JOSH GREEN, M.D. GOVERNOR



DENISE ISERI-MATSUBARA EXECUTIVE DIRECTOR

IN REPLY PLEASE REFER TO

#### STATE OF HAWAII DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300 HONOLULU, HAWAII 96813 PHONE: (808) 587-0620 FAX: (808) 587-0600

## Statement of **DELMOND WON**

Hawaii Housing Finance and Development Corporation Before the

#### SENATE COMMITTEE ON WATER & LAND AND SENATE COMMITTEE ON HOUSING

April 04, 2023 at 1:00 p.m. State Capitol, Room 225

In consideration of

S.C.R. 162/ S.R. 188

#### REQUESTING THE OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT (OPSD) TO CONVENE A MULTI-AGENCY WORKING GROUP TO IDENTIFY SITES THAT HAVE THE COLLECTIVE CAPACITY TO ACCOMMODATE 10,000 NEW HOMES PER YEAR, FOR THE NEXT 50 YEARS.

HHFDC <u>supports</u> S.C.R. 162/ S.R. 188 and is willing to participate in the working group led by OPSD to prepare the requested study.

Thank you for the opportunity to provide testimony.



### STATE OF HAWAI'I OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D. GOVERNOR

> SCOTT J. GLENN INTERIM DIRECTOR

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# Statement of SCOTT GLENN, Interim Director

before the SENATE COMMITTEES ON WATER AND LAND AND ON HOUSING Tuesday, April 4, 2023, 1:00 PM State Capitol, Conference Room 225

in consideration of

#### SCR162 / SR188 REQUESTING THE OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT (OPSD) TO CONVENE A MULTI-AGENCY WORKING GROUP TO IDENTIFY SITES THAT HAVE THE COLLECTIVE CAPACITY TO ACCOMMODATE 10,000 NEW HOMES PER YEAR, FOR THE NEXT 50 YEARS.

Chairs Inouye and Chang, Vice Chairs Elefante and Kanuha, and Members of the Senate Committees on Water and Land and on Housing:

The Office of Planning and Sustainable Development (OPSD) **supports and offers comments** on SCR162 / SR188. OPSD has worked with the Hawaii Housing Finance and Development Corporation, Hawaii Community Development Authority, Hawaii Public Housing Authority, many other State agencies, and the counties via the State Transit-Oriented Development (TOD) Council, as established by the legislature in Act 130 (2016). Our collaborative efforts include the State TOD Strategic Plan (Statewide, 2018) and the State TOD Planning and Implementation project (Oahu, 2020). The Oahu project, which focused on East Kapolei, Halawa-Stadium, and Iwilei-Kapalama, identified the potential for 48,000 housing units, with \$3.2B in unfunded infrastructure needs. We are also working with State agencies and the counties on planning and infrastructure studies that integrate affordable housing and transportation improvements on government lands, which could include the production of even more housing.

In supporting this resolution to expedite and scale up housing production, we suggest that the level of technical analysis needed to address the goal of 500,000 new homes will require a funded study to address infrastructure, capital, market, and other capacity issues. OPSD suggests that we summarize the plans completed and under way, along with related efforts by other agencies, and coordinate a multi-agency briefing to legislators. We can include recommendations for next steps and funding required to increase site capacity and further expedite housing production.

Thank you for the opportunity to testify on this measure.



### HAWAI'I COMMUNITY DEVELOPMENT AUTHORITY

547 Queen Street, Honolulu, Hawai'i 96813 Telephone: (808) 594-0300 Fax: (808) 587-0299 Web site: http://dbedt.hawaii.gov/hcda/ JOSH GREEN, M.D. GOVERNOR

> CHASON ISHII CHAIRPERSON

CRAIG K. NAKAMOTO EXECUTIVE DIRECTOR

Statement of Craig K. Nakamoto, Executive Director Hawai'i Community Development Authority

#### before the SENATE COMMITTEE ON WATER AND LAND And the SENATE COMMITTEE ON HOUSING

Tuesday, April 4, 2023 1:00 PM State Capitol, Conference Room # 225 & Videoconference

In consideration of SCR 162/SR188

#### Requesting The Office Of Planning And Sustainable Development To Convene A Multiagency Working Group To Identify Sites That Have The Collective Capacity To Accommodate Ten Thousand New Homes Per Year, For The Next Fifty Years.

