

Bill 7
Early Testimony

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March 5, 2019

Via email to Honolulu City Council

Ann Kobayashi, Interim Chair
City Council – City & County of Honolulu
530 South King Street
Honolulu, Hawaii 96813

Re: Bill 7 (2019) Relating to Affordable Rental Housing

Dear Chair Kobayashi and Members of the City Council:

My name is Ryan Harada and I am a real estate developer focusing on affordable housing. I am writing in support of Bill 7 as Amended.

This bill will provide incentives for landowners and developers to build much needed affordable rentals on lands already zoned for multi-family dwellings. As you know, this type of housing has been neglected due to the high cost of land and construction, and the nominal return on investment for the developer. This bill would change that by focusing on low- to mid-rise walk-up buildings that can be built efficiently.

In addition, there are no government subsidies involved. The private sector provides the capital and occupants will be those making up to 100% of the Honolulu AMI. In summary, this bill provides developers and landowners needed incentives aimed at spurring construction of affordable rentals.

Thank you for considering my testimony.

RMH Real Estate, LLC

By: 

Name: Ryan M. Harada
Its: Manager



March 5, 2019

Via Fax -- (808)768-3826

Ann H. Kobayashi
Interim Chair, City Council
City & County of Honolulu
530 South King Street
Honolulu, HI 96813

Re: Bill 7 (2019), Relating to Affordable Housing

Chair Kobayashi & Members of City Council,

There is clearly a shortage of residential rental properties in Honolulu, and I am in support of Bill 7, as amended by the "M&M" version from the Planning Commission.

Bill 7 as amended will provide necessary incentives for landowners and developers to build needed affordable rental units on properties that are already zoned for multi family dwellings.

Bill 7 as amended will also help create new rental units on properties that may not otherwise be improved. The proposed residential buildings are an efficient use of the land, and the units will be rented by families that are making 100% of the Honolulu AMI or less.

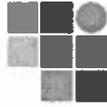
I have over 34 years of experience in real estate, and I am an active member of national real estate associations including ULI and NAIOP. I have worked on a large number of urban renewal projects in Hawaii and on the Mainland, and I sincerely appreciate the opportunity to provide this testimony.

With Aloha,

FIRST HAWAIIAN BANK

A handwritten signature in black ink, appearing to read 'Dan Nishikawa', with a long horizontal flourish extending to the right.

Daniel A. Nishikawa
Executive Vice President & Division Manager
Commercial Real Estate Division



Ann H. Kobayashi
Interim Chair
City Council
City and County of Honolulu
530 South King Street
Honolulu, HI 96813

5 March 2019

Re: Bill 7 (2019) Relating to Affordable Rental Housing

Dear Chair Kobayashi and Members of the City Council:

Thank you for the opportunity to address the Council on this important bill. My name is Ikaika Hussey. I am the chairperson of Iliili, a new cooperative association focused on creating affordable low-carbon housing and transportation, restoring healthy food systems, developing a capable and resilient citizenry, and strengthening the urban core.

I am writing in support of Bill 7 as amended with the M&M submittal by the Planning Commission. This legislation will ease the way for traditional and non-traditional developers such as Iliili to build affordable rental units on lands already zoned for multi-family dwellings.

This bill focuses on low to mid-rise, walk-up buildings that can be built economically on small lots (sub 20,000 sq. feet). The Department of Planning and Permitting estimates that



iliili / iliili.org

Iliili is a multi-stakeholder community cooperative working to strengthen our island economy. Our work is focused on creating affordable low-carbon housing and transportation, restoring healthy food systems, developing a capable and resilient citizenry, and strengthening the urban core. Our members are the small pebbles –'ili'ili – which come together to form the foundation of our new island economy.

these proposed changes would allow 14,000 to 21,000 additional units to be built in Apartment-zoned lands. This estimate does not include AMX, B, or BMX lands, so the possible number may in fact be quite higher. This takes us some distance towards the goal of 60,000 new units by the year 2025, all without a government subsidy.

Honorable Councillors, you are in a position to address several of our island's key problems via this legislation: higher quantities of affordable housing will be made available, which helps to cure market demand; urban in-fill will be accomplished, leading to smarter, denser neighborhoods; and we will see demonstrable improvements in public health and wellness through a more walkable, low-carbon urban landscape which residents of all ages and abilities will be able to utilize. Thank you to the authors of the legislation for their leadership on these issues and to the commissioners for considering it for passage.

