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June 26, 2024

2024-HOU-029

The Honorable Matt Weyer, Chair
and Members
Committee on Housing, Sustainability, and Health
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Weyer and Councilmembers:

SUBJECT: Support for Bill 19, FD1 – Relating to the Establishment of a Resident Preference in City Housing Programs

The Office of Housing (HOU) **supports** Bill 19, FD1, which would establish a resident preference in the City's housing programs. This policy would prioritize City residents and not exclude non-City residents from participating in our housing programs. We want to allow prioritization for residents of the City and County of Honolulu to the degree that it does not violate any fair housing laws, as well as any equal treatment or equal protection laws. The resident preference proposed in this bill could potentially help address the out-migration that has been occurring over the past seven years.

We also support the intent of the proposed amendments to the City's Affordable Housing Requirements (AHR) established by Ordinance 18-10, which is codified as Chapter 29, Revised Ordinances of Honolulu. The purpose of Ordinance 18-10 was to produce more affordable housing and preserve affordability for longer periods of time. Unfortunately, this policy has not produced its intended outcomes, particularly for affordable for-sale units, and has discouraged both developers and prospective buyers from participating.

Two projects subject to the AHR that opted for the 30-year term for affordable for-sale units, Sky Ala Moana and The Park on Ke'eaumoku, commenced marketing of their projects in the latter half of 2022. Now, almost two years later, only 16 of the 84 affordable units at Sky and 25 of the 146 affordable units at the Park are sold (19.0% and 17.1%, respectfully). Nearly 200 units remain unsold. While more discussion with the development community would be beneficial on these proposed amendments, the current outcomes signal that change is needed.

MAYOR'S MESSAGE 111 HSH

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

Very truly yours,

Denise Iseri-Matsubara
Executive Director

APPROVED:

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