Chairs Inouye and Chang, Vice Chairs Elefante and Kanuha, and members of the Committees.

The Hawaii Community Development Authority (HCDA) **supports SCR 162/SR188**, that would create a multiagency working group to identify sites for future housing development.

The HCDA will continue to work closely with its sister agencies.

If this measure is passed, HCDA is happy to serve on this working group.

Thank you for the opportunity to testify.

JOSH GREEN, M.D. GOVERNOR



DEAN MINAKAMI INTERIM EXECUTIVE DIRECTOR

#### **STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

> 677 QUEEN STREET, SUITE 300 HONOLULU, HAWAII 96813 PHONE: (808) 587-0620 FAX: (808) 587-0600

Statement of **DEAN MINAKAMI** 

Hawaii Housing Finance and Development Corporation Before the

# SENATE COMMITTEE ON WATER AND LAND

SENATE COMMITTEE ON AND HOUSING

April 4, 2023 at 1:00 p.m. State Capitol, Room 225

In consideration of S.C.R. 162

#### REQUESTING THE OFFICE OF PLANNING AND SUSTAINABLE DEVELOPMENT TO CONVENE A MULTIAGENCY WORKING GROUP TO IDENTIFY SITES THAT HAVE THE COLLECTIVE CAPACITY TO ACCOMMODATE TEN THOUSAND NEW HOMES PER YEAR, FOR THE NEXT FIFTY YEARS.

HHFDC **<u>supports</u>** S.C.R. 162 and is willing to participate in the working group led by OPSD.

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

IN REPLY PLEASE REFER TO:

#### OPPOSE S.C.R.162, <u>HCR183</u>, <u>SR188</u> Public hearing 04-04-23 1:00 PM

Aloha Hawaii State Legislators:

I'm writing in opposition to this S.C.R.162, HCR183, SR188 on the fundamental basis that it's too nebulous and open-ended as to **which parties** would be at the decision-making table, besides the customary the Hawaii Housing Finance and Development Corporation, Hawaii Community Development Authority, Hawaii Public Housing Authority, and Office of Planning and Sustainable Development.

Wanting to identify sites that have the collective capacity to accommodate ten thousand new homes per year, for the next fifty years requires **more public participation** than just those customary entities named in this Resolution.

We live in the most remote island chain in the world. This requires us to be always mindful and cognizant of the many factors that are unique to Hawaii. There has to be an open, deliberate, and over-arching planning mindset over land-use decision-making. If the government does not know or set parameters on its land use policies, there will never be sufficient housing on these islands.

f 🕑 in 🦻 +



The Hawaiian island chain

iss063e105773 (Oct. 8, 2020) --- The Hawaiian island chain was pictured as the International Space Station orbited above the Pacific Ocean.

Last Updated: Oct 16, 2020 Editor: Mark Garcia

Tags: International Space Station (ISS)

The **most affected parties** must have equal opportunity to be at the decisionmaking table for such a broad land-use working group. There must be an inclusive, holistic, and logical approach to this undertaking.

Off the top, identifying possible sites must automatically include residents, sectors relating education, public health, public safety, utilities, water, sanitation, recreation, Hawaiiana culture, environmental, commerce, food sustainability, agriculture, and so on.

Hawaii has expended billions of dollars on the federal, state and city level relating to housing through the years but so far, there appears to be no abatement of this "housing crisis". There must also be fundamental parameters set and questions asked like these quick ones:

