

BILL003(24)
Testimony

MISC. COMM. 189

ZONING (ZON)

ZONING (ZON) Meeting

Meeting Date: May 1, 2024 @ 09:00 AM

Support: 13

Oppose: 0

I wish to comment: 4

Name: Christopher Delaunay	Email: cdelaunay@prp-hawaii.com	Zip: 96813
Representing: Pacific Resource Partnership	Position: Support	Submitted: Apr 26, 2024 @ 03:11 PM
Name: Robert Kurisu	Email: robertk@wkfinc.com	Zip: 96813
Representing: WKF, Inc.	Position: Support	Submitted: Apr 29, 2024 @ 09:53 AM
Name: Steven Tran	Email: kirin1ban@yahoo.com	Zip: 96824
Representing: Self	Position: I wish to comment	Submitted: Apr 29, 2024 @ 02:33 PM
Name: Geena Thielen	Email: geena@ccs-hawaii.com	Zip: 96734
Representing: Self	Position: I wish to comment	Submitted: Apr 29, 2024 @ 09:34 PM
Name: Linda Austin	Email: wlmtaustin@gmail.com	Zip: 96821
Representing: Self	Position: Support	Submitted: Apr 30, 2024 @ 07:05 AM
Name: Stefanie Sakamoto	Email: ssakamoto@imanaka-asato.com	Zip: 96789
Representing: BIA Hawaii	Position: Support	Submitted: Apr 30, 2024 @ 10:31 AM
Name: LISA HANOHANO	Email: lisahanohano@gmail.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Apr 30, 2024 @ 11:15 AM
<p>Testimony:</p> <p>Aloha Honorable Chair Say, Vice Chair Dos Santos-Tam, and Zoning Committee Members,</p> <p>My name is Lisa Hanohano and I am the Operations Administrator for the general contractor of record on the Pine Apartments project totaling 60 affordable housing units. I am in strong support of Bill 3 which provides post-construction</p>		

grants to badly needed affordable rental housing projects around Oahu.

Rising construction loan interest rates as well as increases in construction and material costs have made these affordable rental housing projects less feasible in recent years. We need Bill 7 projects for Oahu’s essential workers as Bill 7 projects provide brand new affordable rental housing stock to Oahu’s aging apartment zoned neighborhoods. The passage of Bill 3 will help to support Bill 7 projects.

Thank you for the opportunity to testify.

Lisa Hanohano
Coulter Construction Inc

Name: Scott Coulter	Email: info@ccsteelhomes.com	Zip: 96744
Representing: Self	Position: Support	Submitted: Apr 30, 2024 @ 11:15 AM

Testimony:

Aloha Honorable Chair Say, Vice Chair Dos Santos-Tam, and Zoning Committee Members,

My name is Lisa Hanohano and I am the Operations Administrator for the general contractor of record on the Pine Apartments project totaling 60 affordable housing units. I am in strong support of Bill 3 which provides post-construction grants to badly needed affordable rental housing projects around Oahu.

Rising construction loan interest rates as well as increases in construction and material costs have made these affordable rental housing projects less feasible in recent years. We need Bill 7 projects for Oahu’s essential workers as Bill 7 projects provide brand new affordable rental housing stock to Oahu’s aging apartment zoned neighborhoods. The passage of Bill 3 will help to support Bill 7 projects.

Thank you for the opportunity to testify.

Lisa Hanohano
Coulter Construction Inc

Name: Scott Coulter	Email: info@ccsteelhomes.com	Zip: 96744
Representing: Coulter Construction Inc	Position: Support	Submitted: Apr 30, 2024 @ 11:17 AM

Testimony:

Aloha Honorable Chair Say, Vice Chair Dos Santos-Tam, and Zoning Committee Members,

My name is Scott Coulter and I am the general contractor of record on the Pine Apartments project totaling 60 affordable housing units. I am in strong support of Bill 3 which provides post-construction grants to badly needed affordable rental housing projects around Oahu.

Rising construction loan interest rates as well as increases in construction and material costs have made these affordable rental housing projects less feasible in recent years. We need Bill 7 projects for Oahu’s essential workers as Bill 7 projects provide brand new affordable rental housing stock to Oahu’s aging apartment zoned neighborhoods. The passage of Bill 3 will help to support Bill 7 projects.

Thank you for the opportunity to testify.

