

Bill 59 (2017)
Additional Testimony

From: CLK Council Info
Sent: Wednesday, January 17, 2018 6:10 PM
Subject: Zoning and Housing Speaker Registration/Testimony
Attachments: 20180117181008_Bill59_CD2_ZoningandHousing_Ctme_011818_FINAL.pdf

Speaker Registration/Testimony

Name	Office of Hawaiian Affairs
Phone	594-1953
Email	publicpolicy@oha.org
Meeting Date	01-18-2018
Council/PH Committee	Zoning
Agenda Item	Bill 59
Your position on the matter	Comment
Representing	Organization
Organization	Office of Hawaiian Affairs
Do you wish to speak at the hearing?	Yes
Written Testimony	Please see attached written testimony for the Office of Hawaiian Affairs.
Testimony Attachment	20180117181008_Bill59_CD2_ZoningandHousing_Ctme_011818_FINAL.pdf
Accept Terms and Agreement	1



Testimony of Kamanaʻo pono Crabbe, Ph.D
Ka Pouhana, Chief Executive Officer

City and County of Honolulu
Committee on Zoning and Housing

BILL 59 CD2 (2017)

TO AMEND CHAPTER 8, CHAPTER 14, CHAPTER 18, AND CHAPTER 22, REVISED
ORDINANCES OF HONOLULU 1990, RELATING TO AFFORDABLE HOUSING INCENTIVES.

January 18, 2018

10:00 a.m.

Committee Meeting Room

The Administration of the Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on Bill 59 CD1 (2017) and proposed drafts for a Bill 59 CD2, which provide incentives to support the development and rehabilitation of affordable housing units in conjunction with proposed affordable housing requirements found in Bill 58.

OHA is the constitutionally-established body responsible for protecting and promoting the rights of Native Hawaiians, and serves as the principle agency responsible for the performance, development, and coordination of programs and activities relating to Native Hawaiians; assessing the policies and practices of other agencies impacting Native Hawaiians; and conducting advocacy efforts for Native Hawaiians.¹ In furtherance of its constitutional mission, OHA has adopted **Hoʻokahua waiwai** as one of its strategic priorities, which focuses on improving Native Hawaiians' economic self-sufficiency through improved home ownership and rental standards, and increased family income. It is with this kuleana in mind that OHA offers the following comments.

Hawai'i families are in particular need of affordable housing policies that address our existing and future needs. Recent research² shows that there is an existing need of approximately 25,000 new affordable units in Honolulu alone. Recent studies³ also indicate that new development may in itself increase affordable housing demand, with an additional 21% of new affordable units needed in the development of a new high-rise condominium. **With 46% of Honolulu's households (and 48% of households in the state) unable to afford basic household necessities including housing, food, transportation, health care and child care,⁴ Honolulu is clearly facing a housing crisis demanding immediate action.** As such, careful planning and concrete affordable housing policies are necessary to ensure that any new development addresses the existing and future housing needs of our island's residents and

¹ HAW. CONST. ART. XII SEC. 5; Haw. Rev. Stat. ("HRS") § 10-3.

² SMS, Hawaii Housing Planning Study 35 (2016).

³ Keyser Marston Associates, Residential Nexus Analysis 6 (2015).

⁴ Aloha United Way, Alice: A study of Financial Hardship in Hawai'i (2017)

taxpayers. OHA believes the combination of Bills 58 and 59 may represent a step towards such policies, and appreciates both Bill 58 and Bill 59 moving forward in tandem.

OHA notes that provisions in Bill 59 CD1 and the proposed drafts for a Bill 59 CD2 would provide valuable exemptions and waivers to developers in an effort to incentivize development that provide some level of affordable housing relief. One such valuable provision is a real property “tax holiday” for rental units, i.e., the provision of property tax exemptions for affordable rental dwelling units during the period in which the rental unit is subject to an affordable housing restriction. Another tax holiday would be provided for projects that contain affordable units, which would maintain the real property tax on such projects at their current assessment, until all of the affordable dwelling units in the project are initially rented or sold. Provisions would also waive the wastewater system facility charges for affordable dwelling units, waive plan review and building permit fees for affordable dwelling units, and waive park dedication requirements for affordable dwelling units. **Notably, the significant economic value of these exemptions and waivers provide substantial justification for even further heightened affordable housing requirements in Bill 58.** In addition, OHA notes and supports the city administration’s position relating to a “tax-holiday” during construction work, and notes that language found in a previous version of Bill 59 would tie exemptions to easily verifiable and enforceable processes that ensure compliance with regulatory requirements.

Mahalo for the opportunity to comment on this measure.



HAWAII REGIONAL COUNCIL OF CARPENTERS

January 18, 2018

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

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

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

We strongly **support Bill 59**, CD2 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 Act 54, thus creating Section 201H-36(a)(5) provision referenced in Bill 59.