- 1. What do we want Hawaii to be like in 50 years?
- 2. Do we expect Hawaii to become like Hong Kong or Monaco or Singapore and the like? Even then, we need to remember that the Hawaiian island chain is the most remote on Earth.
- 3. The Hawai'i 2050 Sustainability Plan was published in 2008 by the State Auditor and the Hawai'i 2050 Sustainability Task Force and served as a long-range plan for Hawai'i. This included public participation by concerned residents from all the islands of Hawaii. This will still be very relevant today and can be used as a foundation.
- 4. It's interesting to note that if we ask the grassroots and local population, their concerns and wants will be echoed in similar terms as the Hawaii 2050 Plan.
- 5. On the other hand, if we ask those in the decision-making echelon of development and construction industry, their sentiments will be predictable too.
- 6. There are also county plans like the Oahu General Plan and its various Development or Sustainable Plans that try to protect Sustainability and diversification.
- 7. What is the Carrying Capacity for Hawaii? Is there a limit?
- 8. Does any government have the obligation to provide housing for its population?
- 9. Does any government have the obligation to provide housing ownership for its population?
- 10. Does any government have the obligation to provide rental housing for its population?
- 11. Does the government know WHO it needs to provide housing ownership or rental for?
- 12. Is it for any one foreign, out of state, or kama'aina residents, corporations who wants or needs housing?
- 13. Is housing for long-term residents? Or is it for any one?

- 14. Relating to Workforce housing Is it for any one who chooses to work here in Hawaii and so on? What happens when the worker retires?
- 15. Should our public school children be deprived of open spaces and their open fields and playgrounds?
- 16. Since the Singapore model continues to be discussed, it's good to note that one of the most fundamental conditions that Singapore's Lee Kuan Yew insisted on its public housing policy was that the government would retain the fee simple ownership of the land. He astutely realized that if fee ownership is being sold, the inventory would be out of the government's inventory and control. What is Hawaii's decision to this very basic question?
- 17. Singapore also does not have lobbyists, developers, or private constructive industries control its housing agenda.
- 18. While the government needs to provide some safety net for its most vulnerable population, what are the parameters and policies for the general population. Singapore has a robust and thriving Central Provident Fund (CPF) for Education, Health and Housing that its citizens participate in. This CPF is managed efficiently and effectively that bring in profitable dividends to the coffers of participants.

The list of questions goes on. Please identify and widen the public participation list on the onset of these land-use discussions. The final product is always much better and much more productive when there are diversification and full involvement from as many stakeholders as possible.

Sincerely,

Choon James ChoonJamesHawaii@gmail.com **REFERENCE:** 

Attached is a commentary with an independent mindset that questions the status quo. This is worth reading for discussion and deliberation on the housing issues.

**Community Voice** 

# 5 Tools To Disarm The Weaponization Of Affordable Housing

It's critical to ask who exactly the housing is for, who will profit from it, and whether it's actually affordable in Hawaii.

By Deja Ostrowski, Jonathan Likeke Scheuer

March 7, 2023 · 15 min read

We badly need affordable housing for local people. More than just a popular political cry, this is a daily lived and personal struggle.



Unfortunately as the demand grows and as political attention rises, a significant number of our lawmakers, developers, and bureaucrats are using this basic need as a weapon. The "affordable housing" cry has become so powerful that it is increasingly being used as an all-encompassing justification for any development project, regardless of the actual merits of a proposal or even how affordability is defined. If developers and their lobbyists simply demanded we cut environmental and cultural protections so they could be more profitable, there would be well-deserved howls of disapproval.

But now all these interests seem to need to do is suggest that their proposal is for "affordable housing" that will keep local families from moving away, and we need to cut "red tape" to make that possible. Suddenly developers are transformed from being profiteers into the praiseworthy defenders of Hawaii and our people.

To thwart political opposition, affordable housing is also being weaponized against anyone who publicly states any concerns with any project or proposal. Native Hawaiian and local voices raising concerns are often immediately dismissed, and individuals brave enough to speak are reduced to nothing more than NIMBYs, elitists, or "special interests."

Perhaps most obnoxiously, leaders sometimes blame the very local families suffering from housing affordability for the crisis when they dare to raise concerns with particular projects.

When affordable housing as a concept is so elastic it becomes the justification stamped on every proposal, we ignore other critical problems. We overlook ticking time-bombs in agricultural sustainability, water availability, and unbalanced economic growth. Ironically, we disregard giving more scrutiny to what we ask of developers in return for the benefits they receive.

