to exclude the Commission's oversight over any DBA involving up to

25 acres or less, where the majority of the development underlying the proposed boundary change “shall be for affordable housing.” Although OHA appreciates this bill’s intention to expedite the provision of affordable housing for Hawai’i residents, similar to SB2620 from this session, such an erosion of the LUC’s jurisdiction would **eliminate, for excluded projects, an important process by which the State is able to consider and mitigate impacts to natural and cultural resources and associated Native Hawaiian traditional and customary practices – for little to no benefit to affordable housing development timelines.**

The LUC was created nearly 60 years ago, when the Hawai’i State Legislature determined that a lack of adequate controls had caused the development of Hawai’i’s limited and valuable lands “for short-term gain for the few while resulting in long-term loss to the income and growth potential of our State’s economy.”ⁱ Some of the key reasons for the LUC’s creation were the development of scattered subdivisions creating problems of expensive yet reduced public services, and the conversion of prime agricultural land to residential use.ⁱⁱ **With ever-growing development pressure by speculators and land investment corporations, the needs and concerns that gave rise to the establishment of the LUC may be of even greater consequence today than they were nearly 60 years ago.**

Today, the Commission “is responsible for preserving and protecting Hawai’i’s lands and encouraging those uses to which lands are best suited.”ⁱⁱⁱ LUC DBA review accordingly entails an analysis of various environmental, cultural, and socioeconomic impacts and the identification of feasible conditions to mitigate such impacts, areas in which the LUC has particular expertise and institutional knowledge. Notably, LUC decision-making criteria include, in particular, the “maintenance of valued cultural, historical, or natural resources,” taking into consideration: “(1) the identity and scope of ‘valued cultural, historical, or natural resources’ in the petition area, including the extent to which traditional and customary native Hawaiian rights are exercised in the petition area; (2) the extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action; and (3) the feasible action, if any, to be taken by the (agency) to reasonably protect native Hawaiian rights if they are found to exist.”^{iv} **In many cases, such LUC review may also be the only opportunity for Native Hawaiians to assert their constitutionally-protected traditional and customary rights with respect to development proposals, in a government forum intended and designed to meaningfully address their concerns.**

The aforementioned LUC DBA review process currently applies to DBAs for (1) lands within conservation districts (regardless of acreage), (2) lands designated (or sought to be designated) as important agricultural lands (regardless of acreage), and (3) lands greater than 15 acres in the agricultural, rural, and urban districts. County authorities already enjoy decision-making authority over DBAs for lands comprising up to 15 acres in the agricultural, rural, and urban districts – for comparison purposes, 15 acres is roughly equal to about 11.5 football fields worth of land. By further eliminating the LUC’s authority over DBAs involving agricultural, rural, and urban lands between 15 to 25 acres, and eliminating its authority over all DBAs involving conservation district and important agricultural lands

of up to 25 acres, **this measure may undermine critical procedural mechanisms and substantive safeguards that represent one of the few means by which natural and cultural resources and their associated Native Hawaiian traditional and customary practices are protected in land use decision-making.**

Notably, the loss of the LUC's careful and comprehensive consideration of the needs of and impacts to both Native Hawaiians and the State generally would not be balanced by any marginal benefit gained in the production of truly affordable housing units most needed by Hawai'i residents. **No data or other factual information suggests that the LUC review process contributes to delays in housing development timelines.** In fact, the LUC consistently decides on HRS Chapter 201H affordable housing projects within its designated "fast-track" 45-day allowance period. Additionally, the median timeframe for all LUC DBA decision-making between 1995 and 2014 was approximately 14 months, compared to 24 months for the development of necessary infrastructure and facilities.^v Indeed, between 2010 to 2017, the LUC approved seven housing-related petitions proposing 9,389 housing units, with an estimated 3,675 of those units being reserved as affordable; over the past two decades, **the LUC has already approved DBAs on O'ahu to develop roughly 23,000 residences that have not yet been built due to other delays, such as water and sewer infrastructure capacity.** The few actual instances of "substantial delays" in final LUC decision making have been infrequent, and generally occurred only for projects involving significant land use policy conflicts.

Accordingly, OHA respectfully opposes the inclusion of this Part III in SB3104, as it would not provide a solution to affordable housing development delays, but instead substantially impair the LUC's ability to consider and mitigate impacts to natural and cultural public trust resources, including associated Native Hawaiian traditional and customary practices.

2. Extremely long-term, multi-generational leases creates a sense of entitlement on the part of lessees that has led to, and may continue to lead to, the alienation of public and "ceded" lands.

Second, consistent with similar past positions, OHA expresses its concerns over the length of the proposed 99-year leasehold interests for HHFDC lands set aside by the governor or leased from other State agencies. Without this measure, these types of leases would generally be subject to Hawai'i Revised Statutes (HRS) Chapter 171, which places a maximum lease length cap of 65, or in some limited cases, 75 years, and which prohibits options for the renewal of terms. Although HHFDC may currently offer 99-year leases for up to 140% AMI households on lands to which it holds title, SB3104 would substantially broaden the lands that HHFDC may issue such long-term leases for, including lands that the governor may set aside to HHFDC in the future, as well as lands it leases from other state agencies. Critically, such additional state lands subject to this proposed HHFDC long-term leasing authority are highly likely to include "ceded" lands, taken through the illegal overthrow of the Hawaiian Kingdom and to which Native Hawaiians maintain unrelinquished claims.

As OHA has highlighted numerous times in the past, extremely long-term, multi-generational leases on “ceded” lands creates a sense of entitlement on the part of lessees that has led to and may continue to lead to the alienation of public and “ceded” lands.

Every year we see lessees attempt to change laws and policies to allow them to hold on to public lands for longer and longer periods. OHA strongly 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. Accordingly, OHA cannot support a measure that may subject a significant amount of “ceded” lands to extremely long-term, 99-year leases.

Therefore, should the Committees choose to move this measure forward, **OHA respectfully urges reducing the 99-year lease length cap for lands that may be set aside to or leased by HHFDC to 65 years, with a possible exception allowing for 75-year leases when required to access federal housing financing programs.**^{vi}

3. Prioritization of lower cost housing projects would better address the needs of the vast majority of Native Hawaiian and other Hawai'i families that fall well below 140% AMI.

Third, since this measure contemplates substantially expanding the amount of our limited public land base that would be set aside for HHFDC housing development projects, **OHA recommends amendments that would prioritize the lower cost housing units that best align with Hawai'i's existing housing need.** Recent data indicate that nearly half of Hawai'i's households, and over half of all Native Hawaiian households, are considered “ALICE”: asset limited, income constrained, employed households.^{vii} 11% of Hawai'i's families now live in poverty, while the rest of the ALICE families struggle to make ends meet. The poor economic state of the local community is also reflected in the state housing demand, as recent data reveals that over 72% of projected demand in the next five years will be for housing affordable to households who make under 140% AMI, and over half (52%) of statewide demand will come from families whose income is under 80% AMI.^{viii}

In contrast to the demand assessments described above, this measure's lease requirements would define “affordable housing” as affordable to households at 140% AMI or below. OHA notes that housing developments that target this income class will not necessarily address the housing demand of either Native Hawaiian or local families. The most recent housing demand data emphasizes the likely failure of such an income target to meet projected demand: even with the hundreds of millions of state taxpayer dollars recently committed to housing policy and programs targeted at all income levels,^{ix} by 2025, this investment will likely yield an estimated surplus of nearly 4,000 units affordable to those in the 80-140% AMI range, while producing a projected shortfall of over 23,000 units needed by households under 80% AMI.^x Therefore, the State should prioritize affordable housing targeted toward the lower income classifications, which represent the state's greatest unmet housing needs, for this measure's envisioned investment of public lands and resources.

With thoughtful amendments, OHA does believe this measure can present an opportunity to better ensure the provision of meaningful affordable housing relief, to meet the actual needs and projected demand of OHA beneficiaries and local residents. Notably, existing Department of Business, Economic Development and Tourism (DBEDT) Hawai'i Administrative Rules (HAR) establish guidelines for how DBEDT prioritizes housing development projects "primarily designed for lower cost housing."^{xi} OHA offers complimentary language options for the Committees' consideration, to ensure that expanded use of public lands, which will inevitably include "ceded" lands, is prioritized for projects that would serve those with the greatest housing need.

Accordingly, OHA recommends removing the "and" on page 4, line 3, and amending the language on page 4, lines 4-6, to read as follows:

"(2) The corporation shall prioritize and give preference to projects that are primarily designed to meet the state's greatest housing demand; and"

Or

"(2) The corporation shall prioritize and give preference to projects that are primarily designed to meet the needs of households whose income is up 80% AMI; and"

4. Reserving some of the units contemplated for sale or lease under this measure would equitably reflect the interests of OHA and DHHL beneficiaries.

Fourth, it is unclear how Native Hawaiians and DHHL beneficiaries will specifically benefit from the substantial and prolonged use of "ceded" and public land trust lands that would almost certainly occur under the policy that this measure would establish. As a reminder OHA first notes that native Hawaiians are the named beneficiaries of the public land trust, and the state has specific obligations to this beneficiary class which it assumed as a condition to becoming the 50th state of the Union. As written, SB3104 does not specifically anticipate or require any partnerships with DHHL or OHA, and OHA therefore requests similar amendments to those offered for the ALOHA homes bills introduced in the previous and current sessions, which would provide for a partnership with or transfer of a portion of units to DHHL and/or OHA. Given the maintained claims of Native Hawaiians to "ceded" lands that are highly likely to 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 also 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 units contemplated for sale or lease under this measure to be transferred to OHA and/or DHHL.

OHA accordingly offers for the Committees' consideration the following amendment, which would better ensure that OHA and/or DHHL beneficiaries are able to more appropriately realize the benefits of SB3104's use of "ceded" and public land trust lands. While remaining open to continued conversation regarding this matter, OHA proposes that the Committees consider the following language to ensure equitable OHA and DHHL benefits under this measure:

By adding a new paragraph (3) on page 4, after line 6:

"(3) The corporation shall transfer 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 from such projects 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 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;^{xii} Native Hawaiian households are also much more likely to be crowded with more than two persons per bedroom,^{xiii} and "doubled up," with multigenerational or unrelated individuals living together in single households.^{xiv} Furthermore, Native Hawaiian households are twice as likely to have a 'hidden homeless' family member than all state households.^{xv} Moreover, a growing number of Native Hawaiian households are disproportionately at risk of becoming homeless.^{xvi} 75% of the Native Hawaiian demand for housing is also for units affordable for households making below 140% AMI, and 56% of Native Hawaiian housing demand will be from households under 80% AMI.^{xvii} This data demonstrates the dire need for affordable housing among the Native Hawaiian and DHHL-beneficiary communities and the potential of SB3104 to respond to this need, particularly if the above concerns and recommendations are appropriately addressed and adopted.

5. Consultation with State Historic Preservation Division (SHPD) administration may be more efficient to authorize SHPD to contract with such third parties, compared to pre-reviews conducted by county archaeologists or by a dedicated position within SHPD itself.

Lastly, this measure proposes to allow the Department of Land and Natural Resources' State Historic Preservation Division (SHPD) to delegate its HRS Chapter 6E review process to the counties, with certain conditions, as well as to contract with qualified third parties to "pre-review" historic preservation review documents prior to submission to SHPD. OHA notes that this part of SB3104 is substantially similar to SB2076, also

introduced this 2020 session. OHA appreciates measures such as these that are aimed at assisting SHPD with its important kuleana, and further appreciates that the proposed requirements for counties to receive delegated historic preservation review authority may address concerns relating to the professional standards, informational resources, and institutional processes necessary to carry out such authority. OHA does recommend consulting with SHPD administration as to whether a contracted third-party reviewer, a qualified county archaeologist tasked with conducting delegated historic preservation reviews, or a dedicated SHPD staff position would be the most efficient way to conduct the pre-reviews contemplated under this measure.

OHA notes that archaeologists currently permitted by SHPD to conduct archaeological field work in Hawai'i must follow a set of standards under SHPD's administrative rules; archaeologists hired by the State to work for SHPD are also required to possess minimum qualifications and meet similar standards. OHA further notes that SHPD has compiled and maintained extensive inventoried information over the past several decades, including archaeological publications and correspondences that date back to the late 1960s, for historic properties across the State of Hawai'i; SHPD regularly uses such information as well as established consultation and assessment processes to review proposed projects for potential impacts to iwi kūpuna, cultural sites, and other historic properties. **Accordingly, as SHPD has demonstrated, there is a clear need for qualifying standards, informational resources, and established consultation and assessment processes in order to consistently and adequately protect iwi kūpuna, cultural sites, and other historic properties from development impacts as envisioned under HRS Chapter 6E's historic preservation review framework.** OHA therefore appreciates the prerequisite conditions that this provision would require counties to meet, in order to receive delegated historic preservation review authority from SHPD.

OHA also appreciates SB3104's proposal to allow SHPD to certify and authorize third party entities to pre-review historic preservation review applications and documents, as a means of reducing the administrative burdens currently placed on SHPD staff. Should the Committees choose to move this measure forward, OHA does respectfully suggest consulting with SHPD administration regarding whether it may be more efficient to authorize SHPD to contract with such third parties, compared to the alternative approaches of having such pre-reviews conducted by county archaeologists delegated SHPD's historic preservation review authority, or by a dedicated position within SHPD itself.

For the reasons above, OHA respectfully urges the Committees to **HOLD** this measure, or, at minimum, to adopt the amendments described in sections 1) and 2) of this testimony, and to carefully consider the amendments and suggestions in sections 3), 4), and 5). Mahalo nui loa for the opportunity to testify on this measure.

ⁱ State of Hawai'i Land Use Commission website, History, last accessed on Feb. 4, 2020, available at <https://luc.hawaii.gov/about/history-3/>.

ⁱⁱ *Id.*

ⁱⁱⁱ *Id.*

-
- iv *Ka Pa‘akai o ka ‘Āina v. Land Use Commission*, 94 Haw. 31 (2000).
- v THE STATE LAND USE TASK FORCE, STATE LAND USE SYSTEM REVIEW DRAFT REPORT III (2015).
- vi OHA does acknowledge concerns raised regarding the potential for kūpuna without family or resources and those with special physical and health needs to outlive a 75-year lease; OHA is open to further discussions regarding whether additional statutory lease extension language can accommodate such exigent circumstances.
- vii The 2017 A UW report on ALICE showed Native Hawaiian households as 57% ALICE or lower, compared to 48% statewide. ALOHA UNITED WAY, ALICE: A STUDY OF FINANCIAL HARDSHIP IN HAWAII‘I 1, figure 8, (2017) available at https://www.auw.org/sites/default/files/pictures/AlohaUnitedWayALICE%20Report_HIFINAL.pdf.
- viii SMS, Hawaii‘i Housing Planning Study, at 37, table 32 (2019), available at https://dbedt.hawaii.gov/hhfdc/files/2020/01/FINAL-State_Hawaii-Housing-Planning-Study.pdf.
- ix In 2018, the legislature appropriated \$570M for GET exemptions for for-profit builders, with \$200M allocated to support affordable housing primarily for households up to 60% AMI and \$360M in GET exemptions targeted toward affordable housing for households at 140% AMI and below. And in 2019, the legislature provided \$20M to fund “‘Ohana Zones” to create kauhale style housing developments for chronically homeless households earning up to 30% AMI. And in 2019, an additional \$100M was appropriated to the rental housing revolving fund for a total of \$300M committed to providing housing for households making up to 60% AMI. These measures projected that they would provide 24,000 units affordable at 140% AMI, with 14,000 provided by 2025, an estimated 2,400 units affordable at 60% AMI, and 1,200 units affordable at 30% AMI.
- x See SMS at table 32.
- xi HAR § 15-307-26; “Lower cost housing” is defined in HAR § 15-307-2 as (1) “Very low income” or 50% AMI and lower; (2) “Low income” or 50-80% AMI; (3) “Low-moderate income” or 80-120% AMI; and (4) “Moderate income” or 120-140% AMI.
- xii 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://dhhl.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.
- xiii 21.2% of Native Hawaiian households are crowded with more than two persons per bedroom versus 10.9% of other households in the state. SMS, Hawaii‘i Housing Planning Study, at 73 (2019), available at https://dbedt.hawaii.gov/hhfdc/files/2020/01/FINAL-State_Hawaii-Housing-Planning-Study.pdf.
- xiv 24.5% of Native Hawaiian households, compared to 9.0% of other households include more than two generations or unrelated individuals. *Id.*
- xv 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.
- xvi 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.*
- xvii *Id.* at table 60.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Housing
and
Senate Committee on Water and Land
Thursday, February 6, 2020 at 1:45 p.m.

by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
and
Jan Gouveia
Vice President for Administration
University of Hawai'i System

SB 3104 – RELATING TO LAND DEVELOPMENT

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

Thank you for the opportunity to present testimony regarding SB 3104, Relating to Land Development.

