BILL031(24)
Testimony

MISC. COMM. 280

ZONING (ZON)

ZONING (ZON) Meeting

Meeting Date: Jun 26, 2024 @ 09:00 AM

Support: 8

Oppose: 0

I wish to comment: 3

Name:	Email:	Zip:
Paul Lam	paullam77@gmail.com	96816
Representing:	Position:	Submitted:
Self	Support	Jun 23, 2024 @ 02:41 PM
Name:	Email:	Zip:
Martin Nguyen	martin@centre-urban.com	96701
Representing:	Position:	Submitted:
Centre Urban Real Estate	Support	Jun 25, 2024 @ 08:07 AM
Name:	Email:	Zip:
Randy Perreira	cope@hawaflcio.org	96813
Representing:	Position:	Submitted:
Hawaii State AFL-CIO	Support	Jun 25, 2024 @ 09:59 AM
Name:	Email:	Zip:
Stefanie Sakamoto	ssakamoto@imanaka-asato.com	96789
Representing:	Position:	Submitted:
BIA Hawaii	I wish to comment	Jun 25, 2024 @ 10:43 AM
Name:	Email:	Zip:
Ana Tuiasosopo	atuiasosopo@oe3.org	96707
Representing:	Position:	Submitted:
Hawaii Operating Engineers Local 3	Support	Jun 25, 2024 @ 11:51 AM
Name:	Email:	Zip:
Kirby Shaw	bryan.mick@doh.hawaii.gov	96813
Representing:	Position:	Submitted:
Disability and Communication Access Board	I wish to comment	Jun 25, 2024 @ 01:24 PM
Name:	Email:	Zip:
Christopher Delaunay	cdelaunay@prp-hawaii.com	96813
Representing:	Position:	Submitted:
Pacific Resource Partnership	Support	Jun 25, 2024 @ 02:34 PM
Name:	Email:	Zip:
Hawaii LECET	Info@hawaiilecet.org	96817
Representing:	Position:	Submitted:
Hawaii Laborers & Employers Cooperation and Education Trust	Support	Jun 25, 2024 @ 04:24 PM

Testimony:

Hawaii LECET is in strong support of Bill 31 providing pre-construction grants for affordable housing projects. We also support removing the minimum 300 square feet restriction.

Pre-construction grants will ensure that workers are paid a fair prevailing wage for their contributions to providing affordable housing for our community.

Name:	Email:	Zip:
Geena Thielen	geena@ccs-hawaii.com	96734
Representing:	Position:	Submitted:
Self	I wish to comment	Jun 25, 2024 @ 06:16 PM

Testimony:

Dear Members of the Zoning Committee,

As you know from prior testimony, I am a strong supporter of the intent of Bill 31. It is needed to prop up Bill 7 projects in light of higher interest rates and tighter lending requirements. That being said I am baffled by the continued effort to punish units under 300 SF. All testimony from stakeholders and the administration has clearly indicated this is unwarranted and counterproductive. Please do not move this bill forward with this harmful provision intact.

Sincerely,

Geena Thielen

Name:	Email:	Zip:
Gino Soquena	gino@hbctc.org	96805
Representing:	Position:	Submitted:
Hawaii Building & Construction Trades Council	Support	Jun 26, 2024 @ 01:36 AM

Name:	Email:	Zip:
Angela Melody Young	Alohadivinedesign@gmail.com	96817
Representing:	Position:	Submitted:
Cares	Support	Jun 26, 2024 @ 08:59 AM

Testimony:

Cares testifies in strong support.

LAM CAPITAL LLC
AFFORDABLE HOUSING HAWAI'I

My name is Paul Lam and I'm a Bill 7 developer. I'm in support of Bill 31 **except to the extent that proposed amendment that would require a dwelling unit to have a minimum size of 300 square feet to apply for a pre-construction grant.** We have seen great demand for studios of 250-270 sq. ft studios. This is not equitable and unfairly targets those units serving Oahu's most needy population and that are the most expensive in cost per square foot to build.