Scott Coulter
Coulter Construction Inc

Name: Scott Coulter	Email: info@ccsteelhomes.com	Zip: 96744
Representing: Pine Apartments LLC	Position: Support	Submitted: Apr 30, 2024 @ 11:19 AM

Testimony:

Aloha Honorable Chair Say, Vice Chair Dos Santos-Tam, and Zoning Committee Members,

My name is Scott Coulter and I am the managing member of Pine Apartments LLC. We are starting construction on the Pine Apartments project in Wahiawa which will provide a total of 60 affordable housing units. I am in strong support of Bill 3 which provides post-construction grants to badly needed affordable rental housing projects around Oahu.

Rising construction loan interest rates as well as increases in construction and material costs have made these affordable rental housing projects less feasible in recent years. We need Bill 7 projects for Oahu’s essential workers as Bill 7 projects provide brand new affordable rental housing stock to Oahu’s aging apartment zoned neighborhoods. The passage of Bill 3 will help to support Bill 7 projects.

Thank you for the opportunity to testify.

Scott Coulter, Member
Pine Apartments LLC

Name: Scott Coulter	Email: info@ccsteelhomes.com	Zip: 96744
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Representing: Self	Position: Support	Submitted: Apr 30, 2024 @ 11:21 AM
<p>Testimony:</p> <p>Aloha Honorable Chair Say, Vice Chair Dos Santos-Tam, and Zoning Committee Members,</p> <p>My name is Scott Coulter and I have been a licensed general contractor in the State of Hawaii for over 35 years. I am in strong support of Bill 3 which provides post-construction grants to badly needed affordable rental housing projects around Oahu.</p> <p>Rising construction loan interest rates as well as increases in construction and material costs have made these affordable rental housing projects less feasible in recent years. We need Bill 7 projects for Oahu's essential workers as Bill 7 projects provide brand new affordable rental housing stock to Oahu's aging apartment zoned neighborhoods. The passage of Bill 3 will help to support Bill 7 projects.</p> <p>Thank you for the opportunity to testify.</p> <p>Scott Coulter</p>		
Name: Tyler Yamashita	Email: makakilohawaii@gmail.com	Zip: 96707
Representing: Self	Position: Support	Submitted: Apr 30, 2024 @ 11:37 AM
Name: Derek Lock	Email: dlock@hnldev.com	Zip: 96816
Representing: Self	Position: Support	Submitted: Apr 30, 2024 @ 12:33 PM
Name: Jason Chua	Email: jsnc88@gmail.com	Zip: 96821
Representing: Self	Position: I wish to comment	Submitted: Apr 30, 2024 @ 02:21 PM
Name: Kirby Shaw	Email: bryan.mick@doh.hawaii.gov	Zip: 96813
Representing: Disability and Communication Access Board	Position: I wish to comment	Submitted: Apr 30, 2024 @ 02:26 PM
Name: Martin Nguyen	Email: martin@centre-urban.com	Zip: 96701

Representing: Centre Urban Real Estate	Position: Support	Submitted: Apr 30, 2024 @ 06:05 PM
Name: Angela Melody Young	Email: Alohadininedesign@gmail.com	Zip: 96817
Representing: CARES Community Advocacy Research Education Services	Position: Support	Submitted: May 1, 2024 @ 08:07 AM
Testimony: CARES testifies in strong support.		

Testimony of
Pacific Resource Partnership

City Council
City & County of Honolulu
Committee on Zoning
Councilmember Calvin K.Y. Say, Chair
Councilmember Tyler Dos Santos-Tam, Vice Chair

Bill 3 (2024)—Relating To Incentives For The Construction Of Affordable Rental Housing
Wednesday, May 1, 2024

Aloha Chair Say, Vice Chair Dos Santos-Tam, and Members of the Committee:

Pacific Resource Partnership (PRP) is a nonprofit organization that represents the Hawai'i Regional Council of Carpenters, the largest construction union in the state with approximately 6,000 members, in addition to more than 250 diverse contractors ranging from mom-and-pop owned businesses to national companies.

The "Hawaii Housing Planning Study, 2019" ("Study") found that the City and County of Honolulu will need 22,168 more housing units between 2020 and 2025. Bill 3 (2024) provides pre-construction grants that will help finance affordable rental housing projects for Oahu's residents.

