

**BIA-HAWAII**  
BUILDING INDUSTRY ASSOCIATION

February 11, 2009

Representative Rida Cabanilla, Chair  
House Committee on Housing  
Representative Ken Ito, Chair  
House Committee on Water, Land & Ocean Resources  
State Capitol, Room 309  
415 South King Street  
Honolulu, Hawaii 96813

Dear Chairs Cabanilla: and Ito and Members of the Committees:

**Subject: House Affordable Housing Bills**

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 will be providing testimony on the following bills dealing with affordable housing.

<b>Bill No.</b>	<b>Proposal</b>	<b>Comments</b>
HB 361	Amends Chapter 201H to expedite the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the State or county within 45 days of county council approval of the project.	<b>Support</b>
HB 363	Amends Chapter 46 and requires the Counties to provide incentives for the development of affordable housing that may include but are not limited to density bonuses, height waivers, cluster zoning, greater design flexibility, procurement exemptions, waiving water and sewer connection fees, priority infrastructure financing, and site flexibility.	<b>Support</b>
HB 354	Amends Chapter 46 and requires the Counties to accept or reject a dedication request from an affordable, workforce, mixed use, or rental housing project constructed under chapter 201H to connect its infrastructure to the county's infrastructure. If not accepted within 60 days, of filing the request, the infrastructure automatically is dedicated to the County.	<b>Support</b>
HB 1189	Amends Chapter 205 and requires the petitioners for reclassification of district boundaries and developers of 25 or more housing units provide for at least 60% of the units to be affordable housing, of which 25% going to the households earning up to 80% of the area median income.	<b>Oppose</b>

As a matter of background in 2005, the Legislature recognizes that the lack of affordable housing in Hawaii has become a significant problem affecting all segments of society. Each legislative session, more and more people from all walks of life have come to testify on legislative measures related to affordable housing and homelessness. In response to this need, the Legislature passed Act 196, Session Laws of Hawaii 2005 (the "Omnibus Affordable Housing Act"), which included the following:

1. Sale or lease of decommissioned public housing at low cost for renovation by private entities;
2. Use of the dwelling unit revolving fund for permanent construction financing;
3. Increase in the low-income housing tax credit;
4. Grants for low-income rental units;
5. Exemption from the conveyance tax when property is transferred for low-income housing projects;
6. Use of rental housing trust fund moneys for mixed-income affordable housing projects; and
7. Extending the general excise tax exemption for certified housing projects to affordable rental housing.

While Act 196 established measurable goals and laid the foundation for continued progress, more action is clearly needed. Accordingly, the *Joint Legislative Housing and Homeless Task Force* was established by the Act to develop more immediate solutions that can be implemented in the near future to help ease Hawaii's housing shortage and the needs of the homeless.

The Task Force proposed a five-year plan with the goal of developing a substantial number of affordable housing units, as well as an increased number of accommodations and services available to the homeless.

It also recommended that the State become more actively involved in several major areas of concern, including:

1. Leveraging more sources of financing for affordable housing;
2. Making available more public land for the development of affordable housing;
3. Streamlining government approvals and permitting of affordable housing projects;
4. Building more offsite infrastructure to serve affordable housing;
5. Appropriating additional funds for transitional housing, shelters, and services for the homeless population; and
6. Preserving and maintaining the existing stock of public housing and rental units, much of which is badly deteriorated, subject to high vacancy rates and long turnover times, and otherwise not available for needy tenants.

In order to achieve this, the Task Force recommended that the Legislature adopt a five-year plan to implement solutions in each area of concern. Priority actions would include but not be limited to:

- (1) Increase the allocation of conveyance tax revenues to the rental housing trust fund to at least fifty percent, to finance development of at least an additional 2,300 rental units over the next five years (5,238 units if leveraged with other sources).
- (2) Appropriate \$20,000,000 to fund immediate and near-term solutions to the homeless problem through grants-in-aid to innovative nonprofit organizations.
- (3) Create further incentives such as a new noncompetitive state low-income housing tax credit of ten to fifteen percent of project eligible basis, unconstrained by federal law, to leverage private investment funds for development of low- and moderate-income units.
- (4) Identify private and public lands available for affordable housing development, including small state-owned parcels suitable for construction of self-help homes.

- (5) Appropriate approximately \$10,000,000 to repair and modernize 825 vacant units in federal and state public housing projects.