The use of 300 square feet as a requirement is arbitrary and capricious. It has no basis in what demand actually exists in the housing marketplace or in other existing building standards. The International Building Code only requires 124 square feet for a dwelling. In Honolulu itself, luxury apartments in Honolulu below 300 square feet are in high demand (**90 studios under 300 sq. ft of Aalii project on Queen Street sold for around $500K each**). We have found our studios under 300 square feet are housing some of the most vulnerable and neediest of our population. Furthermore, these units are fully occupied. This evidence shows that a single person, or even a couple, in an affordable program, or in market rate housing does not need 300 square feet. If the Council adopts this standard, it will be counterproductive to its own housing goals.

A 3-story walk-up structure of 25 units on a 5,000 sq/ft lot is the cornerstone of Bill 7 in solving the affordable housing crisis in our city. As shown in the DPP charts at the end of my letter, the vast majority of lots throughout Honolulu are 5,000 sq/ft lots. **From the earlier testimony of Geena Thielen, it was shown that there is no way a 3-story walk-up apartment building on a 5,000 square foot lot can provide 300 square feet for every unit**. The building must have four stories, which would require an elevator, and that would increase building costs to the point where constructing a Bill 7 project (especially using concrete construction) on the lot does not pencil. A 4-story walk-up is not viable for the long term.

The bottom line is that Bill 3's full funding is needed for all Bill 7 projects due to the changing market conditions such as higher construction costs and interest rates. To date there are only two successfully completed projects with a third coming online in the next two months. Two of these projects were built by us. 46 of the 51 units are less than 300 SF. These are successful examples of the City's housing policy that the current square footage requirement will unfairly target. Many of you have seen these units and these buildings. You know they are sorely needed. Why punish these sorts of projects that are actually working at solving the problem?

The unavailability of Bill 31's pre-construction subsidy for 3-story walk-up buildings on 5,000 square foot lots would mean most Bill 7 projects could not pay prevailing wage.

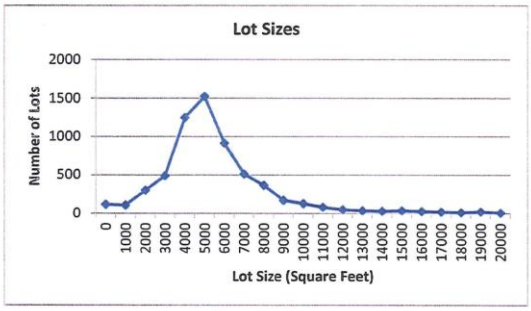
I support the Blangiardi's administration Director of Housing Denise Iseri-Matsubara's letter dated May 24, 2024 in support of Bill 31, in favor of allowing the optimum unit size for each project be determined by the market as opposed to setting a minimum square footage.

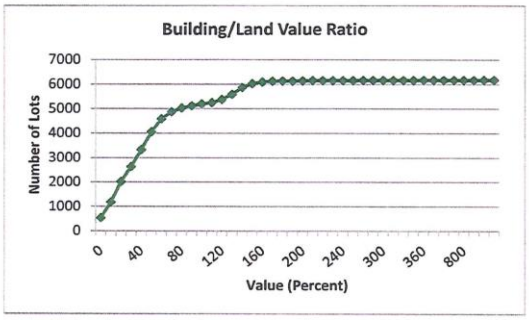
922 KEALAOLU AVE. HONOLULU, HAWAII 96816 U.S.A

PHONE: (808) 479-3414 FAX; (808) 737-7588 EMAIL: PAULLAM77@GMAIL.COM

LAM CAPITAL LLC
AFFORDABLE HOUSING HAWAI'I

APARTMENT LANDS UNDER 20,000 SQUARE FEET
Total Number of Lots: 6,175





APARTMENT LANDS 5,000 - 20,000 SQUARE FEET
Total Number of Lots: 3,204

	Building/Land Value Less Than Or Equal To		Approximate Density (units/acre)
	30%	10%	
Total Number of Lots	1,382	536	
FOUR FLOORS MAXIMUM:			
Possible Housing Units*	28,044	11,468	
Existing Housing Units	6,960	1,586	100-140
Addition to Housing Stock	21,084	9,882	
THREE FLOORS MAXIMUM:			
Possible Housing Units*	21,033	8,601	70-105
Existing Housing Units	6,960	1,586	
Addition to Housing Stock	14,073	7,015	