The University of Hawai'i (UH) supports SB 3104. The bill proposes to provide \$200 million in funding via general obligation bonds to the Hawai'i Housing Finance and Development Corporation (HHFDC) for construction of regional infrastructure that would help support the development of housing on lands near the UH West O'ahu (UHWO) campus. The UHWO campus property is currently situated on roughly 300+ acres of land in Kapolei, O'ahu.

The UH has already been trying to develop roughly 180+ acres of land adjacent to the campus and which is situated along the first two rail stations. The University has envisioned this project to develop a University village that includes housing, retail, and industry amenities synergized to the growing UHWO campus. One of the challenges in advancing this project has been the limited amount of infrastructure on, and around, the property. An additional challenge has been the minimal amount of capital investment that is available toward infrastructure costs. This bill could help provide the necessary infrastructure investment that could spur development at UHWO and at surrounding properties for housing.

Given the extent of the infrastructure project that is contemplated to be funded with the \$200 million, we would recommend that Part II, Section 6(2), of the bill be amended to give more time to encumber the bond funds. SB 3104 currently provides that "all moneys from the appropriation unencumbered as of June 30, 2022, shall lapse as of that date." **We recommend that the lapsing date be revised to June 30, 2024, so as to give more time to execute what could be a major capital infrastructure project.**

Thank you for the opportunity to testify on this matter.



Robin K. Matsunaga
Ombudsman

Melissa Chee
First Assistant

**OFFICE OF THE OMBUDSMAN
STATE OF HAWAII**

465 South King Street, 4th Floor
Honolulu, Hawaii 96813
Tel: 808-587-0770 Fax: 808-587-0773 TTY: 808-587-0774
complaints@ombudsman.hawaii.gov

**TESTIMONY OF ROBIN K. MATSUNAGA, OMBUDSMAN,
ON S.B. NO. 3104, A BILL FOR AN ACT
RELATING TO LAND DEVELOPMENT**

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

FEBRUARY 6, 2020

Chair Chang, Chair Kahele, and Members:

Thank you for the opportunity to present comments on S.B. No. 3104. My testimony is specific to the language in Part V of the bill, which would establish an Office of the Housing Ombudsman. I offer these comments not to criticize the bill, but to help ensure that you are able to make an informed decision on any action you may take.

As you know, my office, the first classical ombudsman office to be established in the United States, functions as an independent, impartial investigator of administrative acts by State executive branch and county agencies. When we determine through our investigation that corrective or other action is warranted, we cannot reverse the administrative act or compel the agency to make changes. Instead, we can recommend action by the agency and rely on reasoned persuasion to get the agency to accept and implement the recommendation.

Based on the duties described in the bill, starting from line 8 on page 20 of the bill, it appears the proposed housing ombudsman is intended to function more as an advocate than as an independent, impartial investigator. If the intent of S.B. No. 3104 is to create an advocate for housing, I would request consideration of renaming the office and its director by replacing the term “ombudsman” with the term “advocate.”

If the intent is to establish an independent and impartial ombudsman for housing, I would request consideration of amending the bill to ensure that the office possesses the essential characteristics recommended by the United States Ombudsman Association (USOA): independence, impartiality, confidentiality, and a credible review process. (The USOA is the nation’s oldest and largest association for governmental ombudsman practitioners and is recognized by the American Bar

February 6, 2020
Page 2

Association and national and international ombudsman organizations as a relevant resource for the governmental ombudsman profession.) These essential characteristics are critical to the effectiveness and credibility of an ombudsman.

It is difficult to briefly identify, and explain the reasons for, the various provisions that are needed to revise the current draft of S.B. No. 3104 to conform it to the USOA model. Therefore, I would be happy to meet with Senate staff to draft amendments.

Thank you, again, for allowing me to provide comments on S.B. No. 3104.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Remove Cap on Rental Housing Revolving Fund Earmark

BILL NUMBER: SB 3104; HB 2542

INTRODUCED BY: SB by KOUCHI, BAKER, ENGLISH, FEVELLA, GABBARD, IHARA, INOUE, K. KAHELE, KANUHA, KEITH-AGARAN, J.KEOHOKALOLE, KIM, MORIWAKI, NISHIHARA, K. RHOADS, RIVIERE, RUDERMAN, SHIMABUKURO, TANIGUCHI, L. THIELEN, WAKAI; HB by SAIKI, AQUINO, BELATTI, BROWER, CABANILLA ARAKAWA, CREAGAN, CULLEN, DECOITE, GATES, HAR, HASHEM, HASHIMOTO, HOLT, ICHIYAMA, JOHANSON, KITAGAWA, B. KOBAYASHI, D. KOBAYASHI, KONG, C. LEE, LOWEN, LUKE, MATAYOSHI, MCKELVEY, MIZUNO, MORIKAWA, NAKAMURA, NAKASHIMA, NISHIMOTO, OHNO, ONISHI, QUINLAN, SAN BUENAVENTURA, SAY, TAKAYAMA, TAKUMI, TARNAS, TODD, TOKIOKA, WOODSON, YAMANE, YAMASHITA

EXECUTIVE SUMMARY: As it relates to taxation: Removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year. The cap was imposed to make general fund forecasting more reliable and increase transparency and accountability.

SYNOPSIS: As it relates to taxation: Part VI amends section 247-7(2), HRS, to remove the \$38 million cap on the conveyance tax revenues to be redirected to the rental housing revolving fund.

EFFECTIVE DATE: July 1, 2020.

STAFF COMMENTS: The conveyance tax was enacted by the 1966 legislature after the repeal of the federal law requiring stamps for transfers of real property. It was enacted for the sole purpose of providing the department of taxation (which at the time also administered the real property tax) with additional data for the determination of market value of properties transferred. This information was also to assist the department in establishing real property assessed values and at that time the department stated that the conveyance tax was not intended to be a revenue raising device.

Prior to 1993, the conveyance tax was imposed at the rate of 5 cents per \$100 of actual and full consideration paid for a transfer of property. At the time all revenues from the tax went to the general fund. The legislature by Act 195, SLH 1993, increased the conveyance tax to 10 cents per \$100 and earmarked 25% of the tax to the rental housing trust fund and another 25% to the natural area reserve fund. As a result of legislation in 2005 and in 2009, the conveyance tax rates were substantially increased and bifurcated between nonowner-occupied residential properties and all other properties. Tax brackets were based on the amount of the value transferred. Until 2005, 50% of the receipts went into the general fund and the other half was split with the

affordable rental housing program and the natural area reserve program. Beginning in 2005, another 10% was taken for the land conservation fund.

Act 84, SLH 2015, imposed the \$38 million cap on the earmark. In 2015, the Conference Committee explained the rationale for the cap on the earmark as follows:

Your Committee on Conference finds that budgetary planning and transparency are key components to ensuring the ongoing fiscal health of the State. Your Committee on Conference believes that, by establishing maximum amounts to be distributed to various non-general funds from the conveyance tax, this measure will make forecasts of general fund revenues more reliable, will increase legislative oversight of agencies and programs supported by the non-general funds, and will subject those agencies and programs to competition for limited public funds if the agencies or programs want more than the amount automatically distributed to their non-general funds.

Conf. Comm. Rep. No. 156 (2015).

Raising the cap on the earmarked revenues (or eliminating the cap altogether, as this bill does) should be done only with great caution. As with any earmarking of revenues, the legislature will be preapproving each of the programs fed by the fund into which the tax monies are diverted, expenses from the funds largely avoid legislative scrutiny, and the effectiveness of the programs funded becomes harder to ascertain. It is also difficult to determine whether the fund has too little or too much revenue.

If the legislature deems the programs and purposes funded by this fund to be a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. If the money were appropriated, lawmakers could then evaluate the real or actual needs of each program.

Digested 2/1/2020

DAVID Y. IGE
Governor

JOSH GREEN
Lt. Governor



PHYLLIS SHIMABUKURO-GEISER
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

State of Hawaii
DEPARTMENT OF AGRICULTURE
1428 South King Street
Honolulu, Hawaii 96814-2512
Phone: (808) 973-9600 FAX: (808) 973-9613

TESTIMONY OF PHYLLIS SHIMABUKURO-GEISER
CHAIRPERSON, BOARD OF AGRICULTURE

BEFORE THE SENATE COMMITTEES ON HOUSING AND WATER AND LAND

FEBRUARY 6, 2020
1:45 P.M.
CONFERENCE ROOM 225

SENATE BILL NO. 3104
RELATING TO LAND DEVELOPMENT

Chairpersons Chang and Kahele and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 3104. This multi-part measure seeks to expedite affordable housing development by:

1. Allowing the Housing Finance and Development Corporation to lease property for up to 99 years for development projects that include multi-unit housing of which at least 50 percent of these units are affordable;
2. Identifying State lands for multi-unit dwellings and the estimated cost for construction;
3. Seeking authority to issue general obligation bonds for developing infrastructure on lands owned by the University of Hawaii adjacent to West Oahu campus; and
4. Seeking authority to issue general obligation bonds to develop infrastructure on the other three counties.
5. Allowing county amendment of the State land use district boundaries, usually Agricultural to Urban, for lands 25-acres or less if the majority of the development is for affordable housing. Parceling is not allowed. Parceling is where the subdivision of lands greater than 25 acres is done with the intention of developing a larger project in 25-acre or less increments in order to take advantage of the proposed expedited approval process.
6. Allowing the State Historic Preservation Division of the Department of Land and Natural Resources to establish rules to delegate, with standards, the responsibility of project review to the counties.



7. Creating an Office of the Housing Ombudsman with the Department of Business, Economic Development, and Tourism with the responsibility of “Analyzing solutions and programs to address the State’s need for housing that is affordable...”; and
8. Removing the cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund.

The Department of Agriculture offers comments and one amendment. There is no mention of using lands already in the Urban District, whether vacant or underutilized, to meet the need for multi-unit affordable housing. The identification, evaluation, and use of appropriate areas with the Urban District will reduce the need to prematurely reclassify and urbanize agricultural lands including Important Agricultural Lands already protected by State law, county policy and ordinance. Further, Important Agricultural Lands are an important component of increasing local food self-sufficiency that is a priority for both the Legislature and the Administration.

The Department is concerned that the expedited process described in the amendments to Section 205-3.1 do not contravene the purpose of and need for designated Important Agricultural Lands and lands with “A” and “B” soil ratings pursuant to the Land Study Bureau’s Overall (Master) Productivity Ratings to support the important initiatives of the Legislature and the Administration in support of increasing local food self-sufficiency. We offer the following amendment:

Page 11, lines 14-20

New language is bold text and bold underline

" (e) Notwithstanding any other provision of this section to the contrary, a person may petition the appropriate county decision making authority in the county in which the land is situated for a change in the boundary of a district involving lands **that are not designated as important agricultural land or with soil classified by the land study bureau’s detailed land classification as overall (master) productivity rating class A or B and** comprising twenty-five acres or less; provided that the majority of the development for which the boundary change is sought shall be for affordable housing."

Thank you for the opportunity to testify on this important measure.

TO: Senator Stanley Chang, Chair
Senator Dru Mamo Kanuha, Vice Chair
Senate Committee on Housing

Senator Kaiali'i Kahele, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Water and Land

**SOCIETY FOR HAWAIIAN
ARCHAEOLOGY**



FROM: Angus Raff-Tierney, M.A., Legislative Committee Chair,
Society for Hawaiian Archaeology
angusrafftierney@yahoo.com

HEARING: February, 6 2020, 1:45 PM, Conference Room 225

SUBJECT: Comments on SB 3104, Relating to Land Development

I am Angus Raff-Tierney, Chair of the Legislative Committee of the Society for Hawaiian Archaeology (SHA). We have over 150 members including professional archaeologists and advocates of historic preservation. On behalf of SHA, I present our comments on SB 3104 (Relating to Land Development).

We support the intent of SB 3104 which is to address the unacceptably large backlog of projects to be reviewed by the State Historic Preservation Division (SHPD) under Chapter 6E-42, Hawaii Revised Statutes (HRS). This excessive backlog has resulted in delays affecting residential and commercial projects due to SHPD's failure to complete timely reviews of county permits. SB 3104 would allow the counties to review some Chapter 6E-42 projects normally reviewed by SHPD if the counties meet certain requirements.

We have two concerns with this bill. First, the SHPD is the only entity that houses the previous reports, records and other documents that are required to conduct these reviews. The proposed county review staff must have access to these documents, either electronically or in person at SHPD offices. The SHPD has been digitizing their documents to put on an online portal that would allow remote access from any computer but the system is not yet available for remote or public use. Completion and availability of this "HCRIS" project would be critical to expedite the process as proposed in many bills coming up this session, including those hoping to outsource some of the SHPD's review powers to counties or third parties. Yet, completion of this project continues to be delayed. Second, a process is needed to ensure that the state historic preservation process is applied consistently among participating counties and at the SHPD.

We offer the following comments on the proposed third-party certification program and hope that they will be useful in amending future versions of the subject bill.

We recommend amending the subject so as to delete all of the proposed amendment Chapter 6E-42 (e)

“(e) The department may establish a program to certify third—party individuals and organizations to review documents prior to submission of the documents to the department for review...”

<https://hawaiianarchaeology.org/>

The Society for Hawaiian Archaeology is a registered tax-exempt organization established in 1980 to promote and stimulate interest and research in the archaeology of the Hawaiian Islands, encourage a more rational public appreciation of the aims and limitations of archaeological research, serve as a bond among those interested in Hawaiian archaeology, both professionals and non-professionals, and aid in directing their efforts into more scientific channels as well as encourage the publication of their results, advocate and assist in the conservation of archaeological data, discourage unethical commercialism in the archaeological field and work for its elimination.

It is not clear who will pay for the third party to review an applicant's submittal to SHPD. Is it SHPD using fees charged for project reviews or is it the applicant to expedite the process? Either way, we believe that having third parties conduct the review of documents would create more problems than it solved. It is likely that any such third parties will actually turn out to be competing firms reviewing each other's work. This would create the appearance of a conflict of interest. We recommend instead that the counties hire full-time civil service employees who possess the qualifications prescribed by the Secretary of the Interior for historic preservation professionals in regulations under the National Historic Preservation Act, thus keeping the review process entirely with government employees. We believe that this would keep the review process independent and less vulnerable to conflicts of interest. Thus, SHA suggests that this portion related to third party reviews be stricken from the bill.

Should the bill pass out of this committee, we request to be consulted as a stakeholder in future deliberations on an amended bill. Should you have any questions, please feel free to contact me at the above email. Mahalo for considering our testimony.

<https://hawaiianarchaeology.org/>

The Society for Hawaiian Archaeology is a registered tax-exempt organization established in 1980 to promote and stimulate interest and research in the archaeology of the Hawaiian Islands, encourage a more rational public appreciation of the aims and limitations of archaeological research, serve as a bond among those interested in Hawaiian archaeology, both professionals and non-professionals, and aid in directing their efforts into more scientific channels as well as encourage the publication of their results, advocate and assist in the conservation of archaeological data, discourage unethical commercialism in the archaeological field and work for its elimination.



DAVID Y. IGE
Governor

JOSH GREEN
Lieutenant Governor

MIKE MCCARTNEY
Director

LAND USE COMMISSION
Department of Business, Economic Development & Tourism
State of Hawai'i

DANIEL ORODENKER
Executive Officer

Bert K. Saruwatari
Planner

SCOTT A.K. DERRICKSON AICP
Planner

RILEY K. HAKODA
Chief Clerk/Planner

RASMI AGRAHARI
Planner

FRED A. TALON
Drafting Technician

LATE

Statement of
Daniel E. Orodener
Executive Officer
State Land Use Commission

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
SB 3104
RELATING TO LAND DEVELOPMENT

Chairs Chang and Kahele; Vice Chairs Kanuha and Keith-Agaran; and members of the Senate Committees on Housing; and, Water and Land:

The Land Use Commission (LUC) supports the intent of SB3104 which is intended to make changes to fund and promote the development of affordable housing. Under the current statutory language (HRS §§201H-38 and 205-4) the LUC is required to review and act upon boundary amendments for affordable housing projects within 45 days. The LUC has consistently met this expedited time frame in its approval of all §201H-38 affordable housing projects that have come before it.