A recent example of this weaponization came from West Hawaii. Last August our leading state housing agency (the <u>Hawaii Housing Finance and</u> <u>Development Corporation</u>) and the <u>Natural Energy Laboratory of Hawaii</u> <u>Authority</u> refused to accept minor conditions on a permit for a controversial new water well they claim is necessary for "affordable housing."

These conditions had been asked for by fishpond caretakers and others who know the critical value of groundwater flow to the coast that perpetuates near shore resources. A portion of the well HHFDC and NELHA want to develop would provide water to the Kamakana Villages housing and commercial development.

Defending the state agencies during a state Water Commission meeting, the Hawaii County mayor submitted testimony via his deputy managing director. The mayor's representative insisted in impassioned <u>oral testimony</u> that the water was all that was needed to provide "thousands of affordable homes" for "...our friends, children, and extended ohana..." who are "...faced with the grim choice of leaving their beloved homes in search of a place where they can survive..."

By implication, the very Native Hawaiians who earlier in the meeting were expressing concerns about impacts of the new well on coastal ecosystems and cultural practices were painted as the very reason their own families were forced to move away. This all occurred even, as we explain more below, the "affordability" of the proposed homes is questionable at best.

Another example of this weaponization came from would-be developer Charles Wong of the controversial "Manoa Banyan Court" project on preservation zoned land, who dismissed critiques as solely self-interested. A review of criticism of the project, however, shows neighbors raising issues of substance.

There are concerns with other projects the developer has completed, and potential impacts on flooding, parking, traffic, and burials. Neighbors have asked for more evidence as to why this project deserves government subsidies and relaxed regulations when it is being built expressly as profit-generating affordable housing.

The Hawaii State Capitol is rife with this weaponization. In the past few weeks the Senate and House have considered (and passed forward some) bills that would reduce or eliminate land use, historic preservation, burial, and environmental laws for the production of housing at any income levels. Gov. Josh Green's emergency order for the homeless, unveiled with a flourish during his State of the State and met with a standing ovation, suspended thirty laws with no clear articulation of how this was necessary to build homeless housing. More worrisome is the accompanying promise to unveil another, broader order for housing in general.

If we actually want to make progress on affordable housing and out-migration, this moment demands from us clear thinking and deliberate decision making. We need to reject the blind cutting of so-called "red tape," deriding all concerned parties as "special interests," and empty faith that individual proposals are silver bullets. Real progress will come from proposals that reflect an actual understanding of our history, our housing market, land use regulations, and who it is who actually needs help.

Fortunately, everyday locals who are being used in these battles can disarm this weaponization of affordable housing. Anytime a new law, emergency proclamation, or project is proposed, we can ask and demand answers to five questions.

The answers will reveal if what is proposed may actually produce affordable housing for local people in good locations, or if it is a use of affordable housing as a baton against us while they offer another handout to those who already have land and power in our islands. No. 1 — Who Is The Housing Actually For?

The first tool in disarming the affordable housing war is straightforward: we need to ask who the housing is actually for? For so many projects or proposals, glossy stock photos of "local families" are held up as the image of the future residents.

These are often pictures of a straight, two generation family in a single family home, which alone misses the wide diversity of households and housing needs in our community.

	20	14	2017		Change 2014-2017	
	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	524,852	100.0%	532,880	100.0%	8,028	1.5%
Single Family	282,060	53.7%	286,873	53.8%	4,813	1.7%
Multi-Family	242,792	46.3%	246,007	46.2%	3,215	1.3%
Total Available Housing Stock	477,520	91.0%	482,803	90.6%	5,283	1.1%
Total Occupied Housing Units	450,299	85.8%	455,449	85.5%	5,150	1.1%
Owner Occupied Units	257,121	49.0%	264,622	49.7%	7,501	2.9%
Renter Occupied Units	193,178	36.8%	190,827	35.8%	-2,351	-1.2%
Total Vacant Units	74,553	14.2%	79,999	15.0%	5,446	7.3%
Vacant Available	27,221	5.2%	27,354	5.1%	133	0.5%
For Rent	18,704	3.6%	20,026	3.8%	1,322	7.1%
Rented, not occupied	2,418	0.5%	2,134	0.4%	-284	-11.7%
For Sale only	4,085	0.8%	3,193	0.6%	-892	-21.8%
Sold, not occupied	2,014	0.4%	2,001	0.4%	-13	-0.6%
Vacant Unavailable	47,332	9.0%	52,645	9.9%	5,313	11.2%
Seasonal Use	33,054	6.3%	35,304	6.6%	2,250	6.8%
For Migrant Workers / Ag. Use	93	0.0%	136	0.0%	43	46.2%
Other Vacant	14,185	2.7%	17,205	3.2%	3,020	21.3%