To put it simply, this bill incentivizes the private sector to get active in building affordable rental housing for our residents. The State of Hawaii and Counties should not and can not produce the amount of rental housing needed alone which is now estimated to be 25,000 units for the island of Oahu.

We are hopeful that these contributions by the State of Hawaii, combined with the City's incentives in Bill 59, will encourage the financing and building of privately funded affordable housing for Hawaii's residents.

As such, we respectfully request your support of Bill 59, CD2 which would provide incentives to build rental housing.

Thank you for the opportunity to voice our opinion.

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KAUAI OFFICE: Kubio Medical Ctr. Bldg., 3-3295 Kubio Hwy, Suite 201, Lihue, Kauai 96766-1040 • Ph. (808) 245-8511 Fax (808) 245-8911

From: CLK Council Info
Sent: Thursday, January 18, 2018 9:27 AM
Subject: Zoning and Housing Speaker Registration/Testimony
Attachments: 20180118092724_180114_Bill_58_CD2_IZ-AHR_LURF_Proposed_Revisions_01.14.18rev_dza.docx

Speaker Registration/Testimony

Name David Arakawa
Phone 808 783-9407
Email darakawa@lurf.org
Meeting Date 01-18-2018
Council/PH Committee Zoning
Agenda Item Bill 58 and Bill 59
Your position on the matter Oppose
Representing Organization
Organization Land use Research Foundation of Hawaii
Do you wish to speak at the hearing? Yes

Written Testimony

The Land Use Research Foundation of Hawaii (LURF) appreciates the efforts of Zoning & Housing Chair Pine, who has made many revisions that will encourage the building of more affordable housing and housing for all income groups. However LURF OPPOSES Bill 58, CD1, and has a few major concerns and also OPPOSES a number of sections in the Proposed CD2 version; and respectfully RECOMMENDS AMENDMENTS to the Proposed CD2 version (see attached proposed revisions). LURF would respectfully request that Bill 58 be DEFERRED, so that Chair Pine, the Council and housing stakeholders and advocates can work further on Bill 58, so it can be effective in producing more affordable housing and housing at all income levels.

LURF SUPPORTS Bill 59, however, there are additional incentives (carrots) which could be added to encourage the building of more housing on Oahu (free use of city land; adequate infrastructure; expedited permitting; waiver of fees and costs for all projects which include affordable housing).

Testimony Attachment 20180118092724_180114_Bill_58_CD2_IZ-AHR_LURF_Proposed_Revisions_01.14.18rev_dza.docx
Accept Terms and Agreement 1

From: CLK Council Info
Sent: Thursday, January 18, 2018 9:35 AM
Subject: Zoning and Housing Speaker Registration/Testimony

Speaker Registration/Testimony

Name Ricky Cassiday
Phone 808 2914407
Email rcassiday@me.com
Meeting Date 01-18-2018
Council/PH Committee Zoning
Agenda Item Bills 58 & 59
Your position on the matter Comment
Representing Self
Organization
Do you wish to speak at the hearing? Yes

Three concerns:

Past, present and future.

Past concerns are an un-met, un-addressed shortage of shelter for our community over 2 generations. Past concern is that public agencies always install tighter rules and regulations in the middle of the housing cycle.

Written
Testimony

Present concern is that research commissioned by the city in support of these tighter regulations is unproven, as admitted by city personal testifying before this committee. The research is drawn on case studies in other municipalities not exactly similar to Honolulu, to wit: no concentration of land ownership (leasehold), an easy entry into the market and cheap flow of goods, and a diversified economic base, not one concentrated in visitor and residential industries.

Future concerns are that rules and regulations that do NOT increase housing supply will be installed. Most of all, that the housing around rail, vital to our civic welfare given our need for shelter and MORE vital to our public finances in terms of producing affordable housing on top affordable transportation. My questions are: is this going to give us more or less housing. And are we rolling the dice here?

Testimony
Attachment



Queen's Court
800 Bethel Street, Suite 501
Honolulu HI 96813

Phone 808.587.7770
Fax 808.587.7769
www.avalonhi.com

January 18, 2018

Re: Zoning Committee Special Meeting

Testimony: In Favor of Bill 59

Aloha,

Avalon Group has been actively seeking solutions to provide more supply of affordable rentals and for-sale housing in Honolulu. What will help are the “bucket of tools” that are being proposed in Bill 59 that will ease the ability for us to finance the construction of the projects and allow the projects to become economically viable. We ask that this bill pass to the next level.

Amendments requested:

1. Provide for density and height bonuses so that adding affordable housing does not impact the base underlying FAR or height.
2. The reasons for cancellation of tax exemption may be appealed with due process. Most lenders of affordable housing will need commitments that are difficult to cancel on either side of it will be deemed a significant risk and will likely cause the financing costs to be more expensive. We ask that the provision be fair, clear and with availability of due process for appeals or corrective action within 90-day periods

We thank you for the work that you have done to date on this and we believe the tools provided will be a good start towards adding more housing in Honolulu.

Christine Camp, President & CEO.