

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 House Committees on  
WATER, LAND & HAWAIIAN AFFAIRS  
and  
HOUSING**

**Friday, February 7, 2020  
11:00 AM  
State Capitol, Conference Room 325**

**In consideration of  
HOUSE BILL 2446  
RELATING TO AFFORDABLE HOUSING**

House Bill 2446 proposes to require the State Historic Preservation Division of the Department of Land and Natural Resources (Department) to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to third-party consultants if the projects involve affordable housing and the division will not be able to complete its review within 60 days. **The Department provides the following comments.**

House Bill 2446 proposes to make identical amendments to Sections 6E-8 (state projects), 6E-10 (privately owned historic properties), and 6E-42 (projects potentially affecting historic properties), Hawaii Revised Statutes (HRS), requiring the State Historic Preservation Division (Division) to contract its review of proposed projects to third-party consultants if the projects involve affordable housing and the Division will not be able to complete its review within 60 days.

The Department recognizes the need to address the housing short-fall in Hawaii and appreciates the desire to expedite affordable housing projects. The Department believes that the lead time for planning, acquiring entitlements, and arranging financing, etc. for such projects is long enough that addressing historic preservation reviews can be accommodated under current law, if developers begin the historic preservation review process early in the planning process, rather than as one of the very last steps prior to initiating construction. The Department makes this observation understanding that review times are too long, and that the Division has had difficulty meeting the timelines established for reviews. It is also true that the Division has made progress in reducing review times; in 2019 65% of reviews were completed within established time

frames. This is a 19% improvement over 2018 performance. The Division has also made substantial progress on filling staff vacancies over the last few months, which should further expedite reviews.

The Department also notes that it is unclear what role House Bill 2446 intends for the third-party consultants. Is third-party review intended to substitute for Division review? The Department believes that delegation of a governmental review function to a non-governmental entity is probably impossible as a matter of law.

The Department does believe that it would be possible to legally authorize third part review consultants to review documents to ensure completeness, compliance with law and regulation, and to ensure that conclusions and recommendations are supported by the data and analysis. Such pre-review would certainly expedite review of submissions once they got to the Division.

The Department also notes that even with the waiver of the provisions of Chapter 103D, HRS, experience has shown that the Division will be likely to have considerable difficulty entering into, and may in fact find it impossible to enter into contracts with third-party review consultants. This is likely to be especially true on short notice.

The Department also notes that House Bill 2446 provides no funding for contracting for third-party review consultant services. Contracting for these services will require funds, funds which neither the Division nor the Department have.

Finally, the Department notes that House Bill 3104 Relating to Land Development would amend Section 6E-42, HRS, to allow the Department to delegate Section 6E-42, HRS, reviews to the counties, if the county requests it, and also to establish a program for third-party reviewers. The Department believes that the provisions of House Bill 3104 will expedite reviews and accomplish the underlying goals of House Bill 2446. The Department strongly prefers House Bill 3104 to accomplish these goals.

Thank you for the opportunity to comment on this measure.

DAVID Y. IGE  
GOVERNOR



SARAH ALLEN  
ADMINISTRATOR  
  
BONNIE KAHAKUI  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII  
STATE PROCUREMENT OFFICE**

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**TESTIMONY  
OF  
SARAH ALLEN, ADMINISTRATOR  
STATE PROCUREMENT OFFICE**

**TO THE HOUSE COMMITTEES  
ON  
WATER, LAND, & HAWAIIAN AFFAIRS  
AND  
HOUSING**

Friday, February 7, 2020, 11:00 AM

**HB2446  
RELATING TO AFFORDABLE HOUSING**

Chairs Yamane and Brower, Vice Chairs Todd and Matayoshi, and members of the committees, thank you for the opportunity to submit testimony on HB2446. The State Procurement Office (SPO) appreciates the intent of the bill.

The SPO, however, has concerns on the request to exempt, from 103D, the procurement of a third-party consultant to conduct the review (Section 3, page 10, lines 9-11). There are multiple firms that would be able to compete for this work.