#### Table 2. State of Hawai'i, Changes in Housing Stock, 2014-2017

Source: ACS 2014 and 2017 5-yr. Estimates, Tables B25004, S2504, and S1101.

From the Hawaii Housing Planning Study 2019 (HHFDC). Affordable housing remains out of reach for many in the islands.

Who actually can benefit from the housing being discussed is often very different. Most affordable housing developments in the state are in some way funded, regulated, or developed by the HHFDC, including the Kamakana Villages project that was supposedly for "our friends, children, and extended ohana..."

The truth is that in every single HHFDC project, there is no restriction to ensure units go to local families, Native Hawaiians, or even long term island residents.

Under the <u>relevant state law</u> and HHFDC rules, you could have arrived on a plane in Hawaii for the first time to sign your contracts and you are just as entitled to that unit as any other family in our islands.

#### No. 2 — Is It Actually Affordable Now?

The second question needed to neutralize nefarious uses of our affordable housing crisis is rarely raised: just how affordable will the units be?

This is especially important because much of what passes for affordable housing and qualifies for government funds, tax breaks, or exemptions is not really affordable. The state of Hawaii, without good reason, regularly includes homes sold or rented for people earning 140% of Area Median Income in the definition of affordable housing.

Many jurisdictions cap affordability for those earning 120% of AMI — which even itself is, by definition, for people with higher incomes than over half the population. To state that another way, when you define affordability at anything over 100% of AMI, you are taking taxpayer funds and other government resources from people who earn less than what half the population does, and giving them to people who earn more than they do. It is Robin Hood in reverse.

In comparison, the federal Housing and Urban Development <u>standards are</u> <u>usually set</u> at 80% AMI. The prices of for sale projects at 140% of AMI are already provided by the market, without subsidies, tax breaks, or exemptions from regulation. Housing demand data from 2019 shows that with this expansive definition of affordable, 74% of the total housing needed by our state demand would qualify as 'affordable.' When the definition of "affordable housing" is so broad, it spreads government subsidies supposedly targeted to help deal with housing insecurity, and distributes them to people who by definition are in the better off part of the population.

Despite demand studies that show the greatest need at the lowest end of the income spectrum, we continue to subsidize development projects at the highest (and therefore most profitable) income levels allowed.

We can see the absurdity of how this actually works out in one of our first examples. While Hawaii County officials praised the "thousands of affordable homes" in Kamakana Villages, the truth is far different. Of the approximately 2,300 units planned, <u>only just over 50%</u> are required to affordable. Of the 50% that must be "affordable," that can be entirely units that sell for a price affordable by buyers who earn up to 140% of AMI. The rest of the homes — just under 50% — can and most likely will be sold at market prices.

So while the rhetoric was to give up impact on environmental and cultural resources for claimed affordability, the facts are that most these units will be at market rates, even as we know our "friends, children, and extended ohana" may not be able to afford them.

#### No. 3 — Will It Be Affordable In The Future?

The next question relies on asking about time horizons that extend beyond any politician's current term — for how long will this unit be affordable?

There are a number of ways in which something that is affordable at move-in can quickly become less so. Rent or a mortgage is a very large part of monthly

household expenses, but certainly not the only cost, and not the only payment that is tightly bundled to the cost of housing. If you are in an "affordable" home but have a driving commute three hours a day, you can be worse off than someone with a more expensive home that can take transit or walk.

For people with limited ability to walk or who lack reliable transportation, "affordable" units far from basic daily or weekly services can be a hardship and isolating.

