

Solving Hawaii's Housing Crisis

Dean Uchida is a Senior Project Manager within SSFM's Strategic Services Group and leads the firm's real estate activities. This year Dean has also been serving as the president of Building Industry Association of Hawaii (BIA Hawaii). The BIA Hawaii is the voice of the Island's construction industry, promoting members through advocacy, education and community outreach programs that will enhance the quality of life for the people of Hawaii.

Dean reflects on the many challenges facing the housing market and directions for addressing them.

Q: What are the fundamental issues creating the problems?

DU: The fact that the median price of a home on Oahu just hit \$810,000 can be directly attributed to the shortage of residential product. That in large part results from construction of housing not keeping pace with need. It's simple supply and demand.

Q: What are the repercussions of housing crises?

DU: On one hand, it is impacting our labor markets, our professional resources and a host of other drivers of the economy. Highly qualified people are leaving Hawaii, and attracting new talent is becoming increasingly difficult. Another consequence of the high price of housing is its impact on young families who are forced to live with parents or relatives in "multi-generational" homes. Two full time teachers in Hawaii cannot afford to purchase a new home. That is unacceptable.

Q. What are the solutions?

DU: There are no silver bullets, but there are many things that can be done. There are plenty of developers and builders ready to add to the housing inventory but who are constrained by the approval and permitting process. Projects are on hold waiting for permits and instead of more homes, we're seeing contractors and suppliers laying off their workers. Permits on Oahu can take months or years. Infrastructure is also a problem. New housing needs roads, sewers, water, and power - all of the utilities that make homes livable. Finding the money for infrastructure is very difficult. We're looking at how mainland cities are financing infrastructure.



Q: How is BIA Hawaii making a difference?

DU: We've created Partners in Housing, a coalition of housing organizations who are advocating for public policy decisions and legislation that will increase the supply of housing at all price points. At the County level, we've raised the issue of the millions of dollars of residential construction stalled for lack of building permits. Just prior to the recent BIA Hawaii Housing Summit, the Honolulu City Council passed Bill 64, which was drafted by BIA. It establishes a 60 day time limit to process residential building permits. This is a major breakthrough that will surely accelerate the pace of adding to the housing stock. On the heels of the Summit, we orchestrated a meeting of Dennis Hanberg, Public Works Director of Piercer County Washington and one of the Summit's speakers, with DPP to discuss models to streamline the permitting process based on his County's tremendous success with similar issues.

As well as simplifying and shortening the building permit process, other initiatives include getting more public funds invested in housing needs at the lower income levels; providing more infrastructure capacity for more urban in-fill projects; establishing "housing production goals" for each of the counties and linking TAT allotments to each county's success in meeting the production goals; and creating a "State Development Authority" that would control zoning, infrastructure, permitting, and overseeing redevelopment efforts at transit locations with large State Land holdings.

Q: Sounds like it's been a busy year.

DU: It's an ongoing process and BIA Hawaii will continue to be an invaluable part of the solutions.

About Dean Uchida

Dean Uchida is SSFM's practice leader for real estate. His expertise in land use laws, project entitlement and land management comes from over three decades of working with private corporations and public agencies on projects throughout the Islands. His professional engagements have included a 20 year tenure with the Hawaii's Department of Land and Natural Resources as a District Manager for the Island of Oahu. He was a supervising land agent, executive assistant to the chairperson, and administrator responsible for the management of all state owned lands and engineering services including water development, flood control and dam safety programs as well as the geothermal program. He was also Executive Director for the Land Use Research Foundation and a Vice President at D.R. Horton, responsible for the entitlements and government agreements.

Dean has a bachelor degree in Physical Geography from the University of Oregon and advanced degrees in Geography/Natural Resource Management from the University of Hawaii, and Systems Management from the University of Southern California. Dean is the current President of Building Industry Association of Hawaii.