The LUC provides the following comments on certain sections of the bill:

Section 10. The broad language in the proposed amendment to add HRS §205-3.1(e) appears to allow any party, state or county agency, to seek reclassification of any lands so long as they are between 15 to 25 acres in size and the boundary change is for affordable housing. We don't believe the intent of the language was to allow lands within the State Conservation District or Important Agricultural Lands to be reclassified in such an expedited manner. We would suggest adding the language "...not designated as Important Agricultural Lands within the State Agricultural or State Rural District..." after the word "lands" on line 18, page 11.

Section 10. Proposed new subsections HRS §205-3.1(f) to (h) seek to limit the parceling of larger land areas into smaller parcels under 25 acres specifically in order to escape review by the Land Use Commission for boundary reclassifications. We support the addition of this new language that we believe will promote development of well-planned affordable housing projects.

Section 12. Amends language in HRS §205-6 to include a reference back to the proposed new HRS 205-3.1(e). This amendment is not needed as the Special Permit process under HRS §205-6 should not be affected by a change to the boundary amendment process under HRS §205-3.1.

Thank you for the opportunity to testify on this matter.



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 STRONG SUPPORT OF SB3104 RELATING TO LAND DEVELOPMENT

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 strong support of SB3104.

Affordable housing and rentals are one of our top priorities and we are encouraged seeing that this is a top priority to the state as well. We welcome this package bill as we are currently in a crisis situation statewide and Maui County seems to be the epicenter of this storm (with our extraordinarily high median home prices). This bill addresses many of the hurdles to building affordable housing and rentals, such as boundary amendments with the State Land Use Commission, delays in getting historic preservation approval in the counties and funding.

Therefore, we strongly support this bill and deeply appreciate the Governor, House and Senate putting this bill together to not just put a band aid on these issues, but take measurable steps towards getting units build in the near term.

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

Sincerely,

Pamela Tumpap

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.



February 4, 2020

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing
Senator Kai Kahele, Chair
Senator Gilbert Keith-Agaran, Vice Chair
Senate Committee on Water and Land
Hawaii State Legislature

Testimony in Support of SB3104

Dear Senators Chang, Kanuha, Kahele, Keith-Agaran and Members of the Housing and Water and Land Committees,

Thank you for the opportunity to offer this testimony on SB3104, related to land development for affordable housing. The Kohala Coast Resort Association supports this bill.

One of our largest challenges in recruiting employees for the visitor industry on the Kohala Coast is the lack of affordable workforce housing. We support the state's efforts to try to address this growing need, through the issuance of additional general obligation bonds for Oahu and the neighbor islands, and through administrative changes with leasing terms, and the size of parcels where affordable housing can be developed. We support strong intra-government cooperation on this immediate need across the state.

KCRA is a collection of master-planned resorts and hotels situated north of KOA which represents more than 3,500 hotel and timeshare accommodations and an equal number of resort residential units. This is approximately 35 percent of the accommodations available on the island. KCRA members annually pay more than \$20 million in TAT, \$20 million in GET and \$11 million in property taxes.

We encourage your support of this measure.

Sincerely,

A handwritten signature in black ink that reads "Stephanie P. Donoho". The signature is written in a cursive, flowing style.

Stephanie Donoho, Administrative Director



February 4, 2020

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

SB3104 – Relating to Land Development

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 submit **COMMENTS in opposition and support for SB3104.**

SB3104 authorizes the state to lease public lands for 99 years for projects that provide housing for households earning up to 140% area median income, requires the Hawaii Housing Finance and Development Corporation to provide a list of lands available for multi-unit dwellings, authorizes the issuance of \$200 million in general obligation bonds for the dwelling unit revolving fund, provides Counties decision-making authority for the boundary of a district up to 25 acres when the majority of lands are used for affordable housing, authorizes the State Historic Preservation Division to delegate historic preservation project reviews to the impacted County, establishes the Office of the Housing Ombudsman, and removes the existing statutory conveyance tax cap in order to deposit greater sums of money into the rental housing revolving fund each fiscal year.

The bill has been touted as part of an “Economic Package” to assist ALICE households – those of us who are asset limited, income constrained, and employed living one paycheck away from complete financial ruin and homelessness. Approximately 1 in 2 of our households in Hawaii are ALICE or living in poverty according to the recent Aloha United Way report.

Upon review, SB3104, as it is written, will NOT address the housing needs of ALICE.

Our organizations provide the following comments based on our 20-year history as a nonprofit specializing in affordable housing and community development finance.

First, we would like to lay the context for our testimony and identify the projected demand for affordable housing in our communities with most recent data.

According to the most recent [Hawaii Housing Planning Study](#), 52% of the housing units we will need by 2025 must be for low-income households earning up to 80% the HUD area median income (AMI). The chart on the following page shows the number of units needed for each area

median income (AMI) level based on the study findings, financial resources appropriated by the Hawaii State Legislature for housing production at each target AMI level since 2018, the estimated number of units to be addressed with these appropriations by 2025, and the shortfall or surplus created by said actions. There may be additional appropriations made by the Legislature that are not reflected here.

Target AMI Level	# of Units Needed by 2025	Legislative Appropriations	Estimated # of Units by 2025	Shortfall/ Surplus
<30%	10,457	\$20 million Ohana Zone funding for kauhale development (2019)	1,200	9,257
30-60%	8,871	\$300 million rental housing revolving fund to nonprofit builders (2018, 2019)	2,000	6,871
60-80%	6,910	None	0	6,910
80-120%	6,055	\$360 million GET exemptions to for-profit builders (2018)	14,000	3,934
120-140%	4,011			

The chart shows the State of Hawaii is providing public taxpayer dollars for housing production targeting all AMI levels with the exception of households at 60% to 80% AMI which is the primary AMI level for ALICE households.

In 2018, the Hawaii State Legislature passed a “momentous” affordable housing bill that appropriated \$570 million to the rental housing revolving fund, dwelling unit revolving fund, and GET exemptions for for-profit builders¹. The Legislature noted that \$200 million in rental housing revolving funds would support 1,600 units of affordable housing primarily for households up to 60% AMI. In addition, \$360 million in GET exemptions through 2030 were to result in 24,000 units of housing affordable for households earning up to 140% AMI. That is \$15,000 in GET exemptions per 1 unit of housing. GET is paid by for-profit developers only as nonprofits are not required to pay the tax and for-profit developers build market-rate homes primarily households earning 120% to 140%+ AMI.

In 2019, the Hawaii State Legislature passed a bill to provide \$20 million in Ohana Zone funding for kauhale housing developments promoted by the Lieutenant Governor. It was estimated this would result in 1,200 units of housing targeted for chronically homeless households earning up to 30% AMI. Also in 2019, An additional \$100 million was appropriated to the rental housing revolving fund disbursed in \$50 million installments in 2019 and 2020.

Based on the chart above, GET exemptions through 2025 will result in the building of a **surplus of 3,934 units for households up to 140% AMI by 2025**. At the same time, our people will experience a **shortfall of 23,038 housing units for households earning up to 80% AMI by 2025**.

It is clear we need the State Legislature to take action with SB3104 that will support housing production to address our greatest unmet demand – ALICE households earning up to 80% AMI.

¹ Hawaii State Legislature Approves ‘Momentous’ \$570 Million Affordable Housing Deal. Hawaii News Now. April 24, 2018. <https://www.hawaiinewsnow.com/story/38034182/state-legislature-approves-momentous-570m-affordable-housing-deal/>

Our following comments demonstrate how low-cost public land and capital can be made available that will attract additional public and private investments and result in nonprofits building homes targeted at ALICE households earning up to 80% AMI.

99-Year Leases of Public Lands

Our organization **STRONGLY OPPOSE** this section of the legislation.

The State Legislature already 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.

Rather than expanding the issuance of 99-year leases of public land and relaxing the requirements for their use, our organizations recommend HHFDC to first use statute that already exists and 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 long-term rental and for-sale affordability rates of ALICE households up to 80% AMI. Furthermore, nonprofits could still partner with for-profit developers to build market-rate housing units up to 140% AMI for leasehold, if there is a market demand, while ensuring the State Legislature is targeting our public resources to the greatest projected housing demand first-and-foremost.

We further 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.

List of Public Lands for Multi-Dwelling Development

Our organizations **SUPPORT WITH RECOMMENDATIONS** this section of the bill.

We recommend this section require HHFDC to provide a list of public lands suitable for “rental and for-sale” multi-dwelling developments targeting units for households earning up to 80% AMI.

\$200 Million Bond for Affordable Housing Infrastructure

Our organizations **SUPPORT WITH RECOMMENDATIONS** this section of the bill.

We recommend this section be amended to require infrastructure monies be used specifically for projects in which the majority of units are affordable for households earning up to 80% AMI.

Decision Making Authority to Counties versus Land Use Commission

Our organizations **SUPPORT WITH RECOMMENDATIONS** this section of the bill.

We support “home rule” for the Counties. To ensure the State Legislature is targeting our public taxpayer dollars to the true demand for affordable housing, we recommend this section be amended to define affordable housing as units that are affordable for households earning up to 80% AMI.

Decision Making Authority to Counties versus Land Use Commission

Our organizations **SUPPORT WITH RECOMMENDATIONS** this section of the bill.

We support “home rule” for the Counties. To ensure the State Legislature is targeting our public taxpayer dollars to the true demand for affordable housing, we recommend this section be amended to define affordable housing as units that are affordable for households earning up to 80% AMI.

Establish Office of Housing Ombudsman

Our organizations **SUPPORT WITH AMENDMENTS** this section of the bill.

We propose to amend this section to place the Office of the Housing Ombudsman at the University of Hawaii, specifically in UHERO and the Department of Urban and Regional Planning under the Affordable Housing Professor. The University of Hawaii has the expertise to analyze affordable housing data and trends and meet the expectations of the office. In addition, we recommend an oversight committee be created to guide the direction of the office consisting of a majority Hawaii residents impacted the most by housing affordability.

Furthermore, we recommend language be added that requires the Office of the Housing Ombudsman to investigate, and in partnership with the Office of Consumer Protection take action to ensure, all public and private entities abide by the provisions of Act 48 passed during the 2011 Hawaii State Legislative Session. This would ensure all Hawaii homeowners receive protections to prevent unnecessary foreclosures and homelessness as was intended by the Act when it was written as a bill by the Mortgage Foreclosure Task Force.

Finally, we recommend funding for the office be increased to 2 FTE. Hawaiian Community Assets is an AmeriCorps VISTA intermediary for the State of Hawaii and we commit to matching State funds to ensure the Office of the Housing Ombudsman retain 5 full-time analysts located on different islands within the University of Hawaii system, paid as AmeriCorps VISTA members, and overseen by 1 FTE Housing Ombudsman. This would leverage State funds at an estimated ratio of 5:1 and ensure the office has adequate staffing to not only meet the responsibilities listed in the bill, but to be proactive and provide real-time data to inform real-time solutions and actions by the public and private sector to address affordable housing in our communities.

Remove Conveyance Tax Cap

Our organizations **SUPPORT WITH AMENDMENTS** this section of the bill.

We recommend this section be amended to include language directly from SB2652 and HB1949 in order to create an Affordable Homeownership Revolving Fund and that \$5 million in additional revenue resulting from the removal of the conveyance tax cap be allocated to the Fund annually. The Fund would not only address the housing needs of ALICE and diversify our

State's ability to support affordable housing along a continuum, but it would also provide an opportunity for asset building to move families above the ALICE threshold.

The revolving loan fund is an innovative proposal designed to work with various development models used by nonprofits to build homes around the state. It will serve as access to capital for a non-profit organization to either:

- *Serve families with affordable housing loans.* The non-profit organization may provide down payment assistance, purchase or leverage loans made to qualifying families, and their loan repayments will pay back into the fund over time to benefit additional first-time homebuyers.
- *Serve families with affordable housing construction.* The non-profit organization will build a single-family home and upon sale, will pay back into the fund to benefit additional first-time homebuyers.
- *Serve families with land for affordable housing.* The non-profit organization will acquire and manage land in trust to reduce the price of single-family home prices and upon sale, will pay back into the fund to benefit additional first-time homebuyers.

Low-interest loans of 1-2% will generate earned revenue to pay for Hawaii Housing Finance and Development Corporation staffing and operations of the affordable homeownership revolving fund.

- **Homeownership is a critical part of the housing continuum.** When you create affordable homeownership opportunities for our local people, they move ahead and free up existing inventory for other individuals and families experiencing or at-risk of homelessness. **Our housing market is dynamic and our response needs to be equally dynamic, looking at rentals AND homeownership** as well as alternative housing solutions like rent-to-own, duplexes and four-plexes, student housing, kupuna housing, tiny homes, and kauhale development.
- **We need a homeownership revolving fund to complement our rental housing revolving fund, so ALL of our low-income households have access to affordable housing.** The rental housing revolving fund provides financing to support projects for households at or below 60% the HUD area median income (AMI). This leaves out ALICE households earning 60-80% AMI, who struggle to keep a roof over their heads. Additionally, an affordable homeownership revolving fund ensures capital is available to transition rental housing revolving funded units so they can preserve affordability and transition to ownership, making rent-to-own a viable model in Hawaii.
- **Affordable homeownership funds would revolve faster than rental housing revolving funds.** Unlike the rental housing revolving funds which tend to fund 50% or more of each project cost and tie up the financial resources for terms extending beyond 10 years, the affordable homeownership revolving fund is estimated to provide an 20% of each unit cost maxed at \$50,000 per unit. Terms for the low-interest loans to nonprofits would revolve faster than funds in the rental housing revolving fund, because affordable

homeownership projects utilize mortgages as the permanent source of financing, allowing nonprofits to pay back loans from the fund over an estimated 12 to 36 months.

- **Affordable homeownership funds would help make low-cost land available for building for-sale homes for ALICE families and keeping them affordable for future generations.** Community land trusts are a solution to make housing more affordable. According to HUD, families on Hawaiian Home Trust Lands pay an average of 21% of their monthly income to housing, while the rest of us in Hawaii pay 42%. By expanding homeownership on community land trusts, we can help more of our families reduce their monthly housing payment to one they can afford, which in turn reduces their likelihood of falling back into homelessness.
- **Affordable homeownership funds would be leveraged to a greater extent with other public and private capital sources to expand the building of homes.** Nationally, community development financial institutions (CDFIs) certified by the Department of Treasury leverage investments at a rate of 8:1. When invested in local CDFIs, affordable homeownership revolving funds would represent a lesser percentage of projects than those funded by the rental housing revolving fund and at the same time, bring in more investment in affordable housing from County and Federal government sources as well as private capital from individuals, foundations, and banks for our local people.

Reduce GET Exemptions for For-Profit Builders through 2025 and Dedicate Funds to Chronically Homeless and Families Living in Poverty

Lastly, in light of the fact that GET exemptions are projected to create a surplus of 3,934 market-rate homes by 2025, our organizations recommend the bill be amended to include language that would reduce GET exemptions for for-profit developers to \$19 million annually from \$30 million annually, starting 2021 and ending 2025.

This would result in our State retaining \$170 million of the \$360 million in GET exemptions provided through the State Legislature's 2018 affordable housing bill.

Our organizations recommend SB3104 be amended to include language that would allow the State of Hawaii to reduce the GET exemption put in place with the 2018 bill, collect the \$170 million in GET from For-profit developers, and allocate the monies directly to a fund that offers matching grants for development of affordable housing (including kauhale) for chronically homeless persons and families living in poverty earning less than 30% AMI.

According to Aloha United Way, 1 in 2 Hawaii households are ALICE (asset limited, income constrained, and employed) – one paycheck away from complete financial ruin and homelessness. At the same time, 2 in 3 Hawaii households are financially coping or vulnerable (Financial Health Pulse Survey, 2019).

There is no silver bullet that will address the economic crisis we are in, but we can start by setting in place a continuum in affordable housing that commits public dollars, attracts private investment, promotes reduced housing costs, and creates asset building opportunities targeting our greatest unmet demand among ALICE households earning up to 80% AMI.

Please take action and adopt our recommendations for SB3104.

Mahalo for your time, leadership and consideration. 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 style with a large, stylized "J" and "G".

