

STATE OF HAWAI'I OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

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Statement of MARY ALICE EVANS, Interim Director

before the SENATE COMMITTEE ON WAYS AND MEANS Friday, March 1, 2024 9:55 AM State Capitol, Conference Room 211

in consideration of BILL NO SB2337, SD1 RELATING TO HOUSING.

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Office of Planning and Sustainable Development (OPSD) **supports** SB2337, SD1, which expands the counties' authorization to exercise the same powers as the Hawai'i Housing Finance and Development Corporation for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments.

This bill would authorize the counties to use affordable-housing bonds to develop mixeduse housing projects, especially in transit-oriented development areas statewide. As recommended in the *State Strategic Plan for Transit-Oriented Development (2018)*, the State, counties, and private sector developers are working together to create new neighborhoods that mix affordable housing, stores and offices, commercial and community facilities, to create real neighborhoods where families can live, work, and connect. This often means that the lower floors of affordable housing projects will include retail and offices, providing jobs and services, and helping to offset the operating costs of the housing development. The counties should have the same authorization as HHFDC to build fully integrated projects that will help create livable neighborhoods.

Thank you for the opportunity to testify on this measure.



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813 Ph. (808) 586-8121 (V) • TTY (808) 586-8162 • Fax (808) 586-8129

March 1, 2024

TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS

Senate Bill 2337 SD1 - Relating to Housing

The Disability and Communication Access Board (DCAB) offers comments on Senate Bill 2337 SD1 – Relating to Housing.

This bill would expand the counties' authorizations to exercise the same powers as the Hawaii Housing Finance and Development Corporation for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments.

The housing crisis is magnified for people with disabilities. People with disabilities are twice as likely to live below the poverty level. Without action to address the affordable housing shortage, more people with disabilities are at risk of losing their independence or becoming homeless or institutionalized. This bill would assist people with disabilities who are facing housing insecurity.

In addition to addressing the affordable housing shortage, legislation should address the quantity of supportive housing units that are accessible to people with mobility and communication disabilities. The Americans with Disabilities Act Standards for Accessible Design (ADA Standards) specifies the minimum percentage of accessible housing units in public facilities. The ADA Standards only requires five percent of units to be accessible for mobility disabilities and two percent of units to be accessible for communication disabilities. The Fair Housing Act (FHA) design and construction requirements specifies the minimum number of adaptable housing units in public and private buildings containing four or more units. The FHA requires all dwelling units to be adaptable for mobility disabilities in buildings with an elevator, but only requires ground floor units to be adaptable for mobility disabilities in buildings without an elevator. The FHA does not require units to be adaptable for communication disabilities.

According to the U.S. Census Bureau's 2021 Disability Characteristics for the State of Hawaii, 19.1 percent of Hawaii's residents that are sixty five years and older have mobility difficulty, 12.6 percent have hearing difficulty, and 4.7 percent have vision difficulty. The following adjustments that exceed minimum accessibility and adaptability requirements would provide Hawaii residents with disabilities, especially kupuna with disabilities, the opportunity to live independently and give more residents without disabilities an option to continue to live in their home as they age in place:

• In public facilities with residential dwelling units, at least twenty percent, but no fewer than one unit, of the total number of residential dwelling units shall provide mobility features that comply with applicable technical requirements in the ADA Standards.

- In public facilities with residential dwelling units, at least thirteen percent, but no fewer than one unit, of the total number of residential dwelling units shall provide communication features that comply with applicable technical requirements in the ADA Standards.
- In multi-story buildings with four or more residential dwelling units, an elevator shall connect each story and all dwelling units shall comply with the FHA design and construction requirements.

Investing in accessible, affordable supportive housing would ensure that more residential units would be available for individuals with disabilities and their families.

Thank you for considering our comments.

Respectfully submitted,

KIRBY L. SHAW Executive Director

DEPARTMENT OF PLANNING AND PERMITTING KA 'OIHANA HO'OLĀLĀ A ME NĀ PALAPALA 'AE CITY AND COUNTY OF HONOLULU

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March 1, 2024

JIRO A. SUMADA DEPUTY DIRECTOR *HOPE PO'O*

DAWN TAKEUCHI APUNA

DIRECTOR PO'O

The Honorable Donovan M. Dela Cruz, Chair and Members of the Committee on Ways and Means Hawai'i State Senate

Hawai'i State Capitol 415 South Beretania Street Honolulu, Hawai'i 96813

Subject: Senate Bill No. 2337, SD 1 Relating to Housing

Dear Chair Dela Cruz and Committee Members:

The Department of Planning and Permitting (DPP) **strongly supports** Senate Bill No. 2337, SD 1, which expands the counties' authority to facilitate the development, construction, financing, refinancing, or other provision of mixed-income projects and mixed-use developments, including low- and moderate-income housing projects, and issue bonds for this purpose.

In particular, the ability for counties to utilize bonds for mixed-used development will greatly facilitate transit-oriented development (TOD) on O'ahu. This Bill's objectives support various City & County of Honolulu land use policies, including the O'ahu General Plan, regional development/sustainable communities plans, and neighborhood TOD plans, as well as its Housing Plan.