Moreover, pre-construction grants will require contractors to comply with Hawai'i's prevailing wage laws, Chapter 104, HRS, which will provide more construction jobs for Hawaii's residents paying them a "living wage" with benefits. These types of jobs provide residents with an opportunity to afford Hawaii's high cost of living, keep residents off welfare and other government assistance programs, stimulate the local economy, and provide economic stability for workers and their families.

Given the above, we respectfully request your favorable decision on this measure.

Thank you for this opportunity to submit written testimony.



April 29, 2024

Honolulu City Council
Committee on Zoning
City & County of Honolulu
Calvin K.Y. Say, Chair
Tyler Dos Santos-Tam, Vice Chair
Radiant Cordero
Esther Kia'aina
Matt Weyer
530 S King St.
Honolulu, HI 96813

RE: Bill 3 (2024) – Amendment to ROH Chapter 32 Article 4

Aloha Honolulu City Council Committee on Zoning,

My team and I are submitting this letter as supporting testimony for the proposed amendments to the City & County of Honolulu's ROH Chapter 32 Article 4 relating to incentives for the construction of affordable housing ("Bill 3").

We're all in agreement that Hawaii is experiencing a housing crisis, further evidenced by the Governor's recent Sixth Emergency Proclamation relating to affordable housing on April 19, 2024.

We are a private affordable housing developer, exclusively here in Hawaii, who uses solely private sources of funding (our own capital and bank lending). Similar to other affordable housing developers who use public funding (such as tax credits and other sources of public financing), our project feasibility relies on prudent cost management and budgeting because rents are restricted. There's no margin for error – any cost overruns or delays eat into what little cushion a project was underwritten with. Bank lending relies on this cushion for repayment. But the developer cannot charge any more in rent because it's capped. The risk and financial burden of the project falls solely upon the developer's shoulders.

Along those lines, during the conceptualization of affordable housing projects, the underwriting and cost estimating is done years in advance. Many projects, like ours, experienced the severe effects of the current inflationary environment in significant increases hard construction costs, consultant fees, and bank interest expense that makes the project near break-even.

With these challenges in mind, privately-funded affordable rental housing projects are far from being lucrative or risk-free investments. Yet, the City needs more inventory of this product type and there are few private affordable housing developers willing to take on this type of risk. We need your help and we need to work together to meet the needs of our community.

Increasing the pre- and post-construction grants to incentivize developers is direly needed if the City hopes to create more affordable housing units. The proposed amendments to ROH Chapter 32 Article 4 is a meaningful positive step to help make more projects pencil.

Thank you for your leadership, time, attention and dedication to serving the people of the City and County of Honolulu.

Mahalo,

A handwritten signature in dark ink, appearing to read 'Robert Kurisu', with a long horizontal flourish extending to the right.

Robert Kurisu
President, *WKF, Inc.*
Member, *1060 Bishop Street, LLC*

TO: HONOLULU CITY COUNCIL, COMMITTEE ON ZONING

SUBJECT: Bill 3 RELATING TO INCENTIVES FOR THE CONSTRUCTION OF AFFORDABLE RENTAL HOUSING.

Hearing

DATE: Wednesday, May 1, 2024

TIME: 9:00am

Aloha Honorable Chair Say, Vice Chair Dos Santos-Tam, and Zoning Committee Members,

My name is Steven Tran and the developer & chief executive manager of record on a project totaling 15 affordable housing units. I have already sent an intent to claim a grant along w/ my ROH Chapter 32 (Bill 7) building permit application and my intent to claim the grant was accepted Director of DPP on Oct 2023.

With the acceptance of my intent to claim by DPP, I have budgeted to receive the grant per affordable housing units that I develop and I have been proactive in addressing any comments to gain the building permit in timely manner. I expect the building permit to be issued in coming months and construction to follow.

My concern is it seems the new proposal will no longer require this intent to claim and will allocate the grant to developers regardless of whether or not they submitted an intent to claim. Does this mean there is a chance I won't receive my grant which I have budgeted for? Why does the requirement for intent to claim need to be deleted as I believe this was part of the DPP budgeting process?

I'm supportive of the increase in grant as rising construction loan interest rates as well as increases in construction and material costs have made these affordable rental housing projects less feasible in recent years, but opposed to deleting initial pre-construction requirements if it means there is a greater possibility I won't receive the grant despite following the bill requirements.