The Hawaii Public Procurement Code (code) is the single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure and transparency in the procurement and contracting process vital to good government.

Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both HRS chapter 103D and 103F conveys a sense of disproportionate equality in the law's application.

Exemptions to the code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements

processes provided in the code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code is lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials state: "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies, are removed from the state's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.



DEVELOPMENT  
FINANCE  
MANAGEMENT  
CONSTRUCTION

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Testimony of The Michaels Organization | Michaels Development - Hawai'i Region  
RELATING TO HB 2446  
Friday, February 7, 2020 at 11:00 am, Conference Room 325

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Chairs Tom Brower and Ryan I. Yamane and members of the  
Committee on Housing and Committee on Water, Land, and Hawaiian Affairs

House Bill 2446 requires the State Historic Preservation Division to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing and the division will not be able to complete its review within 60 days.

The State of Hawai'i housing market has a severe shortage of affordable housing, in part due to regulatory barriers to housing development that are overly burdensome and time-consuming, which increase the cost and prolong the completion of new housing supply.

Maintaining historic heritage is a worthy pursuit, but the progression of reviewing, documenting, and agreeing to mitigating measures cannot be an open-ended process that consistently delays or ultimately precludes adding to the supply of housing, worsening the shortage of homes, driving up rents and inequitably affecting low- and median-income residents.

Government agencies routinely use third-party services to assist with a variety of regulatory reviews. With detailed delegation, along with authorization for the obligatory rule making allowing for the establishment of a delegation of authority to qualified and approved consultants, the State Historic Preservation Division would have an opportunity to implement third-party review that could appreciably shorten the timeline for affordable housing completion.

Thank you for the opportunity to **SUPPORT** House Bill 2446.

Karen Seddon  
Regional Vice President  
Michaels Development

TO: The Honorable Ryan I. Yamane, Chair  
House Committee on Water, Land, & Hawaiian Affairs

The Honorable Chris Todd, Vice Chair  
House Committee on Water, Land, & Hawaiian Affairs

The Honorable Tom Brower, Chair  
House Committee on Housing

The Honorable Scot Z. Matayoshi, Vice Chair  
House Committee on Housing

SUBJECT: HEARING OF FEBRUARY 7, 2020; TESTIMONY IN SUPPORT OF HB 2446  
RELATING TO AFFORDABLE HOUSING

Thank you for the opportunity to testify in **support** of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By requiring the State Historic Preservation Division to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, it addresses the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take systemic change to address the housing crisis.

Thank you for your consideration,

A handwritten signature in black ink, appearing to read 'Andy Starn', with a long horizontal flourish extending to the right.

Andrew Starn  
Senior Vice President  
Cushman & Wakefield ChaneyBrooks



MUTUAL HOUSING  
ASSOCIATION OF HAWAII

*"Building our communities with respect, integrity, and aloha..."*

Kekaulike Courtyards ♦ Kō'oloa'ula ♦ Lihue Court Townhomes ♦ Palolo Homes

February 5, 2020

The Honorable Ryan Yamane, Chair  
and the Members of the House Committee on Water, Land & Hawaii Affairs  
The Honorable Tom Brower, Chair  
and the Members of the House Committee on Housing  
Hawai'i State Capitol  
415 South Beretania Street, Room 325  
Honolulu, Hawai'i 96813

Dear Chairs Yamane and Brower and Committee Members:

Subject: House Bill 2446 - Relating to Affordable Housing

**The Mutual Housing Association of Hawai'i, Inc. ("Mutual Housing") strongly supports provisions in House Bill 2446** which proposes that the State's Historic Preservation Division ("SHPD") engage private third-party consultants to perform its reviews if SHPD is unable to complete their reviews within 60 days.