In addition to TOD, mixed-use developments can further contribute toward affordable housing. Proceeds from commercial uses that are applied to building maintenance can allow for reduced fees assessed on the residential units. At the same time, co-locating commercial and residential uses next to each other reduces residents' reliance on travel, saving them time and money that would otherwise go toward a transit fare or the myriad costs of automobile ownership.

There has been a coordinated effort between City and State agencies to implement TOD, based on years of planning and targeted investments. This Bill provides parity between the counties and State, since the Hawai'i Housing and Finance Development Corporation already has authorization, and allow counties to also contribute toward affordable living and smart growth in Hawai'i.

RICK BLANGIARDI MAYOR *MEIA* The Honorable Donovan M. Dela Cruz, Chair and Members of the Committee on Ways and Means Hawai'i State Senate Senate Bill No. 2337, SD 1 March 1, 2024 Page 2

Thank you for the opportunity to testify.

Very truly yours,

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Dawn Takeuchi Apuna Director RICHARD T. BISSEN, JR. Mayor

JOSIAH K. NISHITA Managing Director





OFFICE OF THE MAYOR COUNTY OF MAUI 200 SOUTH HIGH STREET WAILUKU, MAUI, HAWAIʻI 96793 www.mauicounty.gov

- TO: Senator Donovan M. Dela Cruz, Chair Senator Sharon Y. Moriwaki, Vice Chair Committee on Ways and Means
- FROM: Richard T. Bissen, Jr., Mayor Lori Tsuhako, Director of Housing and Human Concerns

DATE: February 29, 2024

SUBJECT: SUPPORT OF SB 2337, SD1 RELATING TO HOUSING

Thank you for the opportunity to testify in **SUPPORT** of this important measure. This act will expand the counties' authorization to exercise the same powers as the Hawaii Housing Finance and Development Corporation for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments.

We **SUPPORT** this measure for the following reasons:

- 1. The proposed bill would provide opportunities for counties to expand our capacity to develop new housing units and rehabilitate existing housing units to address current housing shortages, and will likely have a positive impact on housing affordability.
- 2. The additional option given to the Counties to develop mixed use housing projects will be beneficial in securing financing and in ensuring long term sustainability of the housing created.
- 3. Providing the Counties with the same development authority as HHFDC, and additional avenues for bonding, may attract more public private partnerships for affordable housing and other development that will keep our communities and economy vital.

For the foregoing reasons, we SUPPORT this measure

GRASSROOT INSTITUTE OF HAWAII

1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

March 1, 2024, 9:55 a.m. Hawaii State Capitol Conference Room 211 and Videoconference

To: Senate Committee on Ways and Means Senator Donovan M. Dela Cruz, Chair Senator Sharon Y. Moriwaki, Vice-Chair

From: Grassroot Institute of Hawaii Ted Kefalas, Director of Strategic Campaigns

RE: SB2337 SD1 — RELATING TO HOUSING

Comments only

Aloha Chair Dela Cruz, Vice-Chair Moriwaki and members of the Committee,

Thank you for considering <u>SB2337</u>, which would allow the counties to finance, develop and construct mixed-use housing projects just as the Hawaii Housing Finance and Development Corp. is allowed to do.

Giving the counties the flexibility to finance these types of developments could increase the housing stock and business opportunities in urban areas and areas near public transit.

In a recent report, the Grassroot Institute of Hawaii discussed how mixed-use buildings also boost neighborhood walkability, which "yield positive health outcomes. People lose weight, cardiovascular disease declines, and people report being happier."¹

Thank you for the opportunity to testify.

Ted Kefalas, Director of strategic campaigns Grassroot Institute of Hawaii

¹ Jonathan Helton, "How to facilitate more homebuilding in Hawaii," Grassroot Institute of Hawaii, December 2023, pp. 15-16.





HEARING BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225 Friday, March 1, 2024, 9:55 A.M.

To The Honorable Senator Donovan M. Dela Cruz, Chair The Honorable Senator Sharon Y. Moriwaki, Vice Chair Members of the committee on Ways and Means

SUPPORT SB2337 RELATING TO HOUSING

The Maui Chamber of Commerce SUPPORTS SB2337.

The Chamber notes that we are in a housing crisis and need significant support to build units as expeditiously as possible. We applaud the legislature for giving the counties the same powers as HHFDC for building housing. It is urgent to expedite housing and provide incentives to home builders before prices continue to increase.

We also supported the clause in the original version of the bill that allows households with higher incomes to purchase units if there are insufficient number of people to purchase at the initial income range. There are a lot of times where a person or family are in between AMI levels where they cannot afford to buy or rent at their current AMI level but could make it work for the next AMI level below. Unfortunately, this clause was removed by the previous committee. We would respectfully ask that it be returned to the next draft of the bill along with language that puts time limits for selling at the next AMI below. We are requesting this because developers have carrying costs and still need to sell the units. We don't want to extend that time too long, but if this language was added, they could also have a backup list of people at the next level ready to purchase. This would still achieve affordability for residents instead of the unit going into market rate.

We note that this is another tool in the affordable housing tool box. As many tools as we can get can only help increase the supply of affordable housing.

For these reasons, we support SB2337 with the amendments we have suggested.

Sincerely,

Pamela Jumpap

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.