Thank you for the opportunity to testify.

Steven Tran
Chief Executive Manager
TC Fern Holdings LLC



GENERAL CONTRACTING
& DEVELOPMENT
P.O. Box 757
Kailua, HI 96734
PH (808) 263-4900
FX (808) 263-5966
E-mail greg@ccs-hawaii.com
www.ccs-hawaii.com
Lic# BC-23115

Honolulu City Council
Committee on Zoning
City Council Chamber
Wednesday May 1, 2024
9:00 AM

RE: Bill 3 Relating to Incentives for the Construction of Affordable Rental Housing

Chair Say, Vice Chair Dos Santos-Tam, and members of the Committee,

I am writing in **STRONG SUPPORT** of Bill 3 draft CD1 – TDST1 and in **STRONG OPPOSITION** to CD1 – CS1. When considering Bill 3, it is important to take into context the timing and the intent of the original Bill 7 (Ordinance 19-8). The original Bill 7 was created in a time where construction costs were projected to be \$250/SF and interest rates were below 4%. Neither of these assumptions are anywhere near accurate anymore. Our current Bill 7 project costs are around \$475/SF and interest rates are double what they were a year and a half ago. While Bill 7 is a great concept and opens the door to much needed affordable rental housing development, construction inflation and high interest rates are stopping projects from moving forward. This is why Bill 3 is so important.

My partners and I have successfully completed one Bill 7 project and have another that will be ready for occupancy within the next 6 – 7 weeks. We have multiple other projects in the design development and permitting process including a 90 unit project at 1568 Pensacola St. We understand what it takes to make these projects work and what the City can do to help spur on more of these affordable rental projects. The bottom line is that we need to give the Owners of these projects access to a range of tools that can be used based on the type of project being considered. This is the most important reason to support the CD1 – TDST1 version.

By allowing for a separate track of either (not both) pre-construction grants and post-construction grants we give property owners the best chance to design and build a project that suits their property. Furthermore this resets Bill 7 to be a win for a broader group of stakeholders than the post grant only scenario allows. In my opinion as an experienced Bill 7 Developer, the choice is clear. For this reason, I ask for your support of Bill 3 CD1 – TDST – 1.

Sincerely,

Geena Thielen
President/RME

CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3065 / TELEPHONE 547-7000

BARBARA MARSHALL
COUNCIL CHAIR
(808)547-7003 BMARSHALL@HONOLULU.GOV

October 25, 2007

To: All Councilmembers

From: Council Chair Barbara Marshall 

Re: Joint and Consecutive Referrals

Given the objections on the part of some Councilmembers, I am rescinding the 45 day limit on Advisory Committees with Consecutive Referrals. Committee Chairs are urged, however, to expeditiously move along legislation that has a consecutive referral.

Restating the policy on Joint and Consecutive Referrals:

A consecutive referral to two committees (noted as committee, committee on the referral sheet) will go first to the first committee named (the "advisory" committee) and then to the second committee named (the "primary" committee). The advisory committee shall pass the bill or resolution out without change or approve a Committee Draft to the bill or resolution before passing it out. The Primary Committee may revert to the original bill/resolution, accept the Advisory Committee's CD, further amend the legislation, or defer the bill or resolution and any accompanying CD's, but may not waive the legislation directly to the floor.

In the case of a joint committee referral (noted as committee/committee on the referral) the first committee named shall be the lead committee and the chair of the lead committee will schedule any committee hearings in consultation with the chair of the second committee and the lead committee shall be responsible for the committee report(s). Membership of the joint committee shall include all members of both committees and quorum shall be determined by the total number of different individuals on the joint committee, e.g.: if there are three members who serve on both committees, then the number on the joint committee would be seven (five from each committee minus the three who serve on both) and quorum/majority would be four.

Please contact me with any questions or concerns. Mahalo!

Cc: OCS
Clerks

Tam, Laurie

From: Kim, Gail T.
Sent: Thursday, January 15, 2015 12:31 PM
To: Ching, Darcie; Chisum, Helen M; Chung, Vicki K. N.; Epenesa, Karen; Hong, Allyson K.; Murayama, Gail Y; Nakazaki, Cynthia; Otto, Pearlene; Tachibana, Joanne F.; Tam, Laurie; Uehara, Gail; Yamane, Joy
Cc: Takahashi, Glen I.
Subject: FW: Concurrent meeting vs. Joint committee meeting

Please read the below.