Likewise, building dense condos with amenities equivalent to a hotel, with pools, meetings rooms, karaoke facilities and expensive maintenance costs will never be affordable to a family who can barely afford a small apartment in a walk-up.

"Affordable housing" projects that give developers gifts like breaks from zoning, parking, permitting, and fees usually count the return on investment solely in the number of new units created, with no evaluation of the real long-term return on this public investment. For example take the <u>Hawaii Community</u> <u>Development Authority</u>, a separate government body responsible for the development of Kakaako, but also wide swaths of land in Kalaeloa and Heeia.

Efforts to learn from mistakes of the past, such as with HCDA in Kakaako, have been shut down in favor of development interests rather than long term planning.

Gov. David Ige <u>declined to approve rule amendments</u> proposed by the HCDA board that would require developers to maintain affordable units for 30 years rather than five.

When our evaluations of projects consider only short term gains in new units, we lose sight of all the tools we have to keep housing affordable and support long-term housing security and sustainability for families. Rent regulations and better evaluation of the "affordable housing" developers are offering in exchange for subsidies and relaxed rules can keep housing affordable longer. Smart regulations and enforcement that make sure we maximize and realize returns on infrastructure development are key.

#### No. 4 — Are They Saying This Is Just A Hawaii Problem?

The fourth tool requires us to ask if the proposal itself, or responses to any criticism, lay out an argument that ignores the global and national roots of our local housing problems. Our affordable housing problem is not unique to Hawaii or caused only by local forces.

This can be seen with the most cursory research. <u>Addis Ababa</u> has an affordable housing problem, <u>as does Egypt</u>. Nepal <u>does as well</u>, as <u>does Jakarta</u>. Locals are being priced <u>out of Lisbon</u> and <u>Puerto Rico</u>. Closer to home, there are affordable housing problems <u>in Auckland</u>, <u>San Francisco</u>, and even <u>Las</u> <u>Vegas</u>, where Hawaii families often go to escape high costs.

The regular attacks on the <u>state Land Use Commission</u> as the cause of our affordability crisis consistently suggest our problems are all local, as it cannot then explain the affordable housing problems in dozens of states that have no such regulatory body. Declarations of emergency that suspend laws as if those were the only causes of our problems embrace the myth that housing problems can be solved only with local action. The most recent emergency orders on homelessness are variations of orders that have been in place, renewed every few months, for the last 15 years.

This perpetual state of "emergency" has allowed the repeal of regulations and calls to streamline development, and are repeatedly heralded as the "silver bullet" to produce affordable housing. Yet, our crisis persists. This is in part because of forces far beyond our shores or immediate control.

There are absolutely things that county and state governments can do to build units or facilitate housing production, particularly of affordable homes. But overall global housing markets are pushed by huge forces that end up impacting price at the local level. Global and national demographic trends, economic cycles, interest rates, commodity price fluctuations and supply chain constraints can all drive prices upwards.

More significantly, no amount of supply can meet an insatiable demand. In Hawaii there is an unfillable demand for housing at all price points, including affordable ones, because our home is a desirable place to live.

To pretend that we are a purely a local market and increasing supply will alone solve our problems is disingenuous.

#### No. 5 — Who Is Profiting?

We have a variety of state programs that streamline development, all with little required in terms of affordable housing. In HCDA's core jurisdiction of Kakaako, taxpayers funded massive development of new infrastructure and relaxed regulations allowed for dense development and parking giveaways. The return to citizens has been chiefly a massive building of market and luxury residences.

The costliest tax-payer funded infrastructure development in the history of our state, the Honolulu rail project, has <u>brought new value</u> to land owners along its corridor along with relaxed regulations, zoning, height and density allowances and reduced parking requirements. Unfortunately, the first projects to benefit from our infrastructure have been luxury hotel units that each respectively gave just \$3 million to an affordable housing fund and "air rights" in return for relaxed regulations and zoning.



