



HAWAII REGIONAL COUNCIL OF CARPENTERS

June 28, 2017

Committee on Zoning and Housing
Honolulu City Council
530 South King Street
Honolulu, Hawai'i 96813

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Statement of the Hawaii Regional Council of Carpenters in Support of Bill 59

Dear Chair Pine, Vice Chair Anderson, and members of the Committee on Zoning and Housing:

We strongly **support Bill 59**, incentives for affordable rental dwelling units located on real property.

A group of builders, landowners, union leaders, members of the banking community, and housing advocates have come together to propose changes that will reduce the cost of building more affordable rental housing. This coalition was successful in bringing the State of Hawaii to the table as a partner with the passage of HB 1179, which Governor Ige recently signed it into law as Act 54, thus creating Section 201H-36(a)(5) provision referenced in Bill 59. This law expands the existing general excise tax exemptions for allowable construction, development, and financing costs for projects wherein at least 20% of available units are for households whose incomes are at or below 80% AMI, and wherein all remaining units are for households whose income are at or below 140% AMI. In addition, this law allows construction unions to participate and negotiate a special wage rate and benefits package to help reduce the construction costs for affordable rental housing projects.

We are hopeful that these contributions by the State of Hawaii, combined with the City's incentives in Bill 59, will allow the construction industry to build more affordable housing for Hawaii's residents.

As such, we respectfully request your support of Bill 59 and please consider the amendments suggested by the Hawaii Rental Housing Coalition which would simplify the process and provide incentives for rental housing.

Thank you for the opportunity to voice our opinion.

MISC. COM. 3389

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