Staff, we can discuss later.

Gail T. Kim
Manager, Council Assistance Division
Office of the City Clerk
530 S. King Street #203, Honolulu HI 96813
Phone: (808) 768-3812 Fax: (808) 768-3826
Email: gkim@honolulu.gov

From: Senda, Warren J.
Sent: Thursday, January 15, 2015 12:12 PM
To: Yoshioka, Lloyd S.; Hiraoka, Lori; Kim, Gail T.
Cc: Figueira, Laura; Doran, Charmaine T; Williston, Jim S.
Subject: Concurrent meeting vs. Joint committee meeting

By the attached email dated 1/13/15, the respective Chairs of the Zoning and Planning Committee and the Public, Health, Safety and Welfare Committee announced the scheduling of a "special meeting" of the "Joint Committee on Zoning and Planning and Public Health, Safety and Welfare" to receive a presentation and discussion on inclusionary zoning by a member of the Center for Housing Policy in Washington D.C. It appears the meeting was arranged by the two Committee Chairs on their own initiative, with the consent of the Council Chair but without the joint referral of the matter to the committees.

An issue has arisen over whether the agenda for the meeting (to be posted on or before January 20, 2015) should refer to a concurrent meeting of the two committees or a meeting of a "Joint Committee"

Under Council Rule 4.B(10), the Council Chair may refer matters to Council committees in three ways:

- 1) A single referral to a single committee;
- 2) A joint referral to two designated committees; or
- 3) A consecutive referral to two designated committees in specified order.

The joint referral rule states:

A joint referral shall be two designated committees, the members of which shall meet together to consider the measure. The two standing committees to which a measure is jointly referred shall, upon the mutual agreement of their chairs, hold a joint meeting or meetings on the measure.

Council Rule 4.B(10)(a)(ii).

The rule does not refer to a "joint committee" and the Council Rules do not specifically address the creation of a joint committee. However, longstanding Council practice, reflected in several Council Chair memoranda, has established that a joint referral results in the creation of a joint committee with membership comprised of the members of both committees, and a quorum and majority determined by the total number of different individuals on the joint committee.

This type of joint committee, created by a joint referral by the Council Chair, should be distinguished from a concurrent meeting of two Council committees held to consider items that have been separately referred to each committee but are so closely related that a concurrent meeting provides an opportunity to the public to present combined testimony on the related items. An example of this occurred in 1997 when the development of a parcel in Pearl City required both an amendment to the Development Plan Land Use Map by Bill 87 (1996) and a zone change by Bill 101 (1997). Bill 87 had been referred to the Committee on Economic Development, Planning and Tourism, and Bill 101 had been referred to the Zoning Committee. The two committees held a concurrent meeting—listed on the agenda as a "Joint Meeting"—to consider the two items. Each committee held a separate decision-making on the bill that had been referred to it.

A memorandum by Jim Williston dated May 1, 1995, provides guidelines for the holding of "concurrent committee meetings," as opposed to "joint committee meetings."

In this case, the meeting more closely resembles a concurrent meeting because of the lack of a joint referral by the Council Chair. Accordingly, the agenda should state that the meeting is a "concurrent meeting" of the two committees rather than a meeting of a "joint committee." (Use of the term "joint meeting" instead of "concurrent meeting" is discouraged because the Council Rules use the term in connection with a joint referral and, hence, the creation of a joint committee.)

Because neither the Council Rules nor Council Chair memoranda address the conduct of concurrent meetings, questions may arise as to determination of quorum for purposes of Sunshine Law compliance.

In order to avoid these problems, we recommend that the two committee chairs request the Council Chair to jointly refer, by memorandum, the matter of a presentation and discussion on inclusionary zoning by Mr. Robert Hickey, Senior Research Associate at the Center for Housing Policy in Washington D.C., to the two committees. This would result in the creation of a joint committee and the application of applicable Council Chair memoranda to determine committee quorum and procedures. In such case, the agenda can refer to a meeting of the "joint committee."

Please call me if you have questions.

