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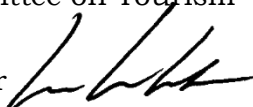
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February 9, 2018

TO: The Honorable Richard H.K. Onishi, Chair
House Committee on Tourism

FROM: Mike White
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 13, 2018; TESTIMONY IN OPPOSITION TO
HB 2554, HD 1, RELATING TO HOUSING PRODUCTION**

Thank you for the opportunity to testify in **opposition** of this measure. The purpose of this bill is to require the counties to authorize construction of a specified number of new housing units each year, with failure to do so resulting in a one percent reduction in each respective county's allocated share of the Transient Accommodations Tax ("TAT").

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **oppose** this measure for the following reasons:

1. Statewide, we can all agree that Hawai'i is facing an affordable housing crisis. However, the problem will only be solved by all levels of government working together, to reduce or eliminate existing roadblocks, not by penalizing the counties. This proposal places the burden of new housing units squarely on the backs of counties, without any support from the State.
2. Reducing the counties existing TAT allocation for failing to create housing units has no rationale nexus. If this logic was followed, the State should be granting a substantial sum of TAT funds to assist the counties in creating housing units. Yet, the fact remains that despite the State's annual share of TAT revenue increasing by nearly \$275 million from Fiscal Year 2007 to 2017, it has shared only \$2.2 million more with the counties.
3. If the Legislature truly believes in adding a substantial number of housing units, it must consider the removal of State level bureaucracy. The oversight of the State Land Use Commission should either be eliminated or the trigger for reviewing projects should be increased from the current 15 acres to 100 acres.

For the foregoing reasons, I strongly **oppose** this measure.