Jeff Gilbreath
Director of Lending and Development



Aloha United Way

Aloha United Way
200 N. Vineyard Blvd., Suite 700
Honolulu, Hawaii 96817

February 4, 2020

SB 3104: SUPPORT

Senator Stanley Chang, Chair, Committee on Housing
Senator Dru Mamo Kanuha, Vice Chair, Committee on Housing
Senator Kaiali'i Kahele, Chair, Committee on Water and Land
Senator Gilbert S.C. Keith-Agaran, Vice Chair, Committee on Water and Land

Hearing: February 6, 2020; Hearing Time 1:45 PM; Conference Room 225

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

Aloha United Way supports SB 3104 which provides solutions to expeditiously develop housing for working families in Hawaii.

Hawaii has the highest cost of living in the nation and housing is generally the highest monthly expense for our working families. The ALICE® Report, released by Aloha United Way in 2018, shows that 47% of Hawaii residents are not financially stable. ALICE is an acronym standing for Asset Limited Income Constrained Employed and the report provides insight into the plight of those living above the federal poverty level but below a self-sufficient income. They struggle to make ends meet and are vulnerable to minor personal financial setbacks and unable to weather broad economic downturns. For example, during the great recession, 27,000 of Hawaii's households fell from financial stability into ALICE and, more significantly, they have not yet recovered. As a result, Hawaii has seen three consecutive years of population decreases as families leave in pursuit of increased financial stability.

The actions proposed in SB 3104 will provide the infrastructure upgrades and encourage developers to invest in housing projects needed to increase the stock of affordable housing in the area near the University of Hawaii West Oahu campus. Additionally, the proposed development area is adjacent to the rail station allowing residents to decrease their monthly transportation costs.

Finally, when combined with other pending legislation intended to stabilize this vulnerable population, the cumulative effect will be a substantial increase in the financial health of our community.

Thank you for the opportunity to submit testimony. We urge your favorable consideration of SB 3104.

Sincerely,

Norm Baker
Interim President & CEO

HISTORIC HAWAII FOUNDATION

TO: Senator Stanley Chang, Chair
Senator Dru Mamo Kanuha, Vice Chair
Committee on Housing

Senator Kaiali'i Kahele, Chair
Senator Gilbert S.C Keith-Agaran, Vice Chair
Committee on Water and Land

FROM: Kiersten Faulkner, Executive Director
Historic Hawai'i Foundation

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

RE: SB 3104, Relating to Land Development

On behalf of Historic Hawai'i Foundation (HHF), I am writing **with comments on Part IV of SB3104**. The bill addresses numerous issues related to land development; Part IV specifically relates to the duties of the Department of Land and Natural Resources for historic preservation reviews prior to any approvals being issued for development projects.

SB3104 Part IV would provide a means to delegate the State Historic Preservation Division's responsibilities to the Counties for actions conducted in accordance with HRS 6E-42 (Review of Proposed Projects). The bill establishes specific criteria and conditions under which such a delegation of authority could occur and continue. These conditions include SHPD certifying that the County has:

- Adopted an ordinance to govern the review process, consistent with State statute and administrative rules;
- Hired qualified professional staff who meet standards to conduct the reviews;
- Established internal controls to ensure independent determinations regarding effects of projects on historic properties;
- Ensured measures are taken against conflicts of interest and appearance of conflicts of interest;
- Provided for public notification; and
- Entered into a written agreement to memorialize the delegation of authority.

In addition, the delegation of authority would not apply to projects affecting properties listed in the Hawai'i or National Registers of Historic Places, nor would it apply to projects reviewed pursuant to HRS 6E-43 (Prehistoric and historic burial sites).

The bill also would allow SHPD to certify third-party individuals and organizations to review documents prior to submitting to the documents to SHPD for review. Such a pre-review step would be for

a check on completeness and compliance with document standards. The bill states that such third-party reviews would require:

- Staff who meet professional qualifications and standards;
- Sufficient internal controls to ensure qualified professional staff can make independent determinations and function in a manner that does not create a conflict or appearance of a conflict of interest; and
- The third-party reviewers must be independent from the party that drafted or generated the documents.

HISTORIC HAWAII FOUNDATION COMMENTS

HHF does not have a concern with the proposed conditions and criteria under which a County could assume primary responsibility for conducting historic preservation reviews. The conditions are reasonable and establish checks and balances to ensure that such a county-level program would be conducted by qualified professionals and in accordance with clear standards and guidelines.

However, we note that the State already has a mechanism to accomplish a partnership between the State and its subdivisions for the purposes of historic preservation: the Certified Local Government (CLG) program. This partnership between federal, state and local jurisdictions was authorized by the National Historic Preservation Act and enabled by HRS 6E-14 and -15. Three counties (Hawai'i, Kaua'i and Maui) are established CLGs.

The criteria to qualify and remain a CLG include:

- Enforce Appropriate State or Local Legislation for the Designation and Protection of Historic Properties
- Establish an Adequate and Qualified Historic Preservation Review Commission by State or Local Legislation
- Maintain a System for the Survey and Inventory of Properties that Furthers the Purposes of the Act
- Provide for Adequate Public Participation in the Local Historic Preservation Program
- Satisfactorily Perform the Responsibilities Delegated to it Under the Act
- Provide Statistics for Annual Reporting Requirements

It appears that the only changes between the status quo and the proposed bill is whether or not a County's enabling ordinance explicitly includes the authority to conduct project reviews for compliance with HRS 6E-42, and whether the County commits to hiring, training and retaining qualified staff members to implement such a program.

The section of the bill related to third-party reviews is ambiguous. HHF does not object to establishing a process and procedure by which the quality and completeness of submittals is improved. But it is unclear why specific legislative action is needed in order for a state agency to establish a screening process to check if a submittal follows formatting and content requirements, including whether the analysis supports the recommendations.

Would such a third-party review be part of SHPD's program, a County program or an Applicant's responsibility? The bill implies that SHPD would have a certified list of individuals or organizations who are qualified to screen submittals and note if they are complete. Certainly, complete and accurate submittals are necessary for reviewers to be able to assess a project and its effects. It is unclear why legislative authority is needed to require complete information for an agency to conduct its statutory responsibilities. This appears to be a function that should be integrated into standard operating procedures, submittal requirements and guidelines, and rules or regulations.

In short, HHF does not object to the sections of the bill related to historic preservation reviews, but is confused about why the issues are not addressed by means of existing programs and authorities, and by means of providing adequate professional staffing and resources at both the State and County levels.

Thank you for the opportunity to comment.

February 4, 2020

The Honorable Stanley Chang, Chair
Senate Committee on Housing

The Honorable Kaiali'i Kahele, Chair
Senate Committee on Water and Land
State Capitol, Room 225
Honolulu, HI 96813

RE: S.B. 2620, Relating to Land Use

HEARING: Thursday, February 6, 2020, at 1:45 p.m.

Aloha Chair Chang, Chair Kahele and Members of the Joint Committees,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **supports** S.B. 3104 which provides a comprehensive package of affordable housing initiatives, such as:

1. Authorizing the Hawai'i Housing Finance and Development Corporation (“HHFDC”) to lease real property for a period not to exceed 99 years for the development of certain projects that include affordable housing. Requires HHFDC to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings.
2. Authorizing the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawai'i West Oahu campus.
3. Authorizing the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less.
4. Authorizing a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the development will be for affordable housing.
5. Authorizing the State Historic Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county.
6. Establishing the Office of the Housing Ombudsman.
7. Removing the existing statutory cap on the amount of conveyance tax revenues that are deposited into the Rental Housing Revolving Fund each fiscal year.

HAR commends the Legislature for its bold approach in prioritizing affordable housing. Hawai'i has been struggling with the issue of affordable housing for decades. Challenges range from land and infrastructure costs, financing, regulatory challenges, and permitting. According to the Department of Business Economic Development and Tourism's report on Housing Demand in Hawai'i, the state needs 64,493 housing units to meet demand in Hawai'i by 2025. Ultimately, we have a housing supply problem, and this measure is a creative approach to address those challenges, by building infrastructure and developing actual affordable housing units.

HAR would respectfully recommend that the acreage be increased from 25 to 100 acres. This would make it economically feasible for environmental safeguards to be built, such as a wastewater treatment plan or connectivity to an existing sewer system. Smaller projects cannot absorb said costs.

Mahalo for the opportunity to testify.

SB-3104

Submitted on: 2/4/2020 7:55:12 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Moran	Testifying for Kihei Community Association	Oppose	No

Comments:

We oppose this bill. Our community needs the State LUC to protect our community from poor decisions made by our County Administration Mahalo,

Mike Moran for KCA

SB-3104

Submitted on: 2/5/2020 8:31:32 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Hyde	Testifying for South Maui Citizens for Responsible Growth	Oppose	No

Comments:

South Maui Citizens for Responsible Growth opposes SB3104 due to proposed changes to 205-3.1(e) which would allow counties to reclassify land up to 25 acres for development of affordable housing as to a *majority* of the land.

1. This would allow counties, acting through elected mayors receiving financial donations from developers, to reclassify land that 49% of which could be developed for other, likel more attractive, development, i.e., commeercial.
2. There are no guarantees affordable housing will be built on the 51%. Consitent with past behavior, citizens has seen affordable housing construction commitments unrealized - but developers are eager to develop land into higher return commercial uses. Where is protection in the bill guaranteeing construction of affordable housing? There is none.



Young Progressives Demanding Action
P.O. Box 11105
Honolulu, HI 96828
action@yphawaii.org

Chair(s) Stanley Chang & Kaiali'i Kahele
Vice Chair(s) Dru Kanuha & Gilbert Keith-Agaran

Senate Committee on Housing
Senate Committee on Water and Land

Thursday, February 6, 2020
1:45 PM

TESTIMONY IN OPPOSITION TO SB3104 RELATING TO LAND DEVELOPMENT

Aloha Chair(s) Chang & Kahele, Vice Chair(s) Kanuha & Keith-Agaran, Members of the Senate Committee on Housing and Senate Committee on Water and Land,

Young Progressives Demanding Action advocates for public policies that reflect the values of young people throughout the State of Hawai'i. YPDA is in **opposition** to **SB3104**, Relating to Land Development.

Using state land and state infrastructure to subsidize housing construction is a good idea if it provides an opportunity that isn't possible elsewhere. Currently this bill allows for half of the units to be built at market rate, and then the other half can be available at \$870,000. These \$870,000 units are considered "affordable" based on this bill's definition. Less than 10% of households can afford these units.

These prices are readily available in the real estate market, and so it's not necessary to subsidize these units. Developers currently pay full value for the land to be able to sell units at these prices already, and so it would be a multi-billion dollar gift to developers if we gave them this land.

If we are going to subsidize this project with land and infrastructure, it's necessary that the units are available to local residents at subsidized rates. This would mean units would need to be available at well below market rates. Prices at \$400,000 or below would be reasonable.

Compared to the regular procedure of responding to district boundary amendment petitions within 365 days after filing, affordable housing projects under Section 201H of the Hawai'i Revised Statutes are streamlined significantly, giving the Land Use Commission 45 days to respond after filing. The LUC has noted this hasn't hindered approval of projects in previous testimonies to the legislature.¹ The Land Use Commission is not the problem here. With a lesser time to make decisions, we should be more focused on how to make sure more accountability is happening.

The Land Use Commission is required to follow a set of important criteria when it comes to reviewing district boundary amendment petitions that are in line with the Public Trust Doctrine, this oversight is very important. The LUC looks at how the protection and preservation of natural, cultural, or historical resources that are important, valued, and an integral part of the economy are impacted by these petitions.

Removing LUC authority would remove important safeguards. It would remove much needed expertise that would allow for these resources as well as traditional and customary practices to be protected for the utilization and enjoyment of present, and future generations. This would ultimately mean that the Counties would be the ones putting in the extra time and resources to have the hard task of not only maintaining public trust responsibilities, but ensure that legal obligations are met. With the loss of expertise and the lack of proper resources, there is another big problem. A LUC member has a different standard of transparency than a member of a County Council. An LUC member can't meet with a developer to have a chat on that particular development and County Council members are allowed to receive campaign contributions from developers even when making decisions that affect that developer.

The Land Use Commission is an important body for public participation. LUC's procedure allows for parties to have both advanced notice and their legal right to due process, which allows for these parties to have the opportunity to participate in contested hearings.² This remains an important opportunity for the general public, notably the Native Hawaiian community to participate in an official decision making setting on development that would affect them through not only written and verbal comments, but a quasi judicial process. A quasi judicial process that allows regular people to participate in cross examination, and the calling up of expert witnesses. The shifting winds of politics and the limited ability (literal minutes) to present at council meetings shouldn't affect important decisions farm land, and especially traditional and customary rights that are constitutionally protected.

YPDA's leadership and membership consist of Millennials and younger who are students and young professionals. We face the struggle of trying to survive in a state with one of the highest costs of living. YPDA of course supports the need for affordable housing as a priority, so that our members and all of Hawai'i can have a future here. However, we just want it done right. With these concerns in mind, Young Progressives Demanding Action is **opposed** to **SB3104**.

Thank you for the opportunity to testify,

Jun Shin,
Environmental Justice Action Committee Chair
Young Progressives Demanding Action (YPDA)
Cell: 808-255-6663
Email: junshinbusiness729@gmail.com

Nate Hix,
Economic Justice Action Committee Chair
Young Progressives Demanding Action (YPDA)
Email: nate.hix@gmail.com

¹ https://www.capitol.hawaii.gov/session2019/testimony/HB1209_HD1_TESTIMONY_WLH_02-13-19_.PDF

²

<https://luc.hawaii.gov/about/district-boundary-amendment-procedures/>

LATE

SB-3104

Submitted on: 2/5/2020 3:00:26 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 SB3104, to invest \$275M in infrastructure development on University lands, and other lands within counties with less than 500,000 in population. We recognize that infrastructure is a paramount investment to addressing affordable housing for all of Hawaii citizens, including Hawaii's original peoples. Mahalo to our Senators working on bold investments to get Hawaii to keep our children home.



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

SENATE BILL 3104
Relating to Land Development

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 3104 which authorizes the Hawaii Housing Finance and Development Corporation to give out 99 year leases on "State Lands" aka Hawaiian Kingdom crown and government lands for development.

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. The Admissions Act further states that any other object besides the 5 purposes shall constitute a breach of trust for which suit may be brought by the United States.

KPAC has concerns over the use of these lands outside of the 5 purposes set out in the Hawai'i State constitution and actions that could be interpreted as land grabbing especially when the claims of the Kanaka Maoli people to 1.8 millions acres of these lands and our sovereignty over them have yet to be settled. 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".

Allowing non-elected members of an agency board to give out 99 years to developers would set up lessees as pseudo landowners that may eventually lead down the slippery slope of lease to fee conversions on state "public trust" lands. Only 50% of the housing units have to be affordable and no preference is given to Kanaka Maoli for homes being privately developed on stolen Hawaiian lands.

Respectfully submitted,

M. Healani Sonoda-Pale
Chair, KPAC



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

LATE

Opposing SB 3104

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.

Faith Action for Community Equity opposes SB 3104 because it does not accomplish its stated purpose, which is “to provide solutions to expeditiously develop housing for working families in the State.”

The bill envisions building housing on or adjacent to the West Oahu campus of the University of Hawaii. It would commit State land and \$200 million for infrastructure improvements. These are substantial resources that could potentially build a substantial amount of affordable housing. However, none of the housing that the bill envisions is required to be set at prices that working families can afford.

Specifically, there are no price requirements for 50% of the housing, so there is no affordability requirement for it. The other 50% would be priced for households having incomes at or below 140% of the area median income. Very few families earn 140% of the area median income. The project is designed for the affluent, and not for working families.

The project should start anew, beginning with principles for developing affordable housing. Any large housing project subsidized by the State should have the following characteristics:

- (1) The housing must be affordable to working families.
- (2) Every homeowner must be a Hawaii resident.
- (3) The homeowner must live in the housing unit.
- (4) Neither the home owner, nor the spouse, nor anyone living in the housing unit may own any other residential property.

In addition, any large housing project on State land should be integrated with commercial businesses, such as retail stores, restaurants, movie theaters, health clinics, barber shops and hair salons, grocery stores, and coffee shops -- all within a short walk of the housing. The project should be designed to encourage community living and walkability to minimize the need for personal vehicles and to minimize traffic.