As a long-time developer of affordable rental housing, I have experienced delays and frustration that result from long delays caused by excessive regulatory reviews for new or rehabilitation housing developments. Any solutions that can found to reduce unnecessary blockages caused by agency reviews of affordable housing projects will have significant impacts on the timely delivery of new units and help in reducing unnecessary costs caused by the long delays and approval processes.

It will take years to develop the affordable projects to meet all of the need in the state. We thank you for your efforts to break through the entitlement blockages and delays that are impacting the delivery of much-needed housing for Hawai'i's families.

Sincerely,

David M. Nakamura  
Executive Director



Natalie G. Mesa  
PRINCIPAL

Main 808.540.2400  
Direct 808.534.4436  
Fax 808.694.3051

[nmesa@settlemyerlaw.com](mailto:nmesa@settlemyerlaw.com)

**TESTIMONY OF HIGHRIDGE COSTA**

HEARING DATE/TIME: Friday, February 7, 2020  
11:00am  
Conference Room 325, State Capitol

TO: House Committee on Water, Land & Hawaiian Affairs  
House Committee on Housing

RE: **IN SUPPORT OF HB 2446**

Dear Chairs Yamane and Brower, Vice-Chairs Todd and Matayosi, and Committee Members:

My name is Natalie G. Mesa. I practice law in the areas of real estate, finance and business, with a particular emphasis on affordable housing development. I am local counsel for Highridge Costa, which is a development partner in the Kulana Hale at Kapolei project and is currently overseeing the construction of 154 units of low-income senior rental housing and 143 units of low-income multifamily rental housing in the heart of Kapolei. As President of Highridge Costa, Moe Mohanna works to bring well built, resident-focused affordable units to Hawaii's marketplace. In fact, affordable housing is the primary type of housing that Highridge Costa develops, both nationally and locally. With over 29,000 affordable units developed across the country, Moe Mohanna and Highridge Costa support both state and national legislation that benefits the housing needs of low- and moderate-income families.

As Chairs Yamane and Brower, Vice-Chairs Todd and Matayosi, and the Committee Members are aware, Hawaii is suffering from a critical shortage of affordable housing. The longer that potential affordable housing projects are caught up in lengthy regulatory review processes, the more expensive those projects become to build; that makes financing those projects with restricted affordable rents or sales price more difficult. Measures which force the regulatory review process to be more efficient and expedient, without sacrificing proper oversight, play a significant role in decreasing the cost of affordable housing development and therefore generate more units.

HB 2447 will make the Chapter 6E historic review process more efficient and expedient, and as a result incentivize developers to construct affordable housing within the state and address the affordable housing crisis. Accordingly, **Highridge Costa supports HB 2447** which will cause the State Historic Preservation Division (SHPD) to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing and SHPD is unable to complete an expedient review.

Respectfully Submitted,

/S/ Natalie G. Mesa

On behalf of  
Highridge Costa Development Company LLC

**HB-2446**

Submitted on: 2/5/2020 2:29:13 PM

Testimony for WLH on 2/7/2020 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Stephanie Donoho	Kohala Coast Resort Association	Support	No

Comments:



February 6, 2020

Representative Tom Brower, Chair  
Representative Scot Z. Matayoshi, Vice Chair  
Members of the House Committee on Housing

RE: **HB 2446 – RELATING TO AFFORDABLE HOUSING**  
**Hearing date – February 7, 2020 at 11:00 a.m.**

Aloha Chair Brower, Vice Chair Matayoshi and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony in **SUPPORT** of HB 2446 – RELATING TO AFFORDABLE HOUSING. NAIOP Hawaii is the Hawaii chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders and other professionals.

HB 2446 would provide SHPD 60 days to complete their review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties that involve affordable housing. If SHPD is unable to do so in that time, the agency would be required to procure third-party consultants to conduct the review.

This measure is important to aid in addressing Hawai'i's affordable housing shortage. Currently, SHPD review can take anywhere from several months to almost a year. These delays can cause projects to drastically increase in costs and lose momentum to be completed. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. This bill is an important step in addressing the shortage and is long overdue.