*2019 DPP study of eligible land parcels for Bill 7 development (zoned A, AMX, BMX)

922 KEALAOLU AVE. HONOLULU, HAWAII 96816 U.S.A

PHONE: (808) 479-3414 FAX; (808) 737-7588 EMAIL: PAULLAM77@GMAIL.COM

CENTRE URBAN
REAL ESTATE

Martin M. Q. Nguyen, MRED
Managing Principal
CA DRE #02074177
HI RB-24080

June 25, 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 31 (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 31 (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 31 effectuates that needed assistance.

The pre-construction grant creates an option for larger projects to consider, while utilizing skilled and trained labor, to create a greater community impact all in one go. Having pre-construction and post-construction - as proposed in Bill 3 (2024) - options available for different scales of projects is incredibly important to facilitate the creation of more housing now, rather than later. In solidarity with our fellow Bill 7 developers, we would strongly encourage the Committee to consider either the removal of the 300 square foot threshold or at least a sliding scale that is more consistently to the full pre-construction grant amount. In the current housing crisis, any type of new housing – including smaller units - will be key in making a meaningful dent in resolving one of the quintessential issues of our generation.

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

HAWAII STATE AFL-CIO

888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813

Randy Perreira
President

Telephone: (808) 597-1441
Fax: (808) 593-2149

The Honolulu City Council
Committee on Zoning

Testimony by
Hawaii State AFL-CIO

June 26, 2024

TESTIMONY ON BILL 31 – RELATING TO PRE-CONSTRUCTION FINANCING FOR AFFORDABLE RENTAL HOUSING

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

The Hawaii State AFL-CIO is a federation of 74 affiliate labor organizations representing over 68,000 union members in the State of Hawaii. We proudly serve our affiliates by advocating for working families.

The Hawaii State AFL-CIO supports Bill 31, which establishes pre-construction financing to support the development of affordable rental housing units in Honolulu. In addition to addressing the housing crisis in Honolulu, this bill also promotes fair compensation practices by ensuring that prevailing wages are paid to workers.

Prevailing wage requirements help maintain fair labor practices and ensure that workers are compensated fairly, reflecting local standards and the high cost of living. By supporting prevailing wages, Bill 31 ensures that workers receive the pay they deserve for their efforts, which benefits the broader community by supporting economic stability and high-quality construction projects.

Thank you for your time and consideration.

Respectfully submitted,

Randy Perreira
President

HONOLULU CITY COUNCIL
Committee on Zoning
Honolulu Hale
9:00 AM

June 26, 2024

RE: Bill 31 - Relating to Pre-Construction Financing for Affordable Rental 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 the intent of Bill 31, Relating to Pre-Construction Financing for Affordable Rental Housing. This bill would address financing issues for affordable rental housing projects which are currently facing uncertain financial status due to the economy and high construction costs.

While we are in full support of the intent of this bill, we have comments. The bill, as currently written, would require projects to rent to 60% AMI or below. Current Bill 7 (2019) projects allow for a range of compliance paths with respect to the AMI. If the requirement is changed to 60% AMI only, it will likely no longer be used.

Additionally, we would propose that the bill be amended to remove the minimum square foot requirement. As the Council may recall, Bill 7 (2019) was intended to address the need to create more affordable housing units within the urban core. It was envisioned to create more of the “Makiki walk-ups” that were built in the 1970’s. Incentives were created and certain construction requirements were modified to lower construction costs to increase the supply of affordable rental housing units on Oahu. There was no minimum/maximum unit size, as the unit size and mix were left to the developer and the market to determine.