Rail station construction continues including the stop at the airport. The project has resulted in new value for some properties. (David Croxford/Civil Beat/2023)

The value of the parking bonuses afforded to the wealth management conglomerate developing the parcels were worth the \$3 million alone. Nearly seven years have passed and both projects have yet to break ground on what was promised as "dynamic mixed use" re-developments needed to reap the benefits of rail investment. No new affordable housing units have yet been brought on the market after those giveaways.

The most recent developers taking advantage of our relaxed regulations for transit along with rail infrastructure subsidies are wealth management groups. Providing "affordable housing" has now become so profitable, it is built expressly for that purpose alone.

The Manoa Banyan Court Development is explicitly proposed, in part, to provide income — albeit for a non-profit organization. But nowhere is there documentation of the need, or analysis if the "affordable housing" then will remain affordable when profit is the goal.

What happens if the proposed income of the housing development above operating costs per month far exceeds any possible needs for maintenance of the cemetery?

#### Defusing The Trigger Before The Bomb Goes Off

While the need for affordable housing is being used as a weapon, the actual lack of affordable housing is also exploding in the lives of everyday people.

Huge numbers of our people make daily decisions on how to balance the need for the most basic housing against other daily needs and modest desires. Homelessness and outmigration explode families, in some cases altering millennia long ancestral ties to the islands.

Yet when affordable housing is weaponized, we ignore much of what makes us unique. We continue to need community input and planning where we also need densification and re-development.

Environmental, cultural, and historic preservation regulations are not just bureaucratic speed bumps developed to make sure Hawaii never changes. Zoning and permitting, community development plans, parking requirements and height limits are also not just "red-tape."

We need to plan for the places we hold dear, where we have water resources, where we need land for food security, where our ancestors rest, and where we need to preserve places for generations to come.

This is especially true in Hawaii, where many of our laws directly trace back to Native Hawaiian land and resource management principles. To throw everything away because "affordable housing" has been stamped on every project runs the risk of creating a new crisis and a new time bomb, where we shove people anywhere and let developers run the conversation of where development should go, based on what is most profitable.

The consequences of the weaponization of affordable housing are significant. It diverts us into arguments over legislation that will not address our issues, and into litigation over proposals. It leads to a lack of clarity on how to distinguish good projects from bad ones.

Our hyper-focus on only local circumstances and causes sets unrealistic expectations, and paradoxically also a lack of demand for national support. Overall, it stops us from making progress on what is one of our most critical problems.

#### <u>SCR-162</u>

Submitted on: 3/28/2023 6:39:40 PM Testimony for WTL on 4/4/2023 1:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Katie Curtis	Individual	Support	In Person

Comments:

I am in support of SCR 162.

I support many aspects of this bill. Housing is something that has been a pressing issue for many years now. I feel like having a plan for the future of housing will help control a lot of the different issues that are present today. Affordable and sustainable housing is a rare occurrence to find here but it is something that is much needed. Details in the bill that explain the goals of the houses that will hopefully be provided such as, reasonably priced, sanitary, safe, and livable homes located in suitable environments are all basic aspects necessary for a livable experience.

SCR-162 Submitted on: 3/26/2023 4:32:26 PM Testimony for WTL on 4/4/2023 1:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

This just Creats a Burden on the People of Hawaii. WE DO NOT WANT THIS AT ALL !!!

Aloha Chair Inouye, Chair Chang, and honorable members of the Committee on Water and Land and the Committee of Housing,

My name is Elijah Lee, and I'm a senior at the University of Hawaii at Manoa. My comments here are wholly my own and do not reflect any organization or institution.

As currently drafted, I firmly oppose Senate Concurrent Resolution 162: "Requesting the Office of Planning and Sustainable Development to convene a multiagency working group to identify sites that have the collective capacity to accommodate ten thousand new homes per year, for the next fifty years." I offer the following reasons.

As a resident of Hawaii Kai, in a neighborhood that was, until the most recent reapportionment, within Chair Chang's senatorial district, the issue of housing is a significant and consequential one. Our community recently encountered a housing proposal that would have built senior residences at the expense of the surrounding neighborhood. This ill-conceived development was expected to overwhelm already strained infrastructure in the area, including water supply, traffic, and emergency services. The project would've disrupted wind flow, obstructed viewsheds, and drastically altered the nature of this community by building a monstrous structure at the entrance to Kalama Valley. The community showed up. They asked the right questions, raised the right concerns, and voiced their mounting frustration at this proposal, which served neither the immediate nor wider communities. The community was heard, and the proposal has been withdrawn, but this ordeal illustrated the ways in which blind pushes for housing can do more harm than good (if not held accountable by active community members).

