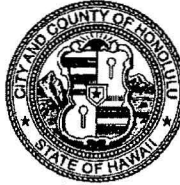


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

February 12, 2008

The Honorable Maile S. L. Shimabukuro, Chair
and Members of the Committee on Human
Services and Housing
House of Representatives
State Capital
Honolulu, Hawaii 96813

Dear Chair Shimabukuro and Members:

**Subject: House Bill 2242
Relating to Counties**

The Department of Planning and Permitting is a strong supporter of affordable housing, but must **oppose** HB 2242 as it is enabling legislation that, in our view, is not needed.

This bill would allow the counties to impose an affordable housing requirement on urban developments, either through subdivision or building permit action, or both.

We believe the counties can already establish "inclusionary housing" programs under Section 46-4(a), HRS, which states, "The powers granted herein shall be liberally construed in favor of the county exercising them, . . ." In fact, all counties already have some type of affordable housing requirement associated with approval of urban developments., Our program has been administered since the late 1970s.

Although we appreciate the legislature's interest in supporting county affordable housing efforts, this bill is not needed and should be filed.

Thank you for the opportunity to testify.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Henry Eng", is written over a faint, larger version of the same signature.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE: jmf
hb2242-kh.doc

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

Committee on Human Services and Housing

February 12, 2008

8:40 a.m.

Room 329

The Honorable Representative Maile Shimabukuro, Chair, and Members
Committee on Human Services and Housing
State House of Representatives, Room 329
Honolulu, Hawaii 96813

Dear Chair Shimabukuro and Members:

Subject: House Bill No. HB 2242 Relating to Counties

I am Karen Nakamura, Chief Executive Officer 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.

BIA-Hawaii is strongly opposed to HB 2242.

H.B. No. 2242 proposes to authorize each county to impose upon certain subdividers or developers an affordable housing requirement as a condition for approval of a subdivision or issuance of a building permit.

The bill does not state clearly what the problem is that the legislation is attempting to address. The bill proposes to amend Chapter 46 HRS by adding the following:

1. Authorizing the county to impose affordable housing requirement at subdivision or building permit stage.
2. Defines "Affordable housing unit" as a dwelling unit, the rent or purchase price of which is affordable to a low- or moderate-income family for a minimum period, as determined by the applicable county.
3. Defines "Eligible project" as a project on a discrete parcel of land that will be developed for either of the following:
 - a. A building for a commercial, industrial, resort, or commercial-, industrial-, or resort-emphasis mixed use; or
 - b. A multi-family dwelling.
4. Defines "Eligible subdivision" as a subdivision or consolidation of land that will result in separate parcels zoned for residential, commercial, industrial, resort, or commercial-, industrial-, or resort-emphasis mixed use.

The bill will allow counties to exact, through what is represented as "inclusionary zoning, a yet to be determined affordable housing requirement for any project that seeks zoning, building permit or subdivision.

The bill fails to recognize the different roles of government. Counties are able to pass

inclusionary zoning requirements right now and do not need this type of legislation. The focus should be on creating **consistency by developing inclusionary zoning standards** among the counties in how the inclusionary zoning laws were applied. For example:

1. Set the income range at 80% to 140% of HUD median income for each county.
2. Set the affordable requirement at 30% of the total number of units with 10% of the 30% built to service the 80% and below income group.
3. Require each county to include incentives such as density bonuses that are provided when inclusionary zoning is used on a project.
4. Establish a standard formula for all counties that determines the appropriate size house for the target income group and price range.

It is also inappropriate to allow inclusionary zoning requirements to be imposed at the building permit and subdivision stages of a development. Building permits and subdivision approvals should be viewed as “ministerial” approvals that are intended to protect the public health and safety. It is bad practice to impose these types of exactions at the ministerial permitting of projects. The proposed bill creates too much risk and uncertainty, and also elevates the ministerial approval process (i.e. building permits and subdivision) to a discretionary form of the entitlement process. Why is this good public policy to make the process of building homes longer and less predictive?

We are disappointed that a public policy body such as the legislature has not focused on developing an overarching public policy on Housing in the state. Which we believe to be that the Hawaii housing market lacks sufficient supply of homes at all income groups. It should also identify the three different housing income groups that need to be serviced, with a recognition and acceptance of responsibility of Government to provide for the “public housing” or those units that can only be built with substantial government financial support. The three categories are:

1. Public Housing (+/- 60% and below HUD median income);
2. Affordable/Workforce Housing (up to 140% of HUD median income);
3. Market Housing (140% and up of HUD median income).

Thank you for this opportunity to express our views.

Karen I. Nakamura



**The Chamber of
Commerce of Hawaii**

Since 1850

**Testimony to the House Committee on Human Services & Housing
Tuesday, February 12, 2008 at 8:40 a.m.
Conference Room 329, State Capitol**

RE: HOUSE BILL NO. 2242 RELATING TO COUNTIES

Chair Shimabukuro, Vice Chair Rhoads, and Members of the Committee:

My name is Christine Camp, Chair of The Chamber of Commerce of Hawaii, Land Use and Transportation Committee. The Chamber of Commerce of Hawaii is strongly opposed to HB 2242.

The Chamber is the largest business organization in Hawaii, representing 1100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. The organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

H.B. No. 2242 proposes to authorize each county to impose upon certain subdividers or developers an affordable housing requirement as a condition for approval of a subdivision or issuance of a building permit.

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Page 2
The Chamber of Commerce of Hawaii Testimony on HB 2242
February 12, 2008

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