Warren J. Senda
Staff Attorney
Office of Council Services
530 South King Street
Honolulu, Hawaii 96813
Phone: (808) 768-3880
Fax: (808) 768-1374
E-mail: wsenda@honolulu.gov

From: Murayama, Gail Y

Sent: Tuesday, January 13, 2015 3:49 PM

To: Amemiya, Roy; Arakaki, Ardis; Deemer, Georgette; Doran, Charmaine T; Figueira, Laura; Glenn Booth (tvhonolulu@aol.com); Hiromasa, Elaine; Leong, Donna Y L; Mitsuda, Brandon; OCA Staff (All); OCS Staff; Saito, Nanette A.; Segami, Mark; Sortijas, Marcus; Takahashi, Glen I.; Takeuchi, Gary Y.; Wong, Clayton B. K. (CCL); Yoshioka, Marisa; Ching, Darcie; Chisum, Helen M; Chung, Vicki K. N.; Epenesa, Karen; Hong, Allyson K.; Kim, Gail T.; Murayama, Gail Y; Nakazaki, Cynthia; Otto, Pearlene; Tachibana, Joanne F.; Tam, Laurie; Uehara, Gail; Yamane, Joy; Anderson, Ikaika; Elefante, Brandon; Fukunaga, Carol A; Kobayashi, Ann; Manahan, Joey; Martin, Ernie; Menor, Ron; Ozawa, Trevor; Pine, Kymberly Marcos; Asaeda, Calvin; Lowe, Michael H.; Alapa, Lana K; Anakalea, Paulyne; Hernandez, Judy; Ishii, Trina; Lam, Doris; Pascual, Linnie L; Salcedo, Janice; Sodetani, Faith; Amazaki Jr, Kendall; Caires, Matthew; Delaunay, Christopher; Gallardo-Mata, Corinne; Myers, Gail; Sadural,

Valerie; Schmidtke, Mary; Uyeno, Steve

Subject: Special meeting of the Joint Committee on Zoning & Planning and Public Health, Safety & Welfare on January 26, 2015

Please be advised that a special meeting of the Joint Committee on Zoning & Planning and Public Health, Safety & Welfare has been scheduled for Monday, January 26, 2015 at 11:00 a.m. in the City Council's Committee Meeting Room for a presentation and discussion on inclusionary zoning by Mr. Robert Hickey, Senior Research Analyst at the Center for Housing Policy.

Your participation is welcomed and encouraged.



012615 ZP-PHSW
Special Meeting...

Gail Murayama
Council Committee Aide
Committee on Zoning and Planning
Office of the City Clerk
Phone: 768-3818

Kim, Gail T.

From: Mau, Bernice K N
Thursday, May 04, 2006 10:26 AM
Chisum, Helen M; Chung, Vicki K. N.; Hong, Allyson K.; Kim, Gail T.; Kumura, Clarice Y.; Lao, Elena; Murayama, Gail Y; Nakaya, Sandra K.; Oka, Kathy K.; Tachibana, Joanne F.; Tada, Jane F.; Takahashi, Karen N.; Tam, Laurie; Ushijima, Cora K. S.
Subject: Procedures for Committee Consecutive Referrals
Importance: High

Council Assistance Staff:

In an effort to clarify the procedures for consecutive referrals to committees, the following procedures shall be followed:

1. The first committee shall be known as the "Advisory Committee," the second committee shall be known as the "Primary Committee."
2. Referral to Primary Committee: The Advisory Committee shall refer the proposal with or without its recommendation, via committee report, to the Primary Committee.
3. Public Hearings: The Advisory Committee may recommend a public hearing and second reading and thereafter referral to the Primary Committee.

Adoption/Third Reading: ONLY the Primary Committee may recommend final action on a proposal.

5. Filing: ONLY the Primary Committee may recommend filing a proposal. If the Advisory Committee desires the matter to be filed, it can recommend so to the Primary Committee.

Even though the Affordable Housing and Energy Committees were created for a limited time period, they are still considered a "standing committee" of the Council. Therefore, the above procedures also apply. Just remember that the Advisory Committee does not have the authority to recommend final recommendations on a proposal.

Hope this helps to clarify procedures for consecutive committee referrals.

Mahalo.

