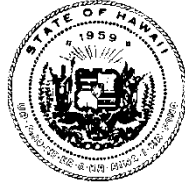


DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM EXECUTIVE DIRECTOR

STATE OF HAWAII

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

IN REPLY REFER TO:

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

HOUSE COMMITTEE ON FINANCE

February 20, 2020 at 1:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 2447, H.D. 1
RELATING TO AFFORDABLE HOUSING.

HHFDC *offers the following comments* on H.B. 2447, H.D. 1, which would automatically exempt all 201H housing projects from all State fees related to discretionary approvals or ministerial permitting, other than application fees paid to the HHFDC, which are used to cover project-related administrative costs. We note that this measure would reduce the development costs of projects affordable to households at or below 100 percent of the area median income.

Thank you for the opportunity to testify.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Finance
Thursday, February 20, 2020 at 1:00 P.M.
Conference Room 308, State Capitol**

RE: HB 2447 HD1, RELATING TO AFFORDABLE HOUSING

Chair Luke, Vice Chair Cullen and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **provides the following comments** on HB 2447 HD1, which proposes to temporarily exempt affordable housing projects from specific state fees related to discretionary approval or ministerial permitting, except application fees; provided that the units are affordable for households with incomes at or below 100% of the area median family income and sunsets on June 30, 2026.

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 that address cost-of-living issues, including affordable housing. In previous testimony, the Chamber had requested that the bill be amended to exempt affordable housing projects from all state **and county fees, and exactions** which can be found on Page 5, Line 2 of the current HD1. Exemptions from state and county fees and exactions will remove the uncertainty and risks developers of affordable housing projects face.

The bill properly recognizes the delays, exactions and additional costs that are layered onto housing projects subject to the County's permitting and entitlement process. Uncertainty in obtaining County approvals increases risks and drives up the cost of housing in Hawaii. This amendment would clearly identify state exemptions at both the state and county level for affordable housing projects developed under Chapter 201H HRS.

Thank you for the opportunity to provide comments on this measure.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
THURSDAY, FEBRUARY 20, 2020 AT 1:00 P.M.**

To The Honorable Sylvia Luke, Chair;
The Honorable Ty J.K. Cullen, Vice Chair; and
Members of the Committee on Finance;

TESTIMONY IN SUPPORT OF HB2447 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 HB2447.

The Maui Chamber of Commerce supports this bill to temporarily exempt affordable housing projects from all state fees related to discretionary approval or ministerial permitting until 2032. This is a great tool which we appreciate you putting forward, but it will only impact some of the affordable housing developments and is a small step towards helping developers build affordable housing. Why not make that available to all affordable housing developers because every cost that gets eliminated helps to reduce the cost of the house for those affordable home buyers.

Given our housing crisis, we need to look at what more can be done such as streamlining the permitting process, reducing redundancies between State and County rules, and expediting SHPD. We need ideas that can showcase we are serious about creating affordable housing and rentals for future generations and make big strides. We are currently using band-aids in a triage situation and need to bring in all available resources and partners to solve this housing crisis.

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.



LATE

**HOUSE COMMITTEE ON FINANCE
State Capitol, Conference Room 308
415 South Beretania Street
1:00 PM**

February 20, 2020

.RE: HOUSE BILL NO. 2447, HD 1, RELATING TO AFFORDABLE HOUSING

Chair Luke, Vice Chair Cullen, and members of the committee:

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 originally testified in support of H.B. 2447, which proposes to amend Chapter 201H HRS to temporarily exempt affordable housing projects from all state fees related to discretionary approval or ministerial permitting. We had requested that the bill be amended to exempt affordable housing projects from all state **and county fees, and exactions** related. . . "

Our proposed amendment would address delays in getting permits and approval from the county, and also the numerous exactions that drive up the cost of housing in Hawaii. As amended, the bill would clearly exempt affordable housing projects developed under Chapter 201H HRS from state and county permits and exactions.

Our proposed amendments were not included in the HD 1 version of the bill. Exempting affordable housing projects for only state fees would essentially exempt affordable housing projects from the state school impact fees, which seems illogical since affordable housing projects would seem to have families with school-aged children.

Based on limiting the exemptions to only state fees and permits, we cannot support the bill in its present form. We appreciate the opportunity to express our views on H.B. 2447, H.D. 1.