With all due respect, Chair Chang initially offered significant support to this failed proposal. Though he may not have represented Kalama Valley at the time, one might expect that his position as a representative of Hawaii Kai (and other parts of East Honolulu) would make him more attuned to the needs and interests of this area, including in the neighboring community of Kalama Valley. Yet, his inclination to endorse and encourage this detrimental project demonstrates how difficult it is to understand and anticipate the concerns and objections of the community. If our elected officials overlook (whether intentionally or unintentionally) the interests and needs of the community, how much more will a removed, insulated, and unelected "multiagency working group" fail to deliver community-conscious results.

To be clear, the issue of housing is not to be ignored or understated. As a soon-to-be graduate who hopes to live and work in Hawaii, the place where I've grown up, I recognize that the availability of affordable housing is imperative. It's crucial to keep local people here, to encourage local kids to stay or come back, and to address issues like homelessness. I do not take the need for housing lightly. Nevertheless, housing development *must* be considerate of the communities that host it. We cannot build more housing at the cost of existing housing. Harming communities to build new ones is not an acceptable or sustainable strategy. Though I do not allege that this is done knowingly, the consequences are too frequently glossed over underestimated.

My concern with this "multiagency working group" is its lack of access to community interests. Though I concede that any development proposal might have to consult or engage with several of these included groups anyway, their collective inability to anticipate (well-grounded)

community concerns, objections, and interests makes me skeptical of their capacity to "identify" or recommend workable sites for additional housing development. There are so many more factors than these agencies/offices have access to.

When encountering Hawaii Kai's recent housing proposal, things like water and emergency services were never considered in the initial conception. It wasn't until the community asked representatives from the Board of Water Supply and the Honolulu Police Department that we discovered that such a development would place an unmeetable burden on already stretched resources. (Perhaps, the inclusion/consultation of the Board of Water Supply, local police departments, community members/advocates, and the like would be a prudent way to improve this "multiagency working group.") These are things that nearby residents rightfully care about, things that are often left off of the radar of those whose daily lives won't be affected by said development. Without a sense of immediacy and vested interest, so many of these critical elements go unnoticed, and subsequent proposals will have failed to consider capacity and workability in its truest sense. If we want to build communities, we need to do so while preserving (and supporting) existing communities, because community-mindedness must consider both old, new, and future communities.

This "multiagency working group," however well-intentioned, does not possess the ability to identify sites for additional housing in a way that will account for the interests, needs, and concerns of existing communities. They may very well try, but there is no substitute for the input and perspectives of residents within an existing community. Without substantial and frequent engagement with the communities that these developments would impact, recommendations will be either arbitrary (if communities object and effectively oppose such developments) or harmful (if community concerns are ignored). Either path is unacceptable.

Hawaii *does* need more housing. We need housing that working individuals and families can afford. That being said, we need community-oriented housing that builds up not only new communities but those that are *already* home for so many. We need housing that makes our communities stronger, closer, and brighter. We need housing that meets future needs as well as the needs of the present. I believe that this proposed working group is not well-equipped to do this. 500,000 homes over the next ten years can either help to solve the housing crisis or exacerbate it by jeopardizing surrounding communities. It will have long-lasting impacts and consequences for generations to come. As it stands, the "multiagency working group" proposed by this resolution would risk the very worst outcomes for this proposed housing, threaten the communities so many of us treasure, and fail to truly improve housing in Hawaii. These are risks we cannot afford.

For these reasons, I strongly urge you to vote against Senate Concurrent Resolution 162: "Requesting the Office of Planning and Sustainable Development to convene a multiagency working group to identify sites that have the collective capacity to accommodate ten thousand new homes per year, for the next fifty years."

Thank you for the opportunity to offer my perspective.