

OFFICE OF HOUSING
KE KE'ENA HO'OLĀLĀ KŪKULA HALE
CITY AND COUNTY OF HONOLULU

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May 22, 2024

2024-HOU-026

The Honorable Calvin Say, Chair
and Members
Committee on Zoning
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Say and Councilmembers:

SUBJECT: Support for Bill 31 (2024) – Relating to Pre-Construction
Financing for Affordable Rental Housing

The Office of Housing (HOU) **supports** the CD1 version of Bill 31 (2024), which would provide a pre-construction financing option to support the development of affordable rental housing projects under Chapter 32, Revised Ordinances of Honolulu. Today's economic environment is very different from the time this housing program was established in 2019. Since then, interest rates have doubled and labor, materials, and insurance costs have dramatically increased.

Now, more than ever, it is critical for the City to find ways to facilitate the delivery of housing under these challenging conditions. The Chapter 32 program, also known as Bill 7, is currently the only by-right housing program offered by the City that provides rental housing opportunities for our workforce (up to 100% of the area median income). This is housing for our teachers, our first responders, and our construction workers. They are part of the gap income group who earn too much to qualify for low-income rentals, yet not enough to afford market rate units.

We understand that this pre-construction financing bill is a work-in-progress and support allowing the optimum unit size for each project be determined by the market as opposed to setting a minimum square footage. We stand ready to work with the City Council as the bill moves through the legislative process.

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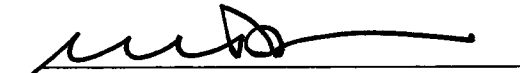
Thank you for the opportunity to provide testimony on this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Denise Iseri-Matsubara', with a long, sweeping horizontal line extending to the right.

Denise Iseri-Matsubara
Executive Director

APPROVED:

A handwritten signature in black ink, appearing to read 'Michael D. Formby', with a long, sweeping horizontal line extending to the right.

Michael D. Formby
Managing Director