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TESTIMONY HHT-2(1)

Good afternoon and aloha Chair and members. My name is Lawrence Carnicelli, speaking as the Government Affairs Director for the REALTORS Association of Maui speaking on HHT-2(1).

RAM supports the overall intent of SECTION 1 of the proposal to include credits for affordable rentals as well as workforce housing. Extending housing credits to developers of workforce housing affordable rental units makes financial sense. We believe that this incentive to developers will encourage low to moderate-income rental projects that might not otherwise pencil out. However, we feel as though the same credits should be given to projects that use the State's 201H or 201G process. We feel as though the County should be encouraging and incentivizing all affordable projects.

RAM is in support of the Chair's efforts to promote and incentivize the creation of affordable workforce rental housing. We would like to state in general that any changes to the workforce housing ordinance should be either 1) reducing regulations and burdens on affordable housing, 2) increase funding for affordable housing or 3) create incentives for the affordable housing. Any changes that would generate a more burdensome process or would further regulate the creation of new affordable rentals or workforce housing is harmful and would only harm the people that need the most help.

Therefore, RAM cannot support the balance of the proposal in SECTION 2 nor SECTION 3. The language is confusing, complex and seems to be combining elements of the 2.96 Workforce Housing Ordinance and certain elements of the State and Federal Section 8 Voucher program.

We believe simplicity is best and that the KISS method is key to 'Keep It Simple.' The simpler and more straight forward the requirements to develop affordable housing are, the more likely we are to succeed in producing more housing in Maui County.

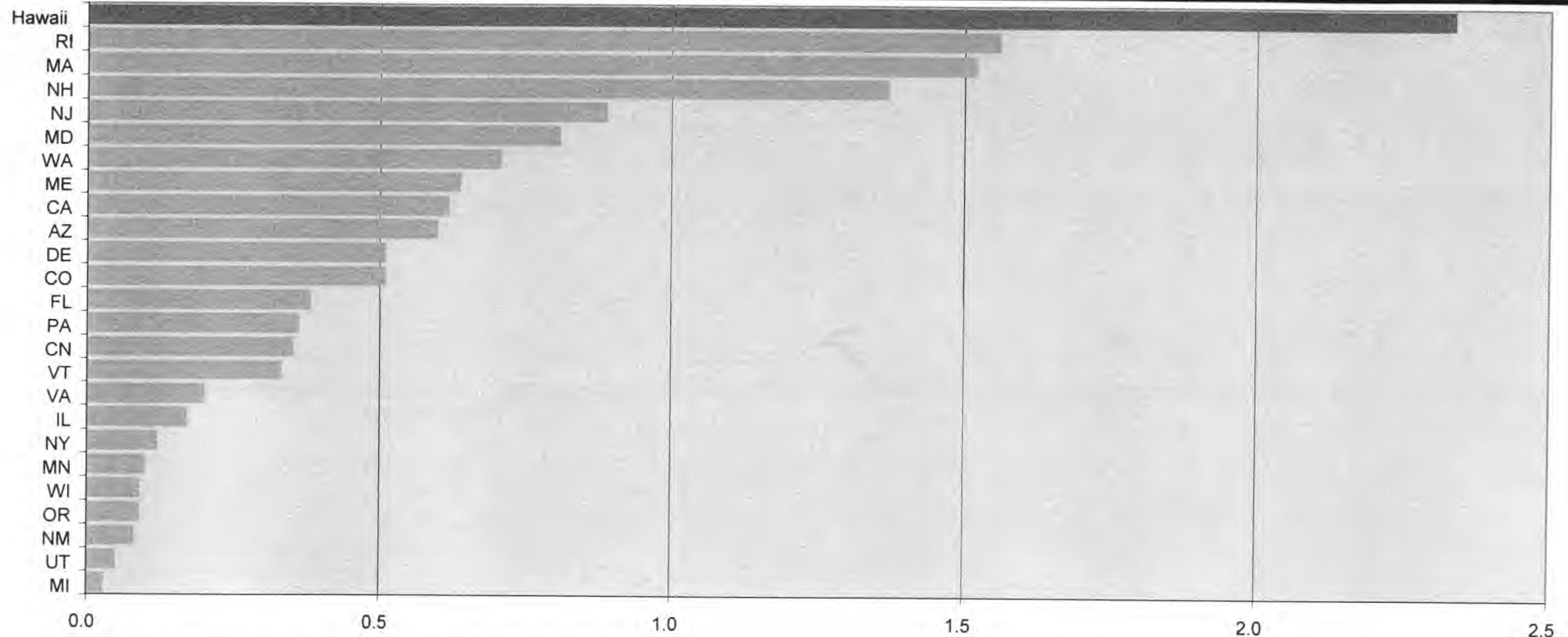
Please note the attached graph which shows the Wharton Residential Land Use Regulatory Index. It shows clearly that Hawaii is FAR AND AWAY the highest regulated state. We are 2.34 standard deviations away from the average of 0. This is greatly affecting our ability to create and build affordable housing. If we are ever going to consider creating new affordable rental and affordable workforce housing the government is going to have to start getting out of the way or creating incentives for building.

I want to thank Chair Crivello this committee, the Council and Administration for continuing to explore all solutions to our affordable housing crisis. We look forward to participating as one of the effective tools in the affordable housing toolbox.

Mahalo

RECEIVED AT HHT MEETING ON 8/17/17

## Top 25 states, Wharton Residential Land Use Regulatory Index (0 = national average, higher implies more restrictive regulation)



Index values are from the Wharton Residential Land Use Regulation Project. An index value of 0 implies the average level of regulation in the country. An index value of 1 implies a level of regulation one standard deviation above the national average. An index value of -1 implies a level of regulation one standard deviation below the national average.

Source: Edward L. Glaeser and Joseph Gyourko (2008), *Rethinking Federal Housing Policy: How to Make Housing Plentiful and Affordable*, Washington, D.C., AEI Press ([https://www.aei.org/wp-content/uploads/2014/03/-rethinking-federal-housing-policy\\_101542221914.pdf](https://www.aei.org/wp-content/uploads/2014/03/-rethinking-federal-housing-policy_101542221914.pdf))

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