Mahalo for your consideration,

Catherine Camp, President  
NAIOP Hawaii

# **HAWAII ISLAND COMMUNITY DEVELOPMENT CORPORATION**

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**100 PAUAHI STREET, SUITE 204 • HILO, HAWAII 96720**

To: REP. BRIAN I. YAMANE, Chair WLH  
REP. CHRIS TODD, Vice Chair WHL  
REP. TOM BROWER, Chair HSG  
REP. SCOT Z. MATAYOSHI, Vice Chair HSG

From: Keith Kato  
Executive Director  
Hawaii Island Community Development Corporation  
Hilo, Hawaii 96720

Re: Hearing on HB 2446 RELATING TO AFFORDABLE HOUSING  
February 7, 2020 at 11:00 a.m.  
Conference Room 325, State Capitol

The Hawaii Island Community Development Corporation (HICDC) SUPPORTS the passage of HB 2446 RELATING TO AFFORDABLE HOUSING.

The Hawaii Island Community Development Corporation is a 501(c)(3) non-profit organization and has been a USDA Rural Development Self Help Housing Grantee for many years as well as the developer of Low Income Housing Tax Credit rental projects. We have worked with low income family builders to complete 350 homes primarily on the Big Island over the past several years. HICDC has also developed seven senior rental projects with an eighth project to be completed in April of 2020 which will bring our senior rental housing up to 391 units. In total HICDC has helped to create 741 homes for low income residents.

Processing our archeological reports and plans through SHPD has been time consuming in the past. This proposed legislation would help speed up the SHPD process and would be a net benefit for the development of affordable housing.

The bill could further assist affordable housing by including “related infrastructure as determined by HHFDC” to be within the scope of this bill. Often times off-site improvements are required for affordable housing projects and delays in installing such infrastructure will result in delays to the housing project itself.

Thank you for the opportunity to provide testimony on this bill.

# HISTORIC HAWAII FOUNDATION

**TO:** Representative Ryan I. Yamane, Chair  
Representative Chris Todd, Vice Chair  
Committee on Water, Land & Hawaiian Affairs  
  
Representative Tom Brower, Chair  
Representative Scot Z. Matayoshi, Vice Chair  
Committee on Housing

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

**Committee:** Thursday, February 7, 2020  
11:00 a.m.  
Conference Room 325

**RE:** **HB2446, Relating to Affordable Housing**

On behalf of Historic Hawai'i Foundation (HHF), I am writing **with comments on HB2446**. The bill relates to the duties of the Department of Land and Natural Resources for historic preservation reviews of state projects (HRS 6E-8); private property listed on the state register of historic places (HRS 6E-10); and other private property (HRS 6E-42). The bill mandates that such reviews be delegated to third-party consultants for affordable housing projects in circumstances where the State Historic Preservation Division (SHPD) anticipates being unable to complete its review in 60 days.

The Constitution recognizes the value of conserving historic and cultural property for the public good; the purpose of HRS 6E is to implement “the public policy of this State to provide leadership in preserving, restoring and maintaining historic and cultural property...and to conduct activities, plans and programs in a manner consistent with the preservation and enhancement of historic and cultural property” (HRS 6E-1).

**HHF recommends that the intent of HB2446 be amended to include an affirmation of the importance of integrating both goals (providing affordable housing, and stewardship and trusteeship for historic property) by means of providing effective, efficient and integrated review processes in a timely manner.**

HB2446 would require SHPD to “immediately” retain a third-party consultant to conduct the historic preservation reviews on behalf of the department in the event that SHPD is unable to complete its review within 60 days. The bill implies that SHPD would develop and maintain a list of individuals or organizations who are qualified as third-party consultants who can be activated on demand. **Rather than establish a new program and divert SHPD’s resources and professional staff to overseeing and managing third-party reviewers, HHF recommends that SHPD be provided with the adequate professional staffing and resources to execute its statutory responsibilities.**

The purpose of the bill is to support the development of affordable housing. By linking that purpose to the substantive sections of the bill, it is implied that the historic preservation reviews are a barrier to developing affordable housing. It is unclear whether or not such a linkage has been demonstrated by evidence or analysis of past projects, but there are anecdotal discussions regarding project delays due to late responses. It is also speculative whether third-party consultant reviews would either shorten the review time or be less expensive for total project costs.