Bernice

*Bernice K. N. Mau
Council Assistance
Clerk's Office
(808) 523-4490
Email: bkmou@honolulu.gov*



**HONOLULU CITY COUNCIL
COMMITTEE ON ZONING
Honolulu Hale
9:00 AM**

May 1, 2024

RE: Bill 3 - Relating to Incentives for the Construction of Affordable Housing

Chair Say, Vice Chair Dos Santos-Tam, and members of the Council:

My name is Max Lindsey, Government Relations Committee Chair 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 support of Bill 3, Councilmember Dos Santos Tam's proposed CD1, Relating to Incentives for the Construction of Affordable Housing. This bill addresses housing development on Oahu by amending certain financial incentives for affordable rental housing projects.

This bill would provide pre-construction grants that will greatly help affordable rental housing projects during the especially critical early development stages. As the Council is aware, we are in a dire housing crisis. The cost of housing in Hawaii is extremely high, with Oahu's median price of homes being currently over \$1 million. Approximately 140,436 U.S. households are priced out of buying a home for every \$1000 increase in price, according to the National Association of Home Builders (NAHB). We are in support of legislation such as Bill 3 proposed, that would help facilitate the building of much-needed housing.

Thank you for the opportunity to testify.

HONOLULU CITY COUNCIL COMMITTEE ON ZONING

Honolulu Hale

9:00 AM

May 1, 2024

RE: Bill 3 - Relating to Incentives for the Construction of Affordable Housing

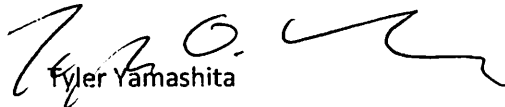
Chair Say, Vice Chair Dos Santos-Tam, and members of the Council:

Mahalo for the opportunity to provide testimony in favor of Bill 3 relating to the post construction grant for affordable rental housing. My name is Tyler Yamashita, and my family is developing an affordable rental housing project under the provisions of Bill 7 on our Young Street parcel of land. The 37-unit project with parking will be in the heart of Honolulu within walking distance to UH Manoa, the Keeaumoku Business District and Waikiki.

Through this process, I have learned that Bill 7 projects are difficult to make feasible or even possible. We are currently under construction and have gone through several change orders due to increases in construction material and labor costs. The small increase in post construction grant money will help our project and comes as a great relief during a stressful time.

Thank you again for your consideration and opportunity to provide testimony in support of Bill 3.

Sincerely,


Tyler Yamashita

HNL Development LLC
PO Box 11142, Honolulu HI 96828

May 1, 2024

Councilmember Calvin Say
Chair, Zoning Committee
City Council
City and County of Honolulu
530 South King Street
Honolulu, HI 96813

Dear Chair Say and Vice Chair Dos Santos Tam,

Thank you for allowing me the opportunity to provide written testimony IN SUPPORT of Bill 3. My name is Derek Lock, and I am a Partner with HNL Development LLC. HNL Development LLC is the Developer and Development Consultant of seven affordable rental housing projects either completed, under construction or in design under Chapter 32 (better known as "Bill 7"). The seven projects total 216 affordable rental housing units all targeted to those who earn less than 80% AMI and at rents of less than 80% AMI.

Our first Bill 7 project, 311 Puuhue Place (25 1BR/1BA units), in Liliha was the first project to receive Bill 1 grant money in the amount of \$145,170.00 or \$5,806.80 per unit. 311 Puuhue Place was designed and permitted in 2019 and completed in August 2022. Today's economic environment has changed dramatically from just a few years ago. Construction loan interest rates have doubled, and labor and material costs are also much higher than before.

Bill 7 remains a great opportunity to develop affordable multi-family rental housing on Oahu's many underutilized infill lots. There are several projects that have been delayed for years in permitting. These projects were underwritten under very different circumstances and would benefit greatly from Bill 3.

We support the new post-construction grant requirements of Bill 3. In the latest version of the Bill thank you for updating the amount from \$9,000 per Unit to \$12,000 per unit. This increase would go a long way to assist Bill 7 landowners and developers to make their projects a reality and help to address Oahu's affordable housing crisis.

Mahalo,



Derek Lock
HNL Development LLC

TO: HONOLULU CITY COUNCIL, COMMITTEE ON ZONING

SUBJECT: Bill 3 RELATING TO INCENTIVES FOR THE CONSTRUCTION OF AFFORDABLE RENTAL HOUSING.