Hawaii has an enormous unmet need for housing that is affordable to working families. Faith Action is committed to working with the Legislature and the State Administration to ensure that all of Hawaii’s households have access to adequate housing that is affordable to them.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF SB 3104: Relating to Land Development

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 3104, which proposes a wide range of solutions to develop housing for working families in the State. 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. Most families with children that CCH sees, who face homelessness, are working. They are part of the ALICE cohort who hit a crisis and became homeless.

We applaud the Legislature and the governor for this bill and your efforts to address Hawaii's high cost of living which is forcing many residents to move out of state. This omnibus bill, with critical infrastructure and other proposals, is the first step to find solutions that match the needs Hawaii's workforce and the ALICE population. We support Part II, (3) and the provision of 99 year leases, but have questions re: providing that only 50% of the units on state land will be reserved for affordable housing. We suggest that more data and study may be needed on this issue: Why not mandate that 100% of the for-sale condos be affordable units? What will the target prices be for these condos? Do we know the inventory of current affordable housing units (i.e. for-sale condos) so that the State can better make decisions on the number of new units needed, and, most critically, the price of these units? The sales prices must be truly be affordable to the ALICE population, which cannot afford \$500,000+ units. If most current affordable for-sale housing is priced above the incomes of ALICE families, we need to make dramatic changes in the State's plans. **We need to give HOPE to ALICE families that the proposed solutions will enable them to remain living in Hawaii.**

We strongly support Part VI which repeals the cap on conveyance taxes deposited into the Rental Housing Revolving Fund (RHRF). Affordable rentals need to continue to be a priority. They are an essential part of the mix of housing. Robust and predictable funding to the RHRF is critical. These rentals can also be pathways to homeownership.

Again, we applaud you for your joint focus on finding solutions for Hawaii's workforce and this critical ALICE population. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



LATE



SB 3104, RELATING TO LAND DEVELOPMENT

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

POSITION: Comments.

RATIONALE: IMUAlliance provides the following comments on SB 3104, relating to land development, which authorizes the Hawai'i Housing Finance and Development Corporation to lease real property for a period not to exceed 99 years for the development of certain projects that include affordable housing; requires the Hawai'i Housing Finance and Development Corporation to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings; authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawaii West Oahu campus; authorizes the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less; authorizes a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the development will be for affordable housing; authorizes the State Historic Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county; establishes the Office of the Housing Ombudsman; and removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year.

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.

Shockingly, **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.

While we fully support extending \$275 million for affordable housing and lifting the conveyance tax cap, **we are concerned that this measure doesn't address the needs of our state's most economically distressed residents,** i.e. those most in need of affordable housing. According to part II of this proposal, affordable housing is defined as "housing that is affordable to households having incomes at or below **one hundred forty per cent** of the area median income as determined by the United States Department of Housing and Urban Development." In 2019, according to HUD guidelines, a single person earning 140 percent of AMI in Honolulu made \$118,600 per year, while a family of four earning 140 percent of AMI earned \$168,700.



HONOLULU COUNTY INCOME SCHEDULE BY FAMILY SIZE

2019

THE FOLLOWING TABLE PRESENTS INCOME LIMITS BY FAMILY SIZE AND BY PERCENTAGES OF THE VERY LOW INCOME LEVELS ESTABLISHED BY HUD. THESE INCOME LIMITS SERVE AS GUIDELINES TO ESTABLISH SALES/RENTAL PREFERENCES.

		LIMITS BY FAMILY SIZE							
MEDIAN \$99,000		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Adjustments for family size		0.7000	0.8000	0.9000	1.0000	1.0800	1.1600	1.2400	1.3200
% of Income	10%	\$8,440	\$9,640	\$10,850	\$12,050	\$13,020	\$13,980	\$14,950	\$15,910
	20%	\$16,880	\$19,280	\$21,700	\$24,100	\$26,040	\$27,960	\$29,900	\$31,820
	30%	\$25,320	\$28,920	\$32,550	\$36,150	\$39,060	\$41,940	\$44,850	\$47,730
	40%	\$33,760	\$38,560	\$43,400	\$48,200	\$52,080	\$55,920	\$59,800	\$63,640
	50%	\$42,200	\$48,200	\$54,250	\$60,250	\$65,100	\$69,900	\$74,750	\$79,550
	60%	\$50,640	\$57,840	\$65,100	\$72,300	\$78,120	\$83,880	\$89,700	\$95,460
	70%	\$59,080	\$67,480	\$75,950	\$84,350	\$91,140	\$97,860	\$104,650	\$111,370
	80%	\$67,520	\$77,120	\$86,800	\$96,400	\$104,160	\$111,840	\$119,600	\$127,280
	90%	\$75,960	\$86,760	\$97,650	\$108,450	\$117,180	\$125,820	\$134,550	\$143,190
	100%	\$84,400	\$96,400	\$108,500	\$120,500	\$130,200	\$139,800	\$149,500	\$159,100
	110%	\$92,840	\$106,040	\$119,350	\$132,550	\$143,220	\$153,780	\$164,450	\$175,010
	120%	\$101,280	\$115,680	\$130,200	\$144,600	\$156,240	\$167,760	\$179,400	\$190,920
	130%	\$109,720	\$125,320	\$141,050	\$156,650	\$169,260	\$181,740	\$194,350	\$206,830
140%	\$118,160	\$134,960	\$151,900	\$168,700	\$182,280	\$195,720	\$209,300	\$222,740	

We should not be designating homes as “affordable” that are built for people earning six-figure incomes. Rather, lawmakers should focus on building housing that meets the needs of families earning 80 percent of AMI or less—and preferably 50 percent of AMI or less—to ensure that our neighbors who are living on the edge of poverty can survive.

To spend hundreds of millions of dollars on housing that fails to uplift economically vulnerable workers—especially using state lands that are intended to reduce the cost of development by eliminating the land component of such costs—is **nothing more than a giveaway to the developers who continue to hold our housing market and working families hostage,** while increasing their demands for financial concessions to inflate their bottom lines.

This glaring problem is exacerbated by SB 3104’s **overt subversion of the Land Use Commission’s decision-making authority over district boundary amendments, a move that can only be understood as an attempt to sabotage the LUC’s historic role in preserving and protecting Hawai’i’s lands** and encouraging those uses to which lands are best suited. LUC officials are not the enemy of affordable housing. On the contrary, **the greatest barrier to the development of truly affordable homes in the islands is our state’s inability to take a stand up to the private developers who are turning Hawai’i into a Monopoly board.**

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.

LATE



HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Supporting with Amendments SB 3104 – Relating to Land Development
Senate Committees on Housing and Water & Land
Thursday, February 6, 2020, 1:45 PM, conference room 225

Dear Chair Chang, Chair Kahele, and Members of the Senate Committees on Housing and Water & Land:

Thank for the opportunity to provide testimony **supporting SB 3104 with amendments**. SB 3104 is important bill which, if properly modified, has the potential to make significant headway in the effort to address the lack of housing affordability in Hawai‘i.

Fifty years ago the state of Hawai‘i proclaimed that Hawai‘i was experiencing a housing crisis, and since that time, the severity of the problem has only increased—more than doubled by some standards. Over the past decades, countless studies have examined how Hawai‘i can address the crisis, often repeating recommendations of previous studies. Yet changes necessary to get a grip on housing affordability have not been implemented, in part because a lack of a coordinated, inclusive effort to identify and pursue policy changes that have both: (1) the potential to make a large positive impact; and (2) broad acceptance in the community because the proposed changes adequately balance affordability with other important factors such as environment, historical preservation, and planning. That’s begun to change with stakeholders coming together in ways they previously have not—a change which is reflected in some, but not all of the components of this bill.

To make *quick and meaningful* progress toward housing affordability in Hawai‘i, we need to focus our efforts on changes that will make a *big impact* and for which there is *broad alignment of interest*. We believe the following components of the bill, which Hawai‘i Appleseed ***strongly supports***, meet those requirements:

- \$200 million in infrastructure on state-owned lands by the rail at UH West Oahu
- \$75 million for affordable housing infrastructure on islands other than Oahu
- Ninety-nine year leases
- Office of the Housing Ombudsman
- Elimination of the cap on conveyance tax proceeds that are deposited into the Rental Housing Revolving Fund

The Hawai‘i Appleseed Center for Law and Economic Justice is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

However, there are two components of the bill with which we *strongly disagree* because they are not likely to have a positive impact or have a broad enough alignment of interest:

- **Setting the bar on what's considered affordable housing according to the bill at 140% of Area Median Income**—a level that is by definition out of reach for the vast majority of Hawai'i's residents—especially when the use of public lands, commitment of public resources for infrastructure, and 99-year leases make it possible to attain much deeper levels of affordability that are targeted to the actual housing needs of Hawai'i residents
- **Elimination of the Land Use Commission's decision-making authority for properties of less than 25 acres** where the majority of development will be for “affordable housing” as defined by the bill. While delays in the permitting process are certainly a significant contributing factor to housing affordability, there is not broad agreement on whether the LUC's review is responsible for such delays, and the prime opportunities for affordable housing development, where there appears to be broad acceptance by housing stakeholders that development is appropriate (e.g., around rail) don't require such review.

Additional detail regarding the positive and negative components of the bill is below.

Infrastructure

Over the past few years, we've reached out to housing stakeholders including developers, government officials, impacted community members, environmental groups, and others to understand the various perspectives around housing development. There appears to be broad agreement that we need to increase government investment in infrastructure. Doing so not only because it reduces the costs of housing development for developers (which is then passed on to homeowners and occupants), but it also eliminates the time-consuming (and costly) negotiations during the permitting process regarding what infrastructure costs developers need to cover.

Investing in infrastructure on public lands makes it easier to preserve the benefit of the investment for the public, reducing the risk that investment of public resources will result in a windfall for a select few landowners or developers. Focusing the infrastructure investment near rail also makes sense because it allows for high density housing development—avoiding sprawl concerns—in an area where there is no need for LUC review and land use decisions have already been made and, for the most part, accepted by stakeholders and the community. Additionally, transit-oriented development is relatively efficient, reducing costs by mitigating the need for parking space and expansion of roads.

It's also important to ensure that neighbor islands have resources for infrastructure. The housing crisis is a statewide problem.

Ninety-Nine Year Leases, Housing Ombudsman, and Elimination of the Conveyance Tax Cap

Providing HHFDC with the ability to enter into 99-year leases (rather than fee-simple property transfers) has the potential to bring down the costs of home ownership/occupancy. Additionally, leasing the land rather than transferring it outright preserves it for the public good.

Creating an Office of the Housing Ombudsman also makes good sense. Housing is one of the most significant challenges facing Hawai‘i. We need to make more investments into figuring out how to address it.

Eliminating the cap on conveyance tax proceeds that go to the Rental Housing Revolving Fund (RHRF) is also a positive change. The RHRF is one of the few sources of subsidy for development of truly affordable housing. We need to make strong, steady investments in the RHRF, and conveyance tax proceeds—though they may fluctuate—provide a more reliable source of RHRF funding than year-by-year RHRF appropriations.

Defining Affordable Housing as Anything Below 140% of AMI

We recommend that the definition of “affordable housing” in SB 3104 be replaced with language that focuses housing development on meeting the “actual affordability needs of Hawai‘i’s residents,” allowing HHFDC to determine, with consideration of .

140% of AMI is not affordable to most Hawaii residents. To define “affordable” as “households having incomes at or below one hundred forty percent of the area median income” will not help working families in Hawai‘i, and certainly not the ALICE (Asset-Limited, Income-Constrained, Employed) households intended to be benefited by this bill and the package of which it is a part.

The HUD level of 140% AMI for Oahu is \$97,000 for a single person or \$138,600 for a family of four. A single person earning \$97,000 a year is in the top 14% of Hawaii taxpayers. Two income earners who earn \$136,000 a year are in the top 26% of Hawaii taxpayers.¹ Comparatively, 48% of Hawai‘i households fall below the “ALICE thresholds” of \$31,250 for a single person and \$80,380 for a family of four (adjusted for inflation since 2015). **Our efforts need to be focused, not just on the housing that is the easiest to create, but on the housing that Hawai‘i residents actually need,** especially where housing development is supported by contributions of public resources of land and infrastructure investments that make lower cost housing more feasible.

¹ December 2019, “Hawaii Individual Income Tax Statistics, Tax Year 2017”, Department of Taxation HI Tax.hawaii.gov
See Appendix

In addition, the unacceptably poor standard of the 140% of AMI threshold may ultimately be worse because the current language in the bill does not indicate the length of time a project must stay affordable, if there are equity sharing requirements should a home be sold (or if the first owner gets a publicly-funded windfall), and if there are any resident restrictions.

Eliminating LUC Review for Parcels of 25 Acres or Less

We urge that the bill be amended to remove the proposed change to the Land Use Commissions jurisdiction. The change is controversial, unnecessary, and unlikely to have an impact on affordability.

The LUC fulfills an important role by taking a big picture view of land use within the state and ensuring that district categories—e.g., urban, rural, agricultural, conservation—fit into the overall state plan. Instead of focusing our efforts on controversial proposals such as reducing LUC jurisdiction, we should be focusing on areas where there is likely to be broad alignment of interest. There are ample opportunities for housing development within the areas already designated for such. For example, development around rail on Oahu represents a prime opportunity for housing development, it is already designated for such development, and there appears to be the relatively broad agreement necessary for projects to move more quickly. Additionally, there is already a process in place for expedited LUC decision-making for affordable housing projects. If that process is broken, it should be addressed. But otherwise, the main impact of eliminating LUC authority over parcels less than 25 acres would be for projects that are not for affordable housing.

We appreciate your consideration of this testimony. We urge you to pass this bill with the amendments proposed above. These amendments will help ensure that the bill (1) focuses on changes that are likely to make a big impact and (2) adequately balances important interests related to affordable housing development, achieving broader acceptance by housing stakeholders and creating the potential to make quick and meaningful progress toward housing affordability in Hawai‘i.



SIERRA CLUB OF HAWAI'I

SENATE COMMITTEE ON HOUSING
SENATE COMMITTEE ON WATER AND LAND



February 6, 2020 1:45 PM Room 225

In **OPPOSITION** to **SB3104**: Relating to Land Development

Aloha Chair Chang, Chair Kahele, and members of the committees,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **opposes SB3104**, an omnibus bill relating to land use and housing development. While we support significantly increasing the supply of affordable housing across the Hawaiian Islands, we do not support and do not find it necessary to sacrifice fertile farmlands and rural communities to accomplish this goal. Existing state law provides ample authority to construct truly affordable housing in urban centers throughout the islands. The Sierra Club is committed to working with affordable housing advocates and lawmakers to accomplish this important goal.

We oppose the provisions in this bill that:

- 1) authorize counties to complete district boundary amendments for agricultural parcels up to 25 acres,
- 2) delegate responsibility to the counties to complete required historic preservation project reviews,
- 3) allow for an undefined "majority" of the development to be "affordable housing" which is defined as that serving residents at 140% of area median income or below.

These sections of the bill pose unacceptable risk to Hawai'i's farms, and natural, historical, and cultural resources, while doing very little to solve the affordable housing crisis in Hawai'i. To be clear, this means the Sierra Club has **no opposition** to increased funding for affordable housing, expanding infrastructure near the University of Hawai'i West O'ahu Campus to support additional affordable housing, or creating the Office of the Housing Ombudsman. That said, given the nature of the legislative process, we recommend holding this measure and adding those provisions that have general consensus and support to a separate bill specifically on housing.

DETAIL OF OPPOSITION

We oppose the following sections of the bill:

- 1) **lines 8-11 on page 4, the definition of affordable housing.**
Rationale: Affordable housing projects should target those residents making 100% of the area median income or less, not 140%.
- 2) **lines 5-13 and 19-21 on page 8.**
Rationale: The corporation should not be allowed to circumvent the Land Use Commission for district boundary amendments.
- 3) **lines 10-11 on page 9, lines 14-20 on page 11, additions made to line 9, and 13-14 on page 13, and lines 1-3 on page 14.**
Rationale: no person should be authorized to circumvent the Land Use Commission for any district boundary amendment.
- 4) **lines 19-20 on page 14, 1-2 on page 15, lines 10-20 on page 16, page 17, page 18, and lines 1-7 on page 19.**
Rationale: Protecting Hawai'i's historic resources and burials is the responsibility of a fully funded State Historic Preservation Division, not the various counties of Hawai'i. This section could be replaced with language directing SHPD to prioritize review of affordable housing projects ahead of other projects needing historic preservation oversight.