However, if the legislature finds that third-party consultants are more timely, less costly and more effective than the State's own professional personnel in meeting the intent of HRS 6E, then such a new staffing paradigm needs to be subject to additional safeguards and checks and balances.

**HHF recommends that additional criteria and standards be established for any such third-party consultants.** At minimum, the criteria should include:

- Professional qualifications and standards that each consultant shall demonstrate;
- Sufficient internal controls to ensure qualified third-party consultant 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 consultants must be independent from the party that drafted or generated the project or program submittal that is the subject of the review.

It is unclear what action is required of SHPD once it receives the third-party consultant's recommendation. What action is the department expected to take? Do state personnel then review the third-party consultant's recommendations? If there are discrepancies or conflicts, how will they be resolved? Is SHPD responding to the original applicant or to the third-party reviewer? How will appropriate quality control and checks and balances be sustained? These issues will need to be addressed either in the bill or in the implementing rules and regulations.

**Given the ambiguities of the policy and proposed direction, and the availability of simpler and more direct solutions, HHF recommends that HB2446 be deferred.**

Thank you for the opportunity to comment.

**HB-2446**

Submitted on: 2/5/2020 11:38:15 AM

Testimony for WLH on 2/7/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Matthew Pennaz	Individual	Support	No

## Comments:

TO:           The Honorable Ryan I. Yamane, Chair  
                  House Committee on Water, Land, & Hawaiian Affairs

                  The Honorable Chris Todd, Vice Chair  
                  House Committee on Water, Land, & Hawaiian Affairs

                  The Honorable Tom Brower, Chair  
                  House Committee on Housing

                  The Honorable Scot Z. Matayoshi, Vice Chair  
                  House Committee on Housing

FROM:       Matthew Pennaz

SUBJECT:    HEARING OF FEBRUARY 7, 2020; TESTIMONY IN SUPPORT OF HB  
2446 RELATING TO AFFORDABLE HOUSING

Thank you for the opportunity to testify in **SUPPORT** of this measure. Requiring the State Historic Preservation Division to contract its review of proposed state projects,

and projects affecting historic properties if the projects involve the development of affordable housing, will help to address the substantial backlog of SHPD reviews that currently prevent many affordable housing projects from starting.

**HB-2446**

Submitted on: 2/5/2020 2:25:41 PM

Testimony for WLH on 2/7/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elton Wong	Individual	Support	No

## Comments:

Thank you for the opportunity to testify in **support** of this important measure. Hawai'i has a severe affordable housing shortage affect our working families. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. An additional 50,156 housing units will be needed by 2025 with nearly seventy percent of those units designated as low-income households.

Obtaining build permits and obtaining State Historic Preservation Division (SHPD) approval slow down the permitting and delivery of affordable housing. SHPD is extremely backlogged. This bill will allow the SHPD to contract its review of proposed affordable housing state projects, and projects affecting historic properties to third-party consultants. It will expedite affordable housing to begin sooner.

**HB-2446**

Submitted on: 2/5/2020 2:49:30 PM

Testimony for WLH on 2/7/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alden Kajioka	Individual	Support	No

## Comments:

TO: The Honorable Ryan I. Yamane, Chair, House Committee on Water, Land, & Hawaiian Affairs

The Honorable Chris Todd, Vice Chair, House Committee on Water, Land, & Hawaiian Affairs

The Honorable Tom Brower, Chair, House Committee on Housing

The Honorable Scot Z. Matayoshi, Vice Chair, House Committee on Housing

FROM: Alden Kajioka

SUBJECT: HEARING OF FEBRUARY 7, 2020; TESTIMONY IN SUPPORT OF HB 2446 RELATING TO AFFORDABLE HOUSING

I respectfully submit my testimony in **support** of HB2446. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By requiring the State Historic Preservation Division to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, it clears the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take a systemic change to address the housing crisis.