LATE

HB-2447-HD-1

Submitted on: 2/20/2020 8:56:13 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

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

Comments:

I am in support of the much needed affordable housing. Exempting fees will make affordable housing more feasible and will lead to more units being built. Please move forward on this bill.

HB-2447-HD-1

Submitted on: 2/20/2020 10:50:21 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

LATE

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

Comments:

TO: The Honorable Sylvia Luke, Chair

House Committee on Finance

The Honorable Ty Cullen, Vice Chair

House Committee on Finance

FROM: Yuehong Yeh

SUBJECT: HEARING OF FEBRUARY 20, 2020; TESTIMONY IN SUPPORT OF HB 2447 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, immediate 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. Provided that the units are affordable for households with incomes at or below 100% of the area median family income, by exempting affordable housing projects from specific state fees related to discretionary approval or ministerial permitting, except application fees, 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.



LATE

February 20, 2020

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
Members of the House Committee on Finance

RE: HB 2447, HD1 – RELATING TO AFFORDABLE HOUSING
Hearing date – February 20, 2020 at 1:00 p.m.

Aloha Chair Luke, Vice Chair Cullen and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony in **SUPPORT** of HB 2447, HD1 – 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 2447, HD1 would temporarily exempt affordable housing projects from certain state discretionary approval or ministerial permitting fees (not to include application fees) for affordable housing units at or below 100% of the area median family income.

Drastic actions must be taken to address Hawai'i's affordable housing shortage. 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. This bill will incentivize developers to construct affordable housing within the state and therefore address the affordable housing crisis. This measure is important to aid in addressing Hawai'i's affordable housing shortage. For these reasons we support HB 2447, HD1.

Mahalo for your consideration,

Catherine Camp, President
NAIOP Hawaii



LATE

February 20, 2020

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance

Strong Support of, and Proposed Amendments to HB 2447, HD1, RELATING TO AFFORDABLE HOUSING (Temporarily exempts affordable housing projects from specific state fees related to discretionary approval or ministerial permitting, except application fees; provided that the units are affordable for households with incomes at or below 100% of the area median family income. Sunsets on 6/30/2026. Effective 7/1/2025. [HD1])

FIN Hearing: Thursday, February 20, 2020, 1:00 p.m., in Conf. Rm 308

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and utility companies. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express its **strong support of HB 2447, HD1, and proposed amendments to provide even greater incentives** to encourage the development of affordable housing, and **to avoid a major inconsistency with the definition of “affordable housing” used by other state, federal and county laws, rules and ordinances.**

HB 2183, HD1. This bill temporarily exempts affordable housing projects from specific state fees related to discretionary approval or ministerial permitting, except application fees for the Hawaii Housing Finance and Development corporation (HHFDC); provided that the units are affordable for households with incomes at or below 100% of the area median family income (AMI). If enacted, this measure will be effective on July 1, 2025 and will sunset on June 20, 2026.

LURF's Position. The State of Hawaii has a severe housing shortage for all income groups, and in particular, “affordable housing,” which is defined by HHFDC and the United States Department of Housing and Urban Development (HUD) as “affordable to households with incomes at or below one hundred forty percent AMI.” Using this definition of affordable housing along with the incentives provided by HRS §201H-38 and HHFDC has been successful in encouraging and facilitating the development of affordable housing projects and dwelling units for low income families.

While LURF appreciates the intent of the latest revisions by the House Committee on Housing, this measure could provide even greater incentives to encourage the development of affordable housing, and should be amended to avoid inconsistency with other state, federal and county laws, rules and ordinances relating to affordable housing. Thus, LURF **respectfully recommends the following amendments:**

- 1. ADD exemption from all county fees also.**
- 2. ADD related infrastructure to the list of fee exemptions; and**
- 3. REVISE the AMI percentage to one hundred forty percent of AMI, to be consistent with current affordable housing laws, ordinances, and rules of HHFDC, HUD, the Hawaii Community Development Authority and county laws and rules.**

Conclusion. LURF understands from HHFDC that this bill is essential to continuing to provide financing assistance for the development or acquisition and rehabilitation of additional affordable rental projects statewide using the HHFDC's Hula Mae Multifamily Bond Program. If this measure passes, it will allow additional affordable rental housing projects to be developed, preserved and rehabilitated.

For the reasons set forth above, LURF is **in strong support of HB 2183, HD1** and respectfully urges your favorable consideration of this bill.