EXPLANATION

We recognize that Hawai'i is suffering a housing crisis. More affordable housing must be built to ensure that everyone in Hawai'i has a decent place to live. The Sierra Club supports building additional truly affordable housing in the urban centers of each county. Doing so not only protects farmland from development pressure and speculative land valuations, but it also encourages more sustainable development patterns by putting housing near employment opportunities and essential services. State lawmakers should consider investing in expanded city infrastructure, as the lack of adequate roads, sewers, and water lines remains a persistent obstacle to building affordable housing in the urban core.

I. The State Land Use Commission is not the obstacle to affordable housing

For sixty years, the State Land Use Commission (LUC) has played an essential role in encouraging proper land uses to protect and preserve Hawai'i's natural resources. In 1961, the legislature created the LUC in response to "a lack of adequate controls [that] had caused the development of Hawaii's limited and valuable land for short-term gain for the few while resulting in long-term loss to the income and growth potential of our State's economy."¹

This unique agency is critical to protecting open space, agricultural fields, natural resources, native Hawaiian rights, taxpayers' money, the overall quality of life for Hawai'i residents, and the long-term health of our economy. Unlike county permitting agencies, the LUC assesses district boundary amendments on basic good planning principles, such as whether the project provides for adequate public schools, and transportation infrastructure.

¹ <https://luc.hawaii.gov/about/history-3/>

Currently, the LUC reviews district boundary amendment petitions involving 15 acres or more and only reviews housing-related projects when development proposals are proposed on lands designated as agricultural or conservation districts. The LUC is also required to approve or deny a petition within 365 days from its submission. If the LUC fails to complete review and decision making on a petition within that time period, then the petition is automatically approved. The LUC has always met that deadline; no project has been automatically approved.

a) Affordable housing projects are approved within 45 days

Project proposals that qualify as affordable housing under Haw. Rev. Stat. § 201H currently enjoy an extremely expedited review process at the Land Use Commission and the county permitting agencies. Per Haw. Rev. Stat. §201H-38, affordable housing projects requiring petitions for district boundary amendments are required to be heard and decided upon within 45 days after the filing of a petition.² According to LUC staff, throughout the 2010's there were roughly four big 201H affordable housing projects approved at the LUC, all within the 45 day timeline.³ The LUC has not had to automatically approve any affordable housing projects because it meets its deadlines.

b) Circumventing LUC authority raises unintended consequences

Over the last 60 years, LUC decisions have sparked several seminal cases on property rights, contested case hearing process, and conflict of interest. If larger projects are allowed to sidestep established LUC processes, it is not clear what the implications will be for the counties.

Generally, developing 15 acre parcels is limited to infill type projects, where the surrounding areas are already urbanized. In these situations the impacts tend to be minimal. If this bill is passed, then the exemption is expanded to 25 acres, and the counties approve larger projects without reviewing essential state interests such as the Coastal Zone Management Act, Clean Water Act, the public trust doctrine, public access to public lands, state transportation needs, demand on public education infrastructure, and property rights protected by the U.S. Constitution.

Specifically on the adjudication of property rights, the Hawai'i Supreme Court has ruled that the LUC must conduct contested case hearings when making decisions that implicate property rights.

“Supreme Court cases have been clear in stating that constitutional due process requires every property owner the right to a contested case hearing when the value of their land is impacted. District boundary amendments create such an impact. As a result,

² <https://luc.hawaii.gov/about/district-boundary-amendment-procedures/>

³ A record of all LUC decisions organized by island is available online at:

<http://luc.hawaii.gov/completed-dockets/decision-and-orders-for-boundary-amendments/>

attempts to change district boundaries legislatively or unilaterally may be unconstitutional.”⁴

The *Towne* case holds that the due process provisions of Hawai‘i law requires that a contested case hearing be held and notice provided to all potential parties when property rights or values will be impacted. As a result, the LUC handles everything above 15 acres through a contested case hearing process which allows for, and demands, public participation and representation of the public interest through both the Office of Planning and county planning agencies.

By contrast, counties utilize a legislative hearing process to conduct district boundary amendments of parcels of 15 acres or less. The County process allows public comment but does not conform to the notice and due process requirements of the *Towne v. LUC* decided by the Hawai‘i Supreme Court in 1974. The *Towne* case has not been applied to the county process because of the relative insignificance of changes to parcel less than 15 acres. Once the acreage threshold is raised the counties will likely be required to hold contested case hearings on district boundary amendments. Not only are the counties likely unprepared for this type of process, resulting in a significant delay in the near term, but the end result will be a loss of any perceived time and cost savings to landowners. At the end of the day, this measure would likely not expedite any decision making and would only disenfranchise the public from meaningful participation in major changes to their communities.

II. Bill would shifts unreasonable SHPD burden to counties

The bill requires the counties to adopt an ordinance to govern the county's review process that is “consistent” with state historic preservation laws. The counties would have to maintain a program with administrative regulations and oversight by the State Historic Preservation Division. This arrangement adds a whole new level of bureaucracy to the relationship between the counties and SHPD, without expediting or improving the quality of decisions made on issues of historic preservation. As the proposed statute indicates, this arrangement increases the risk of conflicts of interest because it allows counties to hire third party entities to conduct and oversee assessments of historic resources.

We recognize that the State Historic Preservation Division has its challenges. The Club supports efforts to improve this division with additional resources, funding, and expertise. On the issue of expediting permit-reviews for affordable housing projects, it could be useful for the Legislature to direct SHPD to prioritize applications for affordable housing projects before all other projects requiring review.

III. Truly affordable housing is for residents at 100% AMI or below

According to the 2016 Hawaii Housing Planning Study conducted by the Hawaii Housing Finance and Development Corporation, the Counties, and the Office of Hawaiian Affairs, nearly

⁴ *Towne v. LUC*, 55 Haw. 538, 524 P.2d 84 (1974).

<http://luc.hawaii.gov/wp-content/uploads/2014/09/Town-v.-Land-Use-Commission.pdf>

70% of all housing demand in our State is from our low- and moderate-income households earning less than 100% the area median income (AMI). Market priced units are out-of-range for at least 89% of our population. Statewide, demand for units priced higher than 140% AMI is at only 11%.⁵

This bill fails to ensure truly affordable housing because it defines affordable housing as that intended for residents earning 140% AMI. In addition, this bill requires only 50% of the project to be priced at 140% AMI. It is unclear exactly what “majority of the development” actually means (number of units built? Number of acres of the whole project?). Lastly, this bill provides no time frame as to how long these units would stay affordable to address long-term housing demands. Although pricing new units as “affordable” might translate to lower sale prices initially, there is no guarantee that units will be kept at this price with each re-sale. How do we ensure homeowners capture the value of their homes when they are sold while at the same time ensure that homes are sold at truly affordable prices? This bill does not provide an answer to this crucial question.

For all of these reasons, we oppose SB3104 as currently proposed. We urge your committees to hold the measure. If, however, this measure is advanced we commit to working with your members to overcome key flaws in this measure.

Mahalo,



Marti Townsend
Chapter Director

⁵ https://dbedt.hawaii.gov/hhfdc/files/2017/03/State_HHPS2016_Report_031317_final.pdf

LATE



KAMEHAMEHA SCHOOLS®

Senate Committee on Housing and Committee on Water and Land

Time: 1:45 p.m.

Date: February 6, 2020

Where: State Capitol Room 225

TESTIMONY

By Kau‘i Burgess

RE: **SB 3104 Relating to Land Development**

E nā Luna Ho‘omalua Chang lāua ‘o Kahele, nā Hope Luna Ho‘omalua Kanuha lāua ‘o Keith-Agaran, a me nā Lālā o kēia Kōmike, aloha! My name is Kau‘i Burgess and I serve as the Director of Community & Government Relations for Kamehameha Schools.

We are writing in **SUPPORT of SB 3104**, which proposes a package of ideas aimed at addressing Hawai‘i’s housing crisis.

Kamehameha Schools believes that every keiki deserves a home to live, grow, and thrive. Without access to stable, quality housing options, our learners are substantially less likely to succeed in their educational and career paths, reinforcing cycles of social-economic inequality. An adequate supply of housing is necessary to ensure our future generations can continue to afford to call Hawai‘i ‘home.’

We commend and stand in support of the collaborative efforts for housing solutions being championed by our Governor, Senate President, House Speaker, and other legislative and community leaders throughout Hawai‘i. The thoughtful, multifaceted strategy outlined in this bill is necessary to deliver the spectrum of housing options needed to meet the demand of Hawai‘i’s community.

To realize this vision, an effective and efficient process is required; one that enables the timely permitting of good projects, the protection of our unique natural and cultural resources, and the substantive inclusion of input from the Native Hawaiian and greater community. Through such a process, we uphold the integrity of Hawai‘i’s values for aloha ‘āina and lōkahi and allow developers to deliver housing that is both financially feasible and in alignment with the needs of local communities.

In addition, providing affordable housing must stem from strong partnerships between government, the private sector, and local communities: Government can support appropriate public infrastructure, establish effective planning and permitting processes, and incentivize affordable housing development. The private sector can leverage investments to drive efficient development with marketable returns and sustained contributions to community. An empowered community voice can guide the types of housing, the desired quality of neighborhoods, and the advancement

of culture and lifestyle. We believe housing is most successfully developed through collaboration and collective action.

Though there are areas in this bill that can be improved, we believe it presents a step in the right direction.

Founded in 1887, Kamehameha Schools is an organization striving to advance a thriving Lāhui where all Native Hawaiians are successful, grounded in traditional values, and leading in the local and global communities. We believe that community success is individual success, Hawaiian culture-based education leads to academic success and local leadership drives global leadership. Mahalo nui!

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. 3104, RELATED TO LAND DEVELOPMENT

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. Our members build the communities we all call home.

BIA Hawaii is in strong support of S.B. 3104, which proposes the following:

1. Authorizes the Hawaii Housing Finance and Development Corporation to lease real property for a period not to exceed 99 years for the development of certain projects that include affordable housing. Requires the Hawaii Housing Finance and Development Corporation to submit a report to the legislature that identifies all state lands that may be developed for multi-unit dwellings.
2. Authorizes the issuance of \$200,000,000 in general obligation bonds, with the proceeds used for the establishment of infrastructure to support the development of housing on lands near the University of Hawaii West Oahu campus.
3. Authorizes the issuance of \$75,000,000 in general obligation bonds, with the proceeds used for affordable housing infrastructure in counties with a resident population of 500,000 or less.
4. Authorizes a state or county department or agency to petition the appropriate county land use decision-making authority, rather than the Land Use Commission, for a change in the boundary of a district involving land areas between 15 acres and 25 acres where the majority of the development will be for affordable housing.
5. Authorizes the State Historic Preservation Division to delegate the responsibility of historic preservation project reviews to the impacted county.
6. Establishes the Office of the Housing Ombudsman.
7. Removes the existing statutory cap on the amount of conveyance tax revenues that are deposited into the rental housing revolving fund each fiscal year.

This comprehensive housing bill contains many of the issues that need to be addressed in order to increase the supply of housing at all price points for Hawaii's residents. Our comments on each section of the bill is as follows:

- Allowing for the sale of Ninety-nine (99) year leasehold condominiums would allow the state to retain the fee simple interest in the property while allowing lessee's essentially three (3) generations of use of the property. This is similar to how the governments in Hong Kong and Singapore lease out government owned residential units. It allows families to build equity and also provides the security that the unit can be passed on to other family members.
- Investment in infrastructure capacity building around the UHWO campus and on the neighbor islands is the required first step in building our way out of our housing crisis. As more site specific information becomes available, our hope is that other landowners adjacent to the State lands will

partner with the State and leverage the state investment in infrastructure to open up more lands for housing, both for sale and rentals.

- Addressing the duplicative land use entitlement process by allowing agencies to petition the counties is a step in the right direction. The counties are essentially the urban planners, and are responsible for identifying areas of growth needed on each island. The counties should be responsible for planning for their own growth.
- We understand the issue with SHPD has been the challenges of hiring and retaining qualified staff. Allowing the counties to hire professionals who meet the requirements established by SHPD would allow for timely processing of reviews and approvals. In addition, the legislation should consider allowing for third party reviews where private entities can be certified by SHPD to conduct non-discretionary reviews to assist SHPD and/or the Counties in processing the various permits. Third party review is currently being used by the City and County of Honolulu in processing building permits.
- Establishing the Office of the Housing Ombudsman is a step in the right direction while the responsibilities are rather broad, there should be some consideration to “prioritizing” around issues to items that will increase the supply of housing at all price points as quickly as possible. For example, the office should be responsible for identifying the state-owned lands that need to be redeveloped along the transit corridor on Oahu. Leaving this strategic decision to agencies with little to no real estate development experience is not in the state’s best interest. The office should also be working with the counties to get housing projects approved and permits issued in an expeditious manner.

While we believe this bill is a step in the right direction, we also realize that there is much more work ahead as we start building our way out of our housing crisis. We are hopeful that this effort by the state will be matched by both the counties and private sector to find cooperative ways to increase the supply of housing.

We would like to recognize the unprecedented alignment of the leadership in the House, Senate and Administration who worked on this historic legislative package. Meaningful change takes political will and leadership, both of which will be needed for the successful passage of this historic legislation.

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

LATE

Testimony of
Pacific Resource Partnership

Senate Committees on Housing and Water and Land
The Honorable Stanley Chang, Chair
The Honorable Dru Mamo Kanuha, Vice Chair
The Honorable Kaiali'i Kahele, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

SB 3104 Relating to Land Development

Thursday, February 6, 2020
1:45 P.M.
Conference Room 225

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

Pacific Resource Partnership (PRP) writes in strong support of SB3104, which represents a collective effort by government and stakeholders to address the State's housing crisis.

Hawaii's high cost of housing and living are making it difficult, if not impossible, for local residents to live in Hawaii. According to the 2019 Hawaii Housing Planning Study, since 2016 the State's population has declined—the Average Annual Percent Change 2016-2018 was -0.3 percent. The study also found that many families were moving out of Hawaii because they could not afford to buy a home—about 22% of respondents who planned to leave Hawaii identified the high cost and limited availability of housing as one of the reasons for moving. In 2017, the ALICE report revealed that 48% of total households in the State struggle to make ends meet with a budget that does not allow for savings without sacrificing other necessities, such as childcare, food, healthcare, and transportation.

SB3104 provides solutions to expeditiously develop more affordable housing for Hawaii's residents by:

1. Allowing the state to lease real property for up to 99 years for the development projects that include affordable housing;
2. Identifying state lands that can be developed for multi-unit dwellings;
3. Authorizing the issuance of \$200 million in general obligation bonds, with proceeds used for the establishment of regional infrastructure; and
4. Authorizing the issuance of \$75 million in general obligation bonds for infrastructure for affordable housing in counties having a population of less than 500,000.



(Continued From Page 1)

PRP supports SB3104 and respectfully recommends an amendment to clearly inform developers that Chapter 104, Hawaii Revised Statutes applies to any long-term lease agreement for real property owned by and leased from the state. Thank you for this opportunity to submit written testimony.

LATE



HAWAII REGIONAL COUNCIL OF CARPENTERS

Senate Committees on Housing and Water and Land

The Honorable Stanley Chang, Chair

The Honorable Dru Mamo Kanuha, Vice Chair

The Honorable Kaialii Kahele, Chair

The Honorable Gilbert S.C. Keith-Agaran, Vice Chair

Statement of the Hawaii Regional Council of Carpenters

in Support of SB 3104 Relating to Land Development

Thursday, February 6, 2020, 1:45 P.M., Conference Room 225

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

The Hawaii Regional Council of Carpenters (HRCC) strongly supports SB3104, relating to land development, which represents the legislature's collective intent to address Hawaii's longstanding and deeply troubling housing shortage, currently estimated at 65,000 new housing units to meet demand by 2025.

HRCC has worked extensively over the past several years to advocate for more affordable housing, particularly rental housing. We appreciate the work of the legislature to incorporate a range of proposals into SB3104, including:

- Authorizing HHFDC to enter into leases not exceeding 99 years for affordable housing projects;
- \$200,000,000 of general obligation bonds to establish infrastructure to support housing around U.H. West Oahu;
- \$75,000,000 of general obligation bonds to support affordable housing infrastructure in neighbor island counties;
- Making changes to the process to petition for land use boundary district amendments;
- Authorizing the delegation of responsibility for historic preservation reviews to the counties;
- Establishing the Office of the Housing Ombudsman; and
- Removing the cap on the amount of conveyance tax revenues deposited into the rental housing revolving fund.