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, that would help facilitate the building of much-needed housing.

Thank you for the opportunity to testify.

OPERATING ENGINEERS LOCAL UNION NO. 3
2181 LAUWILIWILI STREET, KAPOLEI, HI 96707 • (808) 845-7871 • FAX (808) 682-0906
Jurisdiction: Northern California, Northern Nevada, Utah, Hawaii, and the Mid-Pacific Islands

June 25, 2024

Honorable, Calvin K.Y. Say, Honolulu City Council Committee on Zoning, Chair
Honorable, Tyler Dos Santos-Tam, Honolulu City Council Committee on Zoning, Vice Chair
Honorable Members of the Honolulu City Council Committee on Zoning

RE: BILL 31 (2024) – RELATING TO PRE-CONSTRUCTION FINANCING FOR AFFORDABLE RENTAL HOUSING.

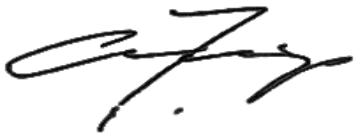
Chair Say, Vice Chair Dos Santos-Tam and Members of the Honolulu City Council on Zoning,

My name is Ana Tuiasosopo. I am the District Representative and Trustee for Operating Engineers Local 3. We are the largest Construction Trades Local in the United States. I and the members of Operating Engineers Local 3 strongly support Bill 31 (2024).

Bill 31establishes pre-construction financing to support the development of affordable rental housing units in Honolulu. In addition to addressing the housing crisis in Honolulu, this bill also promotes fair compensation practices by ensuring that prevailing wages are paid to workers.

Prevailing wage requirements help maintain fair labor practices and ensure that workers are compensated fairly, reflecting local standards and the high cost of living. By supporting prevailing wages, Bill 31 ensures that workers receive the pay they deserve for their efforts, which benefits the broader community by supporting economic stability and high-quality construction projects.

Sincerely,



Ana Tuiasosopo
Hawaii District Representative, Trustee
Hawaii Operating Engineers Local 3

DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 586-8162 TTY

June 26, 2024

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

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

Dear Chair Say and Committee Members:

The Disability and Communication Access Board (DCAB) would like to offer comments on Bill 31 (2024).

It is DCAB's understanding that any project that receives a taxpayer funded grant related to design or construction requires its plans to be reviewed by DCAB pursuant to Hawaii Revised Statutes, §103-50 Building design to consider needs of persons with disabilities; review fees. Hawaii Revised Statutes, §103-50 covers projects that "[a]re designed, constructed, purchased, or leased with the use of any state or county funds or federal funds administered by the State or a county." It also requires that "[a]ll state and county agencies subject to this section shall seek advice and recommendations from the disability and communication access board on any construction plans prior to commencing with construction."

Therefore, DCAB suggests amending section 2 in the bill:

§ 32-5.2 Pre-construction financing.
* * * * *

(c) Pre-construction financing. The owner of the zoning lot on which an affordable rental housing project is proposed to be situated may apply for pre-construction financing under this subsection after a building permit or professional self-certification has been issued for the affordable rental housing project in accordance with the following provisions.
   (1) An owner of an affordable rental housing project who has been awarded pre-construction financing is not eligible for a post-construction grant pursuant to Article 4.
   (2) Pre-construction financing amount. For affordable rental housing units that are a minimum of 300 square feet in size and are rented to households earning 60 percent or below of the AMI, the owner is eligible to receive $25,000 per affordable rental housing unit.

