

~~Speaker Registration~~/Testimony

Name Siddartha Savara  
 Phone 3109130000  
 Email sid@sidsavara.com  
 Meeting Date 06-29-2017  
 Council/PH Committee Zoning  
 Agenda Item Bill 58  
 Your position on the matter Oppose  
 Representing Self  
 Organization  
 Do you wish to speak at the hearing? No

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I reviewed Bill 58 and in general I support the intent of the Bill, but I oppose the manner in which it is being implemented.

Bill 58 limits the ability for development of housing units in general. This is done by various new requirements and fees

Such limits disincentivize developers and make it more difficult to build units, which lowers the overall supply of units either for sale or for rent. I do believe that more units will be developed at the very low end of pricing, but I don't believe it will actually solve our affordability issues. While these lower priced, units subsidized by other buyers cater to those who are at these lower incomes and price points, people who are slightly above those numbers are the ones who end up being priced out instead.

Written Testimony For example, there are individuals and families who earn slightly too much or have slightly too much assets to qualify for the affordable housing units, however they are also priced out from market rate units due to being unable to compete in the market with higher priced offers.

One larger issue I see with regards to housing is many of the units in Kakaako are not occupied - sometimes for large portions of the year, sometimes at all. This limits the supply of housing available for use, even though the housing has been built

I would support the council discussing incentives to deal with this issue as well and feel that rather than dealing with the issue through individual developments (which there can only be so many over the next few years), it would help address a systemic problem we see with housing that already exists but is not in the rental market. For example, increasing property taxes overall and providing exemptions for anyone showing W2 income on Oahu, or a fixed income and on Oahu - OR, for someone who owns it as a second home, an exemption based on GET filings showing the unit was rented out. This

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could also help address the illegal vacation units as it provides a strong incentive to do long term rentals through real estate property management firms in Honolulu.

A side effect of this I believe is it will also help increase affordability of properties in Honolulu, because as investors price in the cost of the higher property taxes for their investment properties, they will need to make the choice whether to rent it out on the market, pay the higher taxes - or decide to sell it and pocket the profits so far. These units for sale then similarly are more likely to be purchased by local home-owners who will qualify for the exemption, OR investors who will at least provide the units on the rental market - still increasing the supply and helping affordability.

Testimony  
Attachment  
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