Me ke aloha pumehana iā kākou a pau,

Ikaika Hussey
1703 Kuikele Street
Honolulu, Hawaii 96819
808-221-2843



 / ilili.org

Ilili is a multi-stakeholder community cooperative working to strengthen our island economy. Our work is focused on creating affordable low-carbon housing and transportation, restoring healthy food systems, developing a capable and resilient citizenry, and strengthening the urban core. Our members are the small pebbles –'ilili – which come together to form the foundation of our new island economy.



March 8, 2019

Honorable Ann Kobayashi, Chair
Honolulu City Council
City Hall
Honolulu, Hawaii 96813-3077

RE: Bill No. 7, Relating to Affordable Rental Housing.

Honorable Ann Kobayashi, Interim Chair and Presiding Officer, and members of the Council:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in **strong support** of Bill 7, which proposes to create a temporary program to accelerate the construction of affordable rental housing on apartment- and business mixed use-zoned properties by relaxing zoning and building code standards, and offering financial incentives.

Numerous government studies have found that in the State of Hawaii, the supply of housing has not, and will not keep pace with demand over the next several years. This overall lack of supply of housing is the reason the median housing price on Oahu is nearly \$800,000.00. It also is part of the reason we now have a proliferation of "multi-generational housing", and the dreaded "Monster Houses."

We encourage the Council to explore new ways to incentivize development of more housing at all price points. Reducing regulatory barriers is one way to incentivize more housing development. The National Association of Home Builders found that in 2018, approximately 30% of the price of a new residential unit is attributed to compliance with government imposed exactions, regulations and codes.

We are in strong support of Bill No. 7 as it is a step in the right direction. We appreciate the opportunity to provide comments on this matter.

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March 6, 2019

Ann H. Kobayashi
Interim Chair
City Council
City & County of Honolulu
530 South King Street
Honolulu, Hawaii 96813

Re: Bill 7 (2019) Relating to Affordable Rental Housing

Dear Chair Kobayashi and Members of the City Council,

My name is Ken Matsuura and I am a Real Estate Developer and Investor.

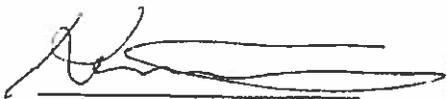
I am writing in support of Bill 7 as amended with the M&M submittal by the Planning Commission which contains many of the same features as Bill 7 but contains important differences which influences and drives more flexibility, stimulates creativity and generates economic feasibility by producing an acceptable return on investment for the private sector.

This bill will provide strong incentives for landowners, developers and investors to build sorely needed affordable rental units on lands already zoned for multi-family dwellings.

This bill is a big step toward the right path and direction to yield more substantially needed affordable rental housing on Oahu.

Thank you for the opportunity to submit this testimony.

Aloha,



Ken Matsuura

March 7, 2019

Ann H. Kobayashi
Interim Chair
City Council
City and County of Honolulu
530 South King Street
Honolulu, HI 96813

Re: Bill 7 (2019) Relating to Affordable Rental Housing

Dear Chair Kobayashi and Members of the City Council,

My name is Derek Lock and I am an Affordable Housing Developer. Thank you for hearing this very important Bill which has been brought before you.

If you drive around the apartment zoned neighborhoods of Oahu (Moiliili, Makiki, Punchbowl, Waikiki, Kapahulu, etc.) you'll notice a lot of old homes and buildings. These structures which were often built in the 1940's or earlier are not only maintenance nightmares, they are fire hazards and natural disaster hazards. If you enter one of these buildings, it's like taking a step back into time. Original pipes, original electrical, original stove, original flooring, etc. If the unit or home is being rented, you'll ask yourself if the market rents being charged for these old run-down places can be justified. The bottom line is that the owners of these properties are stuck as redevelopment cannot not pencil out to yield a proper return.

Through easing of the building and zoning codes as well as through certain incentives, the Affordable Rental Housing Bill will assist in keeping development cost down, helping landowners who are trapped with older dilapidated structures on their apartment zoned lands.

I am writing in support of Bill 7 as amended with the M&M submittal by the Planning Commission. It is a more flexible version of the Affordable Rental Housing Bill and in my belief will yield more badly needed housing units.

As you may know, building for the affordable market does not produce the windfall profits that other development types produce. The version of the Bill that I am advocating for will not assist in producing windfall profits either. What it will do is help to make a project more feasible and reduce certain development risk. This Bill will allow developers to build again on apartment zoned lands, it will provide homes for renters and it will give peace of mind to landowners while simultaneously refreshing and making apartment zoned properties safer.

Thank you for the opportunity to submit this testimony.

Aloha,

Derek Lock
HNL Development LLC