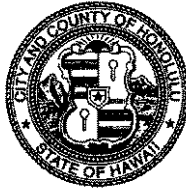


DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

February 6, 2008

The Honorable Russell S. Kokubun, Chair
and Members of the Committee on Consumer
Protection and Affordable Housing

The Honorable Lorraine R. Inouye, Chair
and Members of the Committee on
Intergovernmental and Government Affairs
Senate
State Capital
Honolulu, Hawaii 96813

Dear Chairs Kokubun, Inouye and Members:

**Subject: Senate Bill 2293
Relating to Affordable Housing**

The Department of Planning and Permitting is a strong supporter of affordable housing, but must **oppose** SB 2293 because the bill lacks clarity, infringes on home rule, and appears to be designed to fit one specific situation.

The bill would exempt new multi-family condominium developments of 50 or more units per acre on privately owned lands or lands owned temporarily by the State or any county for a period of less than 12 months as a facilitator of affordable housing from a shared equity program and the 10-year occupancy requirements and transfer restrictions stipulated elsewhere in Section 201H, Hawaii Revised Statutes (HRS). The bill would also not require these housing units to be on the same parcel of land as any required market-priced housing development, and require the areas of the affordable housing development and the market-priced housing development to be of equal square footage.

First, we are not clear about the intent of the bill. If it is to restrict each county council from imposing occupancy and buy-back requirements on projects for which the county grants exemptions from planning, zoning, and construction standards pursuant to Section 201H, HRS, we strongly object. To ensure that a public benefit remains, e.g., the continued availability of an affordable housing unit to a second generation of buyers after the initial sale, the county should retain the flexibility to impose buy-back or shared appreciation requirements when deemed appropriate.

Second, why is it important to determine eligibility by density—50 units per acre—rather than the number of units in a project?

The Honorable Russell S. Kokubun, Chair
and Members of the Committee on Consumer
Protection and Affordable Housing

The Honorable Lorraine R. Inouye, Chair
and Members of the Committee on
Intergovernmental and Government Affairs

Senate

Re: Senate Bill 2293

February 6, 2008

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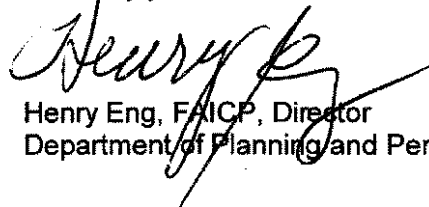
This department and the Honolulu City Council have long supported affordable rental projects as shown by past Council approvals of exemptions from planning, zoning and other development standards for projects under the "201H" exemption program. Thus, we believe that each county should continue to retain the ability to impose certain restrictions on high density development, such as projects with 50 or more units per acre that are the subject of SB 2293. Our council needs to retain the flexibility to impose occupancy or buy-back restrictions, based on the economic circumstances of the time.

The department is also concerned about the provision in SB 2293 that does not require these multi-family housing condominium developments to be on the same parcel of land as required market-priced housing. Frequently, projects developed with exemptions pursuant to 201H, HRS, have both affordable and market-priced housing in the same development. This provides for social and economic integration of our county's population. Therefore, we are puzzled at this proposal for segregation.

Lastly, we are puzzled by the mention of rental projects under the sub-title, but the provisions themselves only make reference to condominium projects.

We ask that this bill be filed. Thank you for the opportunity to testify.

Sincerely yours,



Henry Eng, FAICP, Director
Department of Planning and Permitting

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sb2993eh.doc

February 4, 2008

Senator Russell S. Kokubun
Chairman
Committee on Commerce, Consumer Protection & Affordable Housing

Senator Lorraine R. Inouye
Chairman
Committee on Intergovernmental and Military Affairs

Sent via email: testimony@capitol.hawaii.gov

Re: SB 2293 Relating to Affordable Housing **(In Support)**

Dear Chairs Kokubun and Inouye:

I am Steven Ohata, Senior Vice President of Central Pacific HomeLoans, testifying in support of SB 2293 both as a concerned citizen and having been in the financial services industry for 20 years.

This bill will encourage development of workforce housing by exempting new multi-family housing condominium developments of fifty units or more per acre on privately owned lands from shared appreciation requirements and by reducing the 10-year occupancy requirements to 3-years. The easing of these restrictions would increase the desirability of such housing and would encourage more 201-H developments.

Central Pacific Bank is very active in residential construction lending and its subsidiary, Central Pacific HomeLoans is one of the largest individual residential mortgage lenders. There is a large void in affordable housing inventory – this measure would encourage developers to build workforce housing in this price point.

Thank you for your consideration off this bill and for the opportunity to submit testimony.

Sincerely,

Steven Ohata
Senior Vice President
Email: sohata@cp-homeloans.com