**HB-2446**

Submitted on: 2/5/2020 2:56:33 PM

Testimony for WLH on 2/7/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
YUEHONG YEH	Individual	Support	No

## Comments:

TO: The Honorable Ryan I. Yamane, Chair, House Committee on Water, Land, & Hawaiian Affairs

The Honorable Chris Todd, Vice Chair, House Committee on Water, Land, & Hawaiian Affairs

The Honorable Tom Brower, Chair, House Committee on Housing

The Honorable Scot Z. Matayoshi, Vice Chair, House Committee on Housing

FROM: Yuehong Yeh

SUBJECT: HEARING OF FEBRUARY 7, 2020; TESTIMONY IN SUPPORT OF HB 2446 RELATING TO AFFORDABLE HOUSING

I respectfully submit my testimony in **support** of HB2446. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By requiring the State Historic Preservation Division to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, it clears the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take systemic change to address the housing crisis.

**HB-2446**

Submitted on: 2/6/2020 9:53:28 AM

Testimony for WLH on 2/7/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Heather de la Garza	Individual	Support	No

## Comments:

Thank you for the opportunity to testify in support of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By requiring the State Historic Preservation Division to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, it addresses the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take systemic change to address the housing crisis.

**HB-2446**

Submitted on: 2/6/2020 9:59:19 AM

Testimony for WLH on 2/7/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Young	Individual	Support	No

## Comments:

Thank you for the opportunity to testify in support of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By requiring the State Historic Preservation Division to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, it addresses the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take systemic change to address the housing crisis.

**HB-2446**

Submitted on: 2/6/2020 10:01:53 AM

Testimony for WLH on 2/7/2020 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Niitani	Individual	Support	Yes

## Comments:

Thank you for the opportunity to testify in support of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. According to a study prepared by SMS Research & Marketing Services, Hawai'i will need an additional 50,156 housing units by 2025 with nearly seventy percent of those units designated as low-income households. By requiring the State Historic Preservation Division to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, it addresses the backlog that prevents many affordable housing developers from beginning their projects. Incentivizing affordable housing developers is the first step, but it will take systemic change to address the housing crisis.

February 6, 2020

Honorable Ryan I. Yamane, Chair  
Honorable Chris Todd, Vice Chair  
House Committee on Water, Land & Hawaiian Affairs

Honorable Tom Brower, Chair  
Honorable Scot Z. Matayoshi, Vice Chair  
House Committee on Housing

State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

**RE: Testimony in Support of HB 2446, Relating to Affordable Housing**

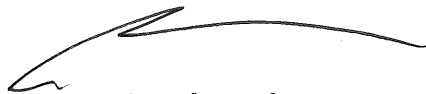
Chair Yamane, Chair Brower, Vice Chair Todd, Vice Chair Matayoshi and Committee Members,

Thank you for the opportunity to submit testimony in support of this important measure. The affordable housing shortage will only increase in the coming years. According to the 2018 Affordable rental housing report and ten-year plan, Hawai'i will need an additional 64,693 housing units by 2025 with nearly seventy percent of these units designated as low-income households, earning eighty percent or less of the area median income. To address this current and future absence, certain steps must be taken to assist the development of affordable housing.

This bill will allow the State Historic Preservation Division (SHPD) to contract its review of proposed affordable housing state projects and historic properties to third-party consultants if they are unable to complete its review within sixty days. It will help mitigate an extended delay in obtaining SHPD approval and move forward the permitting and building of affordable housing developments.

I strongly urge your support of HB 2446.

Sincerely,



Bert A. Kobayashi  
Senior Advisor  
Kobayashi Group LLC.