Hearing

DATE: Wednesday, May 1, 2024

TIME: 9:00am

Aloha Honorable Chair Say, Vice Chair Dos Santos-Tam, and Zoning Committee Members,

My name is Jason Jia Xuan Chua and the executive manager of record on a project totaling 15 affordable housing units. I have already sent an intent to claim a grant along w/ my ROH Chapter 32 (Bill 7) building permit application and my intent to claim the grant was accepted Director of DPP on Oct 2023.

With the acceptance of my intent to claim by DPP, I have budgeted to receive the grant per affordable housing units that I develop and I have been proactive in addressing any comments to gain the building permit in timely manner. I expect the building permit to be issued in coming months and construction to follow.

My concern is it seems the new proposal will no longer require this intent to claim and will allocate the grant to developers regardless of whether or not they submitted an intent to claim. Does this mean there is a chance I won't receive my grant which I have budgeted for? Why does the requirement for intent to claim need to be deleted as I believe this was part of the DPP budgeting process?

I'm supportive of the increase in grant as rising construction loan interest rates as well as increases in construction and material costs have made these affordable rental housing projects less feasible in recent years, but opposed to deleting initial pre-construction requirements if it means there is a greater possibility I won't receive the grant despite following the bill requirements.

Thank you for the opportunity to testify.

Jason Jia Xuan Chua
Executive Manager
TC Fern Holdings LLC



DISABILITY AND COMMUNICATION ACCESS BOARD

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May 1, 2024

The Honorable Calvin K.Y. Say
Chair, Committee on Zoning
and Members of Honolulu City Council Committee on Zoning
Honolulu City Council
530 South King Street
Room 203
Honolulu, HI 96813

Regarding: Bill 3 (2024) – Relating to Incentives for the Construction of Affordable Rental Housing

Dear Chair Say and Committee Members:

The housing crisis is magnified for persons with disabilities because many units are not designed to be accessible.

In addition to addressing the 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. Therefore, DCAB advocates that the City and County of Honolulu requires that 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.

This requirement would ensure that more residential units are functionally usable for individuals with disabilities and their families.

Thank you for considering our comments.

Sincerely,

KIRBY L. SHAW
Executive Director



Martin M. Q. Nguyen, MRED
Managing Principal
CA DRE #02074177
HI RS #76392

April 30, 2024

The Honorable Calvin K. Y. Say
Committee on Zoning
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawaii 96813

RE: TESTIMONY IN SUPPORT OF BILL 3 (2024) RELATING TO INCENTIVES FOR THE CONSTRUCTION OF AFFORDABLE HOUSING

Aloha Chair Say, Vice Chair Dos Santos-Tam, and Committee Members,

I am submitting testimony in my capacity as principal of Centre Urban Real Estate in **SUPPORT** of Bill 3 (2024) relating to incentives for the construction of Affordable Housing. Centre Urban is a commercial real estate investment, development, and advisory firm active in Honolulu and Southern California, with a specific focus on impactful multifamily and mixed-use projects.

We are currently working on creating housing under City & County of Honolulu Ordinance 19-8, otherwise known as “Bill 7”, which is a preeminent example of common-sense collaboration between the public and private sectors to solve one of the most pressing issues of our generation: creating more housing. However, as we are all aware, the turbulence in the economy, historically high interest rates, and elevated construction costs are leading to many housing projects that were formerly feasibly to be shelved and the positive impacts to the community deferred. Every day that these housing units are shelved is another day where more and more of our neighbors are moving away, some who will never return to Hawai‘i. These necessary projects need assistance to get across the finish line. Bill 3 effectuates that needed assistance.

The proposed increase of the post-construction grant funding is incredibly helpful. With potential State participation, it would improve a much-needed resource for the community of developers seeking to create more housing under Bill 7, particularly for smaller scale projects. However, I would suggest the City Council does not stop the conversation regarding the equally needed pre-development grant. The pre-construction grant presents an option for larger projects to consider, while utilizing skilled and trained labor, to create a greater community impact all in one go. Having both of these options available for the different scale of projects is incredibly important to facilitate the creation of more housing now, rather than later.

Thank you for the opportunity to contribute to this important dialogue. If there are any questions or concerns, please reach me at martin@centre-urban.com to discuss.

Sincerely,

Martin M. Q. Nguyen, MRED
Managing Principal
Centre Urban Real Estate Hawaii, LLC

Centre Urban Real Estate Hawaii, LLC

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