Taken together, these steps would represent a meaningful improvement to state funding and policy in regard to the creation of more affordable housing. We also appreciate the multitude of other bills introduced this session which attempt to address other aspects of housing policy, and hope that they will also be thoughtfully considered between now and May.

HRCC has been a strong supporter of language which ensures that prevailing wages, as required under HRS Chapter 104, are applied to projects which utilize state or county lands or funds. Therefore, we respectfully recommend your committees' consideration for an amendment to clarify that any long-term lease agreement for real property owned by and leased from the state pursuant to SB3014 contain language to ensure that HRS Chapter 104 prevailing wages are applied.

Thank you for this opportunity to submit written testimony in strong support of SB3104, relating to land development.

STATE HEADQUARTERS & BUSINESS OFFICES

OAHU: 1311 Houghtailing Street, Honolulu Hawaii 96817-2712 • Ph. (808) 847-5761 Fax (808) 440-9188

HILO OFFICE: 525 Kilauea Avenue, Room 205, Hilo, Hawaii 96720-3050 • Ph. (808) 935-8575 Fax (808) 935-8576

KONA OFFICE: 75-126 Lunapule Road, Kailua-Kona, Hawaii 96740-2106 • Ph. (808) 329-7355 Fax (808) 326-9376

MAUI OFFICE: 330 Hookahi Street, Wailuku, Maui 96793-1449 • Ph. (808) 242-6891 Fax (808) 242-5961

KAUAI OFFICE: Kuhio Medical Ctr Bldg., 3-3295 Kuhio Hwy, Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911

LATE

SB-3104

Submitted on: 2/6/2020 6:55:19 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Mary Albitz	Testifying for Aloha Business Bitz, Inc dba Island Art Party	Support	No

Comments:

This state needs to develop affordable/workforce housing for small businesses to survive and this bill helps take down some of the barriers to getting this housing developed. As a small business owner my staff struggle to make ends meet. I wish I could pay them more but I would go out of business and then who wins? Noone.

LATE

SB-3104

Submitted on: 2/5/2020 5:24:02 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph D Pluta	Testifying for WEST MAUI TAXPAYERS ASSOCIATION INC.	Support	No

Comments:

The Board of Directors of the West Maui Taxpayers Association strongly supports

SB3104.

This measure deserves the highest priority and Should be passed without delay.

Please approve this bill and get it to the governor's desk for signature as soon as possible.

Warm Regards,

Joseph D Pluta, President

West Maui Taxpayers Association Inc.

181 Lahainaluna Road, Suite I

Lahaina, HI 96761

(808) 661-7990

SB-3104

Submitted on: 2/4/2020 4:09:07 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Ching	Individual	Oppose	No

Comments:

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

I oppose SB3104. Hawaii badly needs inexpensive housing for both purchase and rent. But this is not the way to do it. Increasing the LUC threshold from 15 to 25 acres does not guarantee more inexpensive housing. It only allows developers to exploit county permitting departments which need the revenue from property taxes to operate.

The LUC does not make it more difficult for developers to build housing. The word "affordable" has been stretched to allow developers to build housing that is most certainly not affordable to most residents -- the whole 140% of area median income thing.

We must address the issue of housing from the global perspective. Housing in Hawaii is now part of the global market. Many investors buy homes here without living in them. We have many unoccupied houses. Every house should be occupied 365 days a year. We must make it prohibitively expensive to purchase houses as an investment AND incentivize housing for owner-occupants, i.e. residents.

Please hold this bill or defer it. Thank you for the opportunity to testify.

Randy Ching

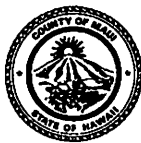
Honolulu

Council Chair
Alice L. Lee

Vice-Chair
Keani N.W. Rawlins-Fernandez

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Riki Hokama
Kelly Takaya King
Michael J. Molina
Tamara Paltin
Shane M. Sinenci
Yuki Lei K. Sugimura



Director of Council Services
Traci N. T. Fujita, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 3, 2020

TO: The Honorable Stanley Chang, Chair
Senate Committee on Housing

The Honorable Kaiiali'i Kahele, Chair
Senate Committee on Water and Land

FROM: Alice L. Lee
Council Chair

SUBJECT: **HEARING OF FEBRUARY 6, 2020; TESTIMONY IN SUPPORT OF SB 3104, RELATING TO LAND DEVELOPMENT**

Thank you for the opportunity to testify in **support** to this important measure. The purpose of this measure is to provide solutions to expeditiously develop housing for working families in the State.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. This measure would provide Maui County with necessary funds from the Dwelling Unit Revolving Fund to develop infrastructure for affordable housing, supporting the County's efforts to meet increasing housing demand.
2. This measure would allow the Department of Land and Natural Resources to delegate the responsibility for historic preservation project reviews to the respective counties, thereby expediting the review process for affordable housing projects.

For the foregoing reasons, I **support** this measure.

SB-3104

Submitted on: 1/31/2020 6:51:14 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments:

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing

February 3rd, 2020

Blair Suzuki
blair.sm.suzuki@gmail.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

I was born and raised in Ewa Beach and have personally seen the struggle for affordable housing affect me, my friends, my family, and my community. Many of my friends and family continue to live in multi-generational housing because they are unable to find affordable housing solutions. Also, I personally know a number of friends and family members that have had to move out of the Ewa/Kapolei area to other parts of the island, or had to leave the island all together, because of a lack of affordable housing in their communities.

My own father has been forced to move 5 times in the last 5 years because he is unable to find long term affordable housing in Kapolei for his family, which includes his girlfriend and three young daughters. People should have affordable housing available in the communities they call home, and this bill helps make that goal achievable.

As a community, we must look for new solutions to solve the affordable housing shortage in Hawaii. SB 3104 is not a perfect solution, but it is a step in the right direction. I hope it is the start of more and more progressive legislation that will close the gap in the shortage of affordable and workforce housing.

Thank you for this opportunity to testify.

Mahalo,

Blair Suzuki

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing

February 3rd, 2020

Dave Gandule
dgandule@gmail.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

I am a 34 year old man who was born and raised in Hawaii and has personally benefited from affordable housing programs in the past. My mother and father raised my siblings and I in a home in Ewa Beach that was made possible with an affordable housing program. Having a place to call home was a blessing and made our childhood amazing.

Unfortunately, as adults, my siblings and I struggle to find affordable housing in our communities to raise our own families. Last year, my sister moved her family to California hoping to find better housing solutions. My brother, with a bachelor's degree, struggles to find affordable housing and is faced with the reality to raise his children in the same house he was raised in. My wife and I are actively looking for an affordable home to fit our budget but we are finding our options to be scarce.

SB 3104 gives hope to my family by providing new solutions that solve the affordable housing shortage in Hawaii. We especially appreciate the efforts to issue more funding to develop affordable housing projects in our Ewa/Kapolei community. I continue to pray for the opportunity to raise my children in a home near family and friends right here in Hawaii.

Thank you for this opportunity to testify.

Mahalo,

Dave Gandule

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing

February 3rd, 2020

Fabienne Dumlao
Fabienne.kaiser@gmx.ch

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

I have recently moved to Hawaii within the last 3 years from my original country of Switzerland. I married a local man from Ewa Beach and now call Hawaii home. When I first moved here, I was shocked at how expensive rent was as well as the unavailability of affordable housing. My husband and I recently have moved to Makiki. As a newly married couple trying to start an independent family, we chose to move to town because it had better choices for housing than the west side.

I am quickly finding out that it is a constant struggle to make ends meet here in Hawaii and rent does take up a large part of our monthly expenses. Hawaii should be more progressive in finding solutions for these types of issues, like other cities and countries throughout the world, like Switzerland, as an example. I also highly support the other measures in the joint legislation package that raise the minimum wage and give higher tax credit to residents. I think addressing the low wages in Hawaii is also key to solving the affordable housing issue.

SB 3104 is a step in the right direction to help expedite the development of more affordable housing units, and provides the ability for long term leases, which I feel will help Hawaii in the long run.

Please support SB 3104.

Thank you for this opportunity to testify.

Mahalo,

Fabienne Dumlao

SB-3104

Submitted on: 2/3/2020 4:11:13 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Tiffany Ho	Individual	Support	No

Comments:

Senator Stanley Chang, Chair

Senator Dru Kanuha, Vice Chair

Senate Committee on Housing

February 3rd, 2020

Tiffany Ho

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

In the last decade, the class divide has widened between those who can afford market rate housing, and those cannot. While local rents have skyrocketed and doubled/tripled, wages and salaries have barely risen.

Our local population of elderly on fixed incomes are most severely affected. If your grandma or grandpa could not afford their rent, would you feel okay putting them out on the street?

Our young population of new workers also cannot even dream of purchasing any property, and are unable to save for a down payment on even the average single-family home, which has a median price of near \$800,000. I think of my own brothers and friends who are searching for homes now. Many who are having difficulties putting a 20% down payment. Even if they look at condos they are burdened with high monthly HOA dues.

We have a moral obligation to protect local families and individuals, who are hard-working, and deserve the basic human right to have a safe place to live and call home.

Many of my friends and family are having to move outside of Ewa and even out of state to have a dignified life. My hope is that SB 3104 will develop affordable housing near UH West Oahu where my family lives.

Thank you for this opportunity to testify.

Mahalo,

Tiffany Ho

SB-3104

Submitted on: 2/4/2020 4:49:30 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Millicent Cox	Individual	Oppose	No

Comments:

Aloha Senators,

SB3104 would allow counties to authorize 25 acres of farmland to be converted to housing. There is no provision that protects the share for affordable housing or the allocation of the farmland in appropriate places for housing.

Please do not pass this bill.

Mahalo.

SB-3104

Submitted on: 2/3/2020 10:21:17 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Roseanne Schucht	Individual	Support	No

Comments:

I am writing to SUPPORT S.B.NO. 3104. I was born and raised here on the west side and have experience in witnessing the need for affordable housing. Many families are forced to live in multi-generational homes due to the cost of housing. Honestly, there is no way for the average family income that can afford dwelling and the basic cost of living. Homeless numbers are on the rise due to not being able to afford housing, especially on the west, they are just unseen.

My sibilings and other family members had to move to the mainland because of the lack of affordable housing or housing in general. For these reasons and many more is why I support SB3104.

Mahalo,

Roseanne Schucht

SB-3104

Submitted on: 2/4/2020 1:00:34 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Jody Smith	Individual	Oppose	No

Comments:

This proposal will not adequately protect agricultural lands, needed for food security. Consider building higher density on less valuable land, or going vertical to expand affordable housing.

SB-3104

Submitted on: 2/4/2020 7:18:02 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Ashley Gutierrez	Individual	Oppose	No

Comments:

Strongly oppose bill HB 3104

SB-3104

Submitted on: 2/4/2020 9:22:36 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Jeri Di Pietro	Individual	Oppose	No

Comments:

SB-3104

Submitted on: 2/4/2020 9:37:09 PM

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

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

Comments:

PROTECT OUR AGRICULTURAL LAND!

SB-3104

Submitted on: 2/4/2020 9:38:06 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:

PROTECT OUR AGRICULTURAL LAND!

LATE

SB-3104

Submitted on: 2/5/2020 4:34:46 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Ken Stover	Individual	Oppose	No

Comments:

SB-3104

Submitted on: 2/5/2020 9:30:58 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Toni Withington	Individual	Oppose	No

Comments:

Vote NO. Please do not throw away our important agricultural and conservation land to the Counties, who only care about raising more property tax. The Counties do not have the resouces or personnel to adequately assess what is important land to preserve.

Toni Withington, Hawi, North Kohala

SB-3104

Submitted on: 2/4/2020 11:09:18 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Fern Anuenue Holland	Individual	Oppose	No

Comments:

Chair, Vice Chair and Members of the Committee,

Thank you for your service and the opportunity to testify. I strongly oppose SB 3104 relating to land development and am deeply concerned about the potential loss of important agricultural lands and rural landscapes to rushed overdevelopment.

The following reasons highlight some of my concern:

1. The Land Use Commission is not the obstacle to affordable housing

There are already laws in place (like Haw. Rev. Stat. § 201H) that expedite the permitting process for affordable housing projects. The LUC has 45 days to process applications for affordable housing under this statute, and they have ALWAYS met that deadline. Where is the long line of affordable housing projects waiting for the LUC's approval? There is none.

2. Developers using counties to side step protections

Developers are using "home rule" as a way to get some county mayors to push SB3104, so that more farm land can be cleared for construction without LUC oversight or historic preservation protections. The counties want to develop as much land as possible because they can collect a lot more property taxes from homeowners than they do from farmers. In reality, this bill would reduce public participation in land use decisions, increase laxness and loopholes for special interests, and reduce critical state oversight and protections of our resources.

3. Urban sprawl and loss of farmland

If passed, SB3104 would allow counties to authorize 25 acres of farmland to be converted to housing. Nothing in this bill ensures county-approved projects are planned well -- for example ensuring public schools and public transportation are sufficient, or that parks, grocery stores, and other essentials to a healthy community are adequate. Those 25 acres could be in the middle of a large agricultural district, far from basic necessities, and could overrun undocumented historic and cultural assets.

4. SB3104 does not ensure actual affordable housing

SB3104 would only require HALF of the units developed to be sold at or below 140% AMI and there is no guarantee that units will be kept at this level over the long-term. It is well-established that 140% AMI is not affordable.

Please support responsible measures around zoning changes and help keep the country areas of Hawai'i country. Please support actual affordable housing measures that represent medium income and responsible forms of genuine affordable housing. Please oppose SB3104.

Mahalo,

Fern

SB-3104

Submitted on: 2/5/2020 9:39:18 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
May Paulele	Individual	Support	No

Comments:

Senator Stanley Chang, Chair

Senator Dru Kanuha, Vice Chair

Senate Committee on Housing

February 5, 2020

May Paulele

mayngo@outlook.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in **STRONG SUPPORT** of SB 3104.

It truly saddens me that many of my family, friends and coworkers who were born and raised here in Hawaii are moving out of the state because of a lack of affordable housing in their communities. Growing up in Ewa Beach, I have personally seen the struggle for affordable housing affect my community. Although I consider myself fortunate to be able to own a home here in Hawaii, many of my family, friends and coworkers struggle to find affordable housing solutions. Despite earning college and even advanced post-graduate degrees AND working full-time, they are still unable or

struggling to afford housing – I, myself, am cost burdened and stressed to afford other necessities due to Hawai'i having some of the highest housing costs in the country.

I consider housing a fundamental need for basic living and believe the hard working people of Hawaii should have affordable housing available in the communities they call home, and this bill helps make that goal achievable.

Affordable housing in our state, especially in the Kapolei and Ewa Beach areas, would allow more of our family, friends and neighbors to continue to call Hawaii home. As a community, we must look for new solutions to solve the affordable housing shortage in Hawaii. I sincerely hope it is the start of more and more progressive legislation that will close the gap in the shortage of affordable and workforce housing.

Thank you for this opportunity to testify.

Mahalo,

May Paulele

SB-3104

Submitted on: 2/5/2020 7:05:22 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Costa	Individual	Support	No

Comments:

SB-3104

Submitted on: 2/5/2020 2:04:05 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:

This is unacceptable! Trust Land BELONG is NOT FOR SALE. I completely oppose SB3104. This bill must be dissolved.

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing

February 3rd, 2020

Ofelia Malong
Ofelia.malong@gmail.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

I was born in Ewa and was raised in the Ewa community all my life. My two daughters currently attend Ewa Elementary and my parents still live in Ewa. They were fortunate enough to buy their home in Ewa plantation back when housing was affordable. When it came time for my husband and I to buy a family home, we made the decision to move outside of the Ewa Community to Maile, where there were more affordable mortgages. If I had my way, I would have preferred to remain close to Ewa, so that my kids could grow up in the same community that I did.

My family home in Ewa is a multi-generation household. My sister lives with my parents and her 2 kids. If there were more affordable housing options nearby, she would definitely be able to afford to live on her own, and provide a household to raise her family in.

I support SB 3104 because it appropriates funding to develop affordable housing near UH West Oahu which would be a great opportunity for people to live near a rail stop, mall, and university school area. It also allows 99 year leases so people can have long term stability with affordable housing.

I ask the legislature to please continue to support bills like this to promote more types of housing development.

Thank you for this opportunity to testify.