TO: The Honorable Ryan I. Yamane, Chair  
House Committee on Water, Land, & Hawaiian Affairs

The Honorable Chris Todd, Vice Chair  
House Committee on Water, Land, & Hawaiian Affairs

The Honorable Tom Brower, Chair  
House Committee on Housing

The Honorable Scot Z. Matayoshi, Vice Chair  
House Committee on Housing

FROM: Kathryn W. Inouye

**SUBJECT: HEARING OF FEBRUARY 7, 2020; TESTIMONY IN SUPPORT OF HB 2446 RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. Expediting the supply of affordable housing requires streamlining a number of processes in addition to providing financial programs to offset the high costs of construction in Hawaii.

I am, therefore, supportive of this bill which would allow SHPD to contract out its review to third-party consultants particularly when it involves the development of affordable housing.

I commend the legislature for recognizing that significant measures need to be undertaken to alleviate our backlog of affordable housing.

TO: The Honorable Ryan I. Yamane, Chair  
House Committee on Water, Land, & Hawaiian Affairs

The Honorable Chris Todd, Vice Chair  
House Committee on Water, Land, & Hawaiian Affairs

The Honorable Tom Brower, Chair  
House Committee on Housing

The Honorable Scot Z. Matayoshi, Vice Chair  
House Committee on Housing

FROM: Alana K. Pakkala

SUBJECT: HEARING OF FEBRUARY 7, 2020; TESTIMONY IN SUPPORT OF HB 2446  
RELATING TO AFFORDABLE HOUSING

Thank you for the opportunity to testify in **support** of this important measure. In order to address Hawai'i's affordable housing shortage, drastic actions must be taken. The Joint Economic Package of bills made it clear that affordable housing is one of the State's priorities. By requiring the State Historic Preservation Division to contract its review of proposed state projects, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing, it addresses the backlog that prevents many affordable housing developers from beginning their projects.

I am, therefore, in support of this bill which would allow SHPD to contract out its review to third-party consultants particularly when it involves the development of affordable housing.

I commend the legislature for recognizing measures needed to be undertaken to alleviate our backlog of affordable housing.



**LATE**

**HOUSE COMMITTEES ON WATER, LAND & HAWAIIAN AFFAIRS, AND HOUSING  
State Capitol, Conference Room 325  
415 South Beretania Street  
11:00 AM**

February 7, 2020

.RE: HOUSE BILL NO. 2446, RELATING TO AFFORDABLE HOUSING

Chairs Yamane and Brower, Vice Chairs Todd and Matayoshi, 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 H.B. 2446**, which proposes to require the State Historic Preservation Division (SHPD) to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to third-party consultants if the projects involve the development of affordable housing and the division will not be able to complete its review within 60 days.

In the 2020 Legislative Session, both Chambers of the Hawaii State Legislature, and Governor Ige's Administration put forward a comprehensive package of bills to improve the quality of life for Hawaii's middle class families. A large part of the package attempted to address housing affordability. We understand that this bill is part of the effort to get more affordable housing projects into construction as quickly as possible.

This bill would assist SHPD review and process permits requiring their review. We understand the issue with SHPD has been the challenges of hiring and retaining qualified staff. 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 will address one of the major time delays. Third-party review is currently being used by the City and County of Honolulu in processing building permits.

We are in strong support of H.B. 2446 and appreciate the opportunity to express our views on the matter.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON WATER, LAND & HAWAIIAN AFFAIRS  
AND COMMITTEE ON HOUSING  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325  
FRIDAY, FEBRUARY 7, 2020 AT 11:00 A.M.**

To The Honorable Ryan I. Yamane, Chair;  
The Honorable Chris Todd, Vice Chair; and  
Members of the Committee on Water, Land & Hawaiian Affairs,

**LATE**

To The Honorable Tom Brower, Chair;  
The Honorable Scot Z. Matayoshi, Vice Chair; and  
Members of the Committee on Housing,

**TESTIMONY IN SUPPORT OF HB2446 RELATING TO AFFORDABLE HOUSING**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce, with approximately 650 members. I am writing share our support of HB2446.