(3) Pre-construction financing may only be used for purposes of paying prevailing wages to every laborer and mechanic performing work on the job site for the construction of the affordable rental housing project, in compliance with HRS Chapter 104.
(4) To apply for pre-construction financing, no earlier than the date of issuance of a building permit or professional self-certification for the affordable rental housing project, and no later than 12 months after the issuance of a building permit or professional self-certification, the owner shall submit to the department of planning and permitting a pre-construction financing application for the project in a form prescribed by the director of planning and permitting. At a minimum, the pre-construction financing application must include:
    (A) A description of the affordable rental housing project, including but not limited to location, zoning lot tax map key number, underlying zoning district, height, density, the number of affordable units at each AMI level, and whether there is a commercial component to the project;
    (B) The building permit number or professional self-certification number issued for the affordable rental housing project; [~~and~~]
    (C) The total estimated cost of the affordable rental housing project and all sources of funding for the project; and
    (D) Documentation that the project has complied with HRS §103-50.

DCAB's position is that these projects must comply with the accessibility design standards of the Federal Fair Housing Act and the Federal Americans with Disabilities Act (ADA). The ADA Standards require only five percent of units to be accessible for mobility disabilities and two percent of units to be accessible for communication disabilities. Hawaii has an aging population, which correlates to a higher number of disabilities, and it is good public policy to ensure that housing units produced with taxpayer dollars are useable to all.

Therefore DCAB advocates that government should require higher levels of accessibility and suggests in public facilities with residential dwelling units: (1) at least twenty percent, but no fewer than one unit, of the total number of residential dwelling units shall provide mobility features that comply with applicable technical requirements in the ADA Standards. (2) In public facilities with residential dwelling units, at least thirteen percent, but no fewer than one unit, of the total number of residential dwelling units shall provide communication features that comply with applicable technical requirements in the ADA Standards.

Thank you for considering our comments.

Sincerely,



KIRBY L. SHAW
Executive Director

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 31 (2024) and Bill 3 (2024)—Relating To Incentives For The Construction Of Affordable Rental Housing and Relating to Pre-Construction Financing For Affordable Rental Housing
Wednesday, June 26, 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.

PRP supports the CD1 version of Bill 31 (2024) submitted by Councilmember Kia'aina, which would provide a pre-construction financing option for the development of affordable rental housing projects.

The City and County of Honolulu desperately needs more affordable rental housing projects for Oahu's residents. The current economic climate, including high interest rates, has made it difficult for developers to build more affordable housing projects. As such, we respectfully recommend that committee members support the CD1 version of Bill 31 (2024) submitted by Councilmember Kia'aina, which does not require a dwelling unit to have a minimum of 300 square feet to apply for a pre-construction grant. Instead PRP believes that the optimum unit size for each project should be determined by the market.

PRP also supports Bill 3 (2024) without an amendment that would require a dwelling unit to have a minimum size of 300 square feet to receive the full post-construction grant.

Thank you for this opportunity to submit written testimony.

PRP
PACIFIC RESOURCE PARTNERSHIP

HBCTC
HAWAII BUILDING & CONSTRUCTION TRADES COUNCIL

June 25, 2024

The Honorable Calvin Say
Chair, Zoning Committee
Honolulu City Council

Re: Bill 31 (2024) – RELATING TO PRE-CONSTRUCTION FINANCING FOR AFFORDABLE RENTAL HOUSING

Dear Chair Say, Vice Chair Dos Santos-Tam and Committee Members:

My name is Gino Soquena, Executive Director of the Hawaii Building & Construction Trades Council (HBCTC), which is comprised of 18 construction trade unions in the State of Hawaii. I appreciate this opportunity to offer testimony in support of Bill 31 (2024) with the exception of the minimum square footage requirement.

Affordable rental projects situated in urban Honolulu has the potential to serve a community of thousands of hardworking citizens who cannot afford market rent or a home on an individual income. We need more affordable rental projects that would help address Hawaii's housing crisis.

Additionally, affordable rental projects would create countless economic opportunities for people in the construction industry that will stimulate the economy in the area and provide income to the types of income levels that the project will eventually serve.

We respectfully request your favorable decision without jeopardizing losing developers interest in developing more affordable housing projects for the citizens of Honolulu.

Thank you for your consideration.

Mahalo Nui Loa,

Gino Soquena, Executive Director
Hawaii Building & Construction Trades Council

P.O. Box 2095, Honolulu, HI 96805