Mahalo,
Ofelia Malong

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice-Chair
Committee on Housing

Senator Kaiali'i Kahele, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Committee on Water and Land

Wednesday, February 5, 2020

Jeffrey Laupola
Jeffrey.W.Laupola@gmail.com

Support for S.B. No. 3104, Relating to Land Development

I was born and raised in Hawaii and like you, I love Hawaii.

After departing Hawaii after graduating from High School to pursue education and career opportunities, I returned home in 2015 and was shocked by how much Hawaii changed. Homelessness and the price of housing skyrocketed, making home ownership or paying rent very difficult for too many in our working class. Division among the public and public leaders were apparent and our sense of community declined. Our sense of aloha declined.

However, I was hopeful and inspired by the collaboration between leaders in the House and Senate, along with the Governor, in submitting a joint package to help the people of Hawaii make ends meet and invest in creating a better Hawaii. Senate Bill 3104 is one of those legislative bills in the joint legislative package aimed at helping Hawaii's working class in Hawaii.

Specifically, I am very encouraged by the investment of \$275 million into infrastructure general obligation bonds. Infrastructure is the foundation and backbone of our society on which affordable housing depends. I do not expect our Hawaii affordable housing crisis to be solved in one legislative session. However, a significant investment into infrastructure is a significant step forward, in the right direction, in addressing our housing crisis.

Thank you for the opportunity to submit testimony and thank you for your service to the people of Hawaii as our elected leaders.

SB-3104

Submitted on: 2/5/2020 8:34:24 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Colby Takeda	Individual	Support	No

Comments:

As a young professional, supporting projects that can increase affordable housing is one of my top priorities, both for myself and for my peers. I wholeheartedly support this bill as is.

SB-3104

Submitted on: 2/5/2020 6:55:53 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Ampolos	Individual	Oppose	No

Comments:

While I support affordable housing, I also support the protection of agricultural lands and the environment. Therefore I must strongly oppose SB3104.

SB-3104

Submitted on: 2/5/2020 1:56:17 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Nathan Yuen	Individual	Oppose	No

Comments:

I strongly oppose SB 3104 which gives out 99 year leases for development -- much of which is ceded lands -- crown lands. Giving out 99 year leases is like giving defacto ownership and leads to lease to fee conversion and will lead to more kanaka maoli land being taken. I strongly oppose SB3104.

SB-3104

Submitted on: 2/5/2020 4:43:15 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Grantham	Individual	Oppose	No

Comments:

I **oppose SB3104**. This bill exploits the call for affordable housing as a justification to strip the laws that protect agricultural lands from poorly planned housing developments.

SB-3104

Submitted on: 2/5/2020 1:45:08 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:

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing

February 3rd, 2020

Edy Kaleimomi Gomes
ekgomes@hawaii.edu

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104.

I am a third-year medical student at the John A. Burns School of Medicine and have worked extensively this past year with multiple homeless communities from Waimanalo, Kakaako, and Waianae. Many of these are families that were no longer able to afford their housing and subsequently forced to live on the beach, in their cars, or in shelters. This worsens health outcomes and employment opportunities, increases frequency of drug use, and increases the chances of entering the criminal justice system, and increases mental health issues. Almost 1/3 of all homeless in Hawaii are of Native Hawaiian ancestry, and this bill will allow more affordable housing for our indigenous population to live comfortably in their homeland, provide for their families, and improve psychosocial, physical, and emotional wellness of our people.

Thank you for this opportunity to testify.

Mahalo,

Edy Kaleimomi Gomes

LATE

SB-3104

Submitted on: 2/5/2020 5:06:28 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Individual	Oppose	No

Comments:

LATE

SB-3104

Submitted on: 2/5/2020 5:44:10 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Tom Wallace	Individual	Oppose	No

Comments:

LATE

SB-3104

Submitted on: 2/5/2020 6:14:23 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl	Individual	Oppose	No

Comments:

Strips laws that protect fram lands from poorly planned housing developments

LATE

SB-3104

Submitted on: 2/5/2020 6:25:29 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Greg Puppione	Individual	Oppose	No

Comments:

I support building more affordable housing, but I'm concerned that this bill goes too far in giving away farm/ag land in order to do so. Please ammend this bill to address the concerns of people speaking up on behalf of the farmland, and continue to work to find a better solution to this very important issue.

LATE

SB-3104

Submitted on: 2/5/2020 6:33:49 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
L. Osterer	Individual	Oppose	No

Comments:

I respectively oppose SB3104 for the following reasons:

The LUC should maintain oversight. There are already laws in place (like Haw. Rev. Stat. § 201H) that expedite the permitting process for affordable housing projects.

If passed, SB3104 would allow counties to authorize 25 acres of farmland to be converted to housing. Nothing in this bill ensures county-approved projects are planned well -- for example ensuring public schools and public transportation are sufficient, or that parks, grocery stores, and other essentials to a healthy community are adequate. Those 25 acres could be in the middle of a large agricultural district, far from basic necessities, and could overrun undocumented historic and cultural assets.

SB3104 does not ensure actual affordable housing

SB3104 would only require HALF of the units developed to be sold at or below 140% AMI and there is no guarantee that units will be kept at this level over the long-term. It is well-established that 140% AMI is not affordable.

This bill would reduce public input in land use decisions, favor developers and special interests, and reduce critical state oversight and protections of our land resources.

Thank you for considering something else.

From a concerned, registered voter and full time resident, L. Osterer

LATE

SB-3104

Submitted on: 2/5/2020 7:04:01 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Bal Patterson	Individual	Oppose	Yes

Comments:

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

SENATE BILL 3104

Relating to Land Development

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

My name is Bal Patterson and I am testifying in STRONG OPPOSITION to Senate Bill 3103 that authorizes the Hawaii Housing Finance and Development Corporation to give 99 year leases on Hawaii Kingdom crown and government lands/Ceded Lands that are questionably described in this bill as "State Lands".

The Kingdom of Hawaii's Crown and government lands, illegally transferred to the United States and subsequently to the state of Hawaii, are supposed to be held as a PUBLIC TRUST for 5 purposes including the betterment of the conditions of native Hawaiians. The Admissions Act clearly states that their use for any other object besides the stated 5 purposes shall constitute a BREACH OF TRUST for which suit may be brought by the United States.

I oppose this bill because the use of these lands clearly falls outside 5 purposes specified in the Hawai'i State Constitution.

I oppose this bill because there has not yet been any settlement of the claims Kanaka Maoli to 1.8 million acres of Hawaiian Kingdom lands/ceded lands, especially in light of the fact that the Hawaiian people have never directly relinquished their claims over our national lands to the United States or to the State of Hawaii.

I oppose allowing non-elected members of an agency board to give out 99 year to developers because doing so will make lessees pseudo landowners which could ultimately lead to lease to fee conversions on state "public trust" lands.

I oppose this bill because no preference is given to Kanaka Maoli.

I oppose this bill because only 50% of the housing units will have to be "affordable".

I oppose this bill because it involves private development on stolen Hawaiian lands.

Respectfully submitted,
Bal Patterson

LATE

SB-3104

Submitted on: 2/5/2020 7:14:29 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Joanna Maile Pokipala	Individual	Oppose	No

Comments:

I oppose SB3104

LATE

SB-3104

Submitted on: 2/5/2020 7:22:19 PM
Testimony for HOU on 2/6/2020 1:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tony Radmilovich	Individual	Oppose	No

Comments:

The Land Use Commission is not the obstacle to affordable housing

There are already laws in place (like Haw. Rev. Stat. § 201H) that expedite the permitting process for affordable housing projects. The LUC has 45 days to process applications for affordable housing under this statute, and they have ALWAYS met that deadline. Where is the long line of affordable housing projects waiting for the LUC's approval? There is none.

LATE

SB-3104

Submitted on: 2/5/2020 8:29:02 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Kaylene Sheldon	Individual	Oppose	No

Comments:

Aloha kākou,

My name is Kaylene Kauwila Sheldon and I am a registered voter, a tax payer and an advocate for Hawaiian beneficiaries on Hawaiian homestead lands. I oppose SB3104 for several reasons:

1. This bill sounds very dangerous because it allows the State to give away stolen Hawaiian Kingdom and government lands for 99 year leases for development. Giving out 99 year leases is like a sham and leads to lease to fee conversion. SB 2946 allows for condemnation of surrounding areas for the Aloha Homes program that would build dense 'affordable' housing units along the rail using these stolen Hawaiian lands (for which Kanaka Maoli never settled or relinquished any claims too). Buyers for these units will have no income limit qualification.

2. According to property guide, it states that "the development authority of a particular area provides land development rights to developers and sells properties for a lease of 99 years. This means that anyone who purchases a residential or commercial property will own it only for a period of 99 years, after which the ownership is given back to the landowner. Buyers of leasehold properties are required to pay a ground rent to the landowner for this. Lease of such properties can be renewed after the completion of the term." I find this problematic.

3. The people of Salamanca, a railroad town in western New York that had been illegally established on Indian land, received leases to rent the property, each lasting 99 years. The Seneca Indians, in turn, received total payments of \$17,000 a year. They are now asking for \$800,000 a year. While in Hawaii, Nā Kanaka Oiwi get 0 dollars and a long wait list. Most of those names on the wait list are those that have already passed on. I find this bill offensive and an insult to Hawaiian homestead land beneficiaries on this wait list.

Please oppose SB 2946.

Mahalo nā ,

Kaylene Kauwila Sheldon

LATE

SB-3104

Submitted on: 2/5/2020 7:28:16 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Tasha Corcino	Individual	Support	No

Comments:

Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice Chair
Senate Committee on Housing
February 5, 2020

Tasha Corcino

tashacorcino@gmail.com

Written Testimony in Support for S.B. No. 3104, Relating to Land Development

I am writing in STRONG SUPPORT of SB 3104. I was born and raised in Ewa Beach and have personally seen the struggle for affordable housing affect me, my friends, my family, and my community. I have multiple family members and close friends that were born and raised in Ewa Beach that needed to move to the mainland because they could not find affordable housing.

SB3104 will help solve the affordable housing shortage in Hawaii, so families can afford to stay together; because ohana is important. I hope it is the start of more and more progressive legislation that will close the gap in the shortage of affordable and workforce housing.

Thank you for this opportunity to testify.

Mahalo,

Tasha Corcino

LATE

SB-3104

Submitted on: 2/5/2020 8:35:32 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Sage-Lee Medeiros-Garcia	Individual	Oppose	No

Comments:

To the Committee of Housing, and the Committee of Water and Land -

1. Somewhat oppose
2. Affordable housing does not justify reclassifying districts of land. It is clear that there is an availability of land in other surveyed areas than to use designated lands that serve another purpose.
3. Situations that arise whereupon land of another designation is surveyed by Housing should be brought to the body on a **case by case** basis in a bill to request reacquire, reclassification, and disposition. Otherwise, having this bill passed may leave this choice open for persons of interest to abuse without any oversight.
4. Having any designation be placed of a lesser priority to housing needs may lead to abuse of interpretation and may lead to lands that the people do not want urbanized. The extent to which this bill can be used is vague because there are no limiting parameters (what lands are off limits, considerations, implications) to requestor.

Respectfully,

S.M. Medeiros-Garcia

LATE

SB-3104

Submitted on: 2/5/2020 8:41:34 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
John Nix	Individual	Oppose	No

Comments:

Aloha All,

Hawai'i needs real affordable housing for the long term.

Mahalo,

Dr. John and Debra Nix, Kihei

Cindy Freitas
P.O.4650
Kailua Kona HI 96745
hanahanai@hawaii.rr.com



Senate House and Water and Land
Committees
February 6, 2020

Senate Bill 3104
Relating to Land Development

Aloha Chair, Vice Chair and Member of the Committee,

I Cindy Freitas, submit a written testimony in OPPOSITION to Senate Bill 3104 for the following reason,

1. All land that is under the State of Hawaii did not fulfill its commitments to the Kanaka Maoli people or descendant stemming from the loss of their ancestral lands.
2. There was no consultation or compensation with any Kanaka Maoli people or descendant from their loss of their ancestral lands who inhabited the Hawaiian Islands prior to 1778, subject to the right of the State to regulate such rights.
3. The State of Hawaii failed its obligation of the Public Trust Land over and over as follows,

The major concern of Native Hawaiians and other Hawaii residents has been the U.S. military's use of large areas of trust land and its misuse of the land.[3] In August 2019, the [Hawai'i Supreme Court](#) published *Ching v. Case*, ruling that the state has an affirmative duty to preserve and protect ceded lands. (*Ching v. Case*, 449 P.3d 1146 (2019), <https://www.courts.state.hi.us/wp-content/uploads/2019/08/SCAP-18-0000432>.)

The case involved the state's lease of approximately 22,900 acres to the U.S. military at Pōhakuloa on [Hawai'i Island](#). The court concluded that an essential part of the state's duty is an obligation to reasonably monitor a third party's use of the property. (Burnett, John (2019-08-23). "High court rules state breached trust duties at Pōhakuloa Training Area". *Big Island Video News*. Retrieved 2019-11-11.)

Mahalo,
Cindy Freitas

LATE

SB-3104

Submitted on: 2/5/2020 9:04:07 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Momi Ventura	Individual	Oppose	No

Comments:

LATE

SB-3104

Submitted on: 2/5/2020 10:54:27 PM

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

Submitted By	Organization	Testifier Position	Present at Hearing
J Riverstone	Individual	Oppose	No

Comments:

LATE

SB-3104

Submitted on: 2/6/2020 3:50:02 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Nanea Lo	Individual	Oppose	No

Comments:

Hello,

My name is Nanea Lo. I am a lifelong resident of Hawai'i on O'ahu. I am writing to strongly oppose this bill. This bill exploits the call for affordable housing as a justification to strip laws that protect farm lands from poorly planned housing developments. Hawai'i needs real affordable housing for the long term. In which I will need in the near future being a young adult about to start my family soon.

me ke aloha 'Ä• ina,
Nanea Lo

LATE

SB-3104

Submitted on: 2/6/2020 5:23:44 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
barbara childers	Individual	Oppose	No

Comments:

LATE

SB-3104

Submitted on: 2/6/2020 7:25:25 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
nancy harter	Individual	Oppose	No

Comments:

This is not the way to help with affordable housing,. Stripping laws related to agriculture is not a vaible means to address the houring issue and actually can benefit developers, putting farmers and farmland at risk.. Please do not all this to move forward and do what you can to stop this threat to farmland.

LATE

SB-3104

Submitted on: 2/6/2020 8:51:44 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Christopher Dean	Individual	Oppose	No

Comments:

LATE

SB-3104

Submitted on: 2/6/2020 8:55:50 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Cheryl Reeser	Individual	Oppose	No

Comments:

Please oppose SB3104 which will just allow for more loopholes. Mahalo.

LATE

SB-3104

Submitted on: 2/6/2020 10:05:24 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Trinette Furtado	Individual	Oppose	No

Comments:

Aloha Mai and Mahalo for the opportunity to testify on this measure.

I **STRONGLY OPPOSE** SB3104, Relating to Land Development, for several reasons.

1) Nothing within the text of these proposed amendments actually addresses the need for expediency in the creation of affordable housing through HRS 201H.

2) The state LUC already completes their review process of proposed projects well within the expedited timeline of 45 days. Its not that they take too long to approve or disapprove a project; rather its that not very many projects come before them for 201H review. There does not appear to be a clear rationale for removing them from the process.

3) These amendments would give authority to county-decision making entities to approve or disapprove a development project within sensitive agricultural and conservation areas without proper and adequate input.

Our processes don't need further expediency or incentives that may have deleterious unintended consequences.

I urge you to **vote NO** on this measure and mahalo you for your kind consideration.

LATE

SB-3104

Submitted on: 2/6/2020 10:17:29 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Kubota	Individual	Oppose	No

Comments:

There is no way 140% AMI can be considered affordable. If these units are going to be built on state land with state money, then all the units should be built at a truly affordable rate of no more than 80% AMI. Max. Thank you for the opportunity to testify.

LATE

SB-3104

Submitted on: 2/6/2020 10:17:49 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Soo San Schake	Individual	Oppose	No

Comments:

Aloha,

I oppose this bill because state owned property should not be given to developers without it being 100% affordable housing meaning 80% AMI or below. Allowing developers to build up to 140% AMI is not affordable, and is nearly market rate. Developers are getting subsidies and free land - but what are they giving back to our people? Please oppose this bill.

Mahalo.

LATE

SB-3104

Submitted on: 2/6/2020 10:17:52 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