Affordable housing and rentals are one of our top priorities this year. In working with developers, two of the biggest obstacles to expediting these projects are state and county redundancies and the time it takes to go through various reviews, with SHPD being one of the top areas most frequently mentioned as being a challenge. As reviews take more time and if there are any delays, this translates to higher costs which are passed on to homeowners. This bill helps to address these issues by requiring SHPD to contract third-party consultants if the division cannot complete its review within 60 days. All efforts to gain more affordable housing and rentals in Maui County and throughout the State of Hawaii should be a top state priority. Therefore, we support this bill.

However, it is not clear in the bill the timeframe in which SHPD has to hire the third-party consultant and how consultants will be notified, since they have 30 days to provide their recommendation from when the developer files. Further, the bill states that the consultant will provide a recommendation, but it does not state if SHPD is then required to accept that recommendation and if any further reviews or modifications must be within their 60 day timeframe. As the goal is to expedite affordable housing reviews, we ask that these comments be considered and language adjusted in the bill to address these concerns.

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.



Hunt Development Group, LLC  
737 Bishop Street, Suite 2750  
Honolulu, Hawaii 96813  
Office: 808-585-7900

**LATE**

Representative Ryan Yamane, Chair  
Representative Chris Todd, Vice Chair  
Committee on Water, Land & Hawaiian Affairs

Representative Tom Brower, Chair  
Representative Scot Matayoshi, Vice Chair  
Committee on Housing

**RE: HB 2446 – Relating to Affordable Housing – In Support  
February 7, 2020; 11:00 a.m.; Conference Room 325**

Aloha Chairs Yamane and Brower, Vice Chairs Todd and Matayoshi and members of the Committees,

Hunt Development Group is in support of HB 2446, which requires the State Historic Preservation Division to contract its review of proposed state projects, projects on privately owned historic property, and project affecting historic properties to third-party consultants if the projects involve the development of affordable housing and the division will not be able to complete its review within 60 days.

This bill will help accelerate the rigorous process for developers who are committed to delivering critical affordable housing projects. We appreciate all of the Legislature's efforts to support affordable housing for our local residents.

Steve Colon  
President, Development, Hawaii Region



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirtieth Legislature, State of Hawaii  
House of Representatives  
Committee on Water, Land, & Hawaiian Affairs  
Committee on Housing

**LATE**

Testimony by  
Hawaii Government Employees Association

February 7, 2020

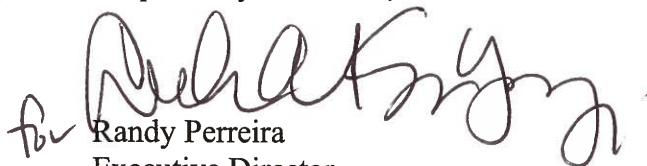
### H.B. 2446 – RELATING TO AFFORDABLE HOUSING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO opposes the purpose and intent of H.B. 2446 which requires the Department of Land and Natural Resources, through the State Historic Preservation Division, to contract its review of proposed state projects, projects on privately owned historic property, and projects affecting historic properties to a third-party consultant if the projects involve the development of affordable housing and the department will not be able to complete its review within sixty (60) days.

While we understand the need to expeditiously review affordable housing projects so that more units can be built, we cannot support contracting out services that have historically and customarily been provided by government employees. As cited in this measure, Hawai'i is experiencing a severe housing crisis with a lack of affordable rental and for-sale units and needs to build 22,000 affordable rental units by 2026. These facts acknowledge that this is a long-term problem that deserves more than a short-term contract solution. There is clearly a need to hire additional employees and the department currently has the authority and the ability to do so. We respectfully request that the department seek to fill its positions or prioritize funding new positions rather than contracting out these services.

Thank you for the opportunity to testify in opposition of H.B. 2446.

Respectfully submitted,

  
Randy Perreira  
Executive Director