We would strongly suggest that this Committee review the report and assess implementation of the recommendations made as a result of the prior Legislative action.

The underlying problem in the State and all of its counties is the continuing critical shortage of affordable housing. As a matter of policy, the Legislature should recognize that the cyclical housing problems in the State are a function of the overall lack of supply of housing in general.

For many years, government has attempted to address the need for housing by imposing affordable housing requirements on private developers seeking zone changes to permit large residential developments. These requirements have been contained in Unilateral Agreements executed and recorded by the developer/landowner and made a part of zone changes.

However, the Legislature realized that there are segments of the housing market that cannot be accommodated by the private sector developers. What is needed is a comprehensive approach to address the existing and future housing needs for the residents of the State.

The purpose of this policy is to establish clear and comprehensive housing program to address Oahu's pressing needs for housing.

The housing market can be grouped into the following three basic segments with the associated "tools" listed that would increase the overall supply in the particular market segment:

1. Public Assisted Housing (Rentals)

The Public Assistance group is defined as household with annual income of 60% and below of the HUD median income for a family of four. This group requires significant public financial assistance in building and/or operating housing units

- a. Tools

- i. .5% Real Property Tax—The recent City Charter Amendment allows for the .5% of the annual real property taxes in the City and County of Honolulu to be used for affordable housing to those in the 50% and below income group;
- ii. Direct subsidies, grants and appropriations;
- iii. Low Income Federal Tax Credits;
- iv. Other?

2. Affordable/Workforce Housing (For Sale and Rentals)

The Affordable/Workforce Housing group is defined as households with annual income between 61% and 80% for rentals and between 81% and 140% for sale of the HUD median income for a family of four.

- a. Tools

- i. Inclusionary zoning (i.e. 30% of the units priced at affordable);

- ii. Target and construct infrastructure capacity in areas where the City identifies for growth;
- iii. Incentives:
  - 1. Permitting—discretionary versus ministerial approvals
  - 2. Density bonus to off-set affordable/workforce units
  - 3. Other?

3. Market Housing (For Sale and Rentals)

The Market Housing group is defined as households with annual income above 141% of the HUD median income for a family of four.

b. Tools

- i. Target and construct infrastructure capacity in areas where the City identifies for growth;
- ii. Target communities for more market units if more than 30% of the total units in the area are priced for affordable/workforce households
- iii. Incentives:
  - 1. Permitting—discretionary versus ministerial approvals
  - 2. Other?

The overall goal of the proposed legislation should be to increase the supply of housing for all income levels. This can be done by stimulating the market in certain areas to provide more incentives to build targeted housing product types. This approach allows the policy makers to focus on increasing unit counts in the various product types as opposed to trying to “regulate” the market.

It provides a different approach to increasing the supply of housing in Hawaii by reducing the uncertainty in the development of the targeted product types and allow for a variety of delivery options depending on market conditions. It also allows the market conditions to dictate supply of product type.

We appreciate the opportunity to express our views on this matter.



Executive Vice President & Chief Executive Officer  
BIA-Hawaii



**February 11, 2009**

Representative Rida Cabanilla, Chair  
 HOUSE COMMITTEE ON HOUSING  
 State Capitol, Room 309  
 415 South King Street  
 Honolulu, Hawaii 96813

Dear Chair Cabanilla:

**Subject: House Affordable Housing Bills**

My name is Dean Uchida, Vice President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

The HDC will be providing testimony on the following bills dealing with affordable housing.

<b>Bill No.</b>	<b>Proposal</b>	<b>Comments</b>
HB 361	Amends Chapter 201H to expedite the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the State or county within 45 days of county council approval of the project.	<b>Support</b>
HB 363	Amends Chapter 46 and requires the Counties to provide incentives for the development of affordable housing that may include but are not limited to density bonuses, height waivers, cluster zoning, greater design flexibility, procurement exemptions, waiving water and sewer connection fees, priority infrastructure financing, and site flexibility.	<b>Support</b>
HB 354	Amends Chapter 46 and requires the Counties to accept or reject a dedication request from an affordable, workforce, mixed use, or rental housing project constructed under chapter 201H to connect its infrastructure to the county's infrastructure. If not accepted within 60 days, of filing the request, the infrastructure automatically is dedicated to the County.	<b>Support</b>
HB 1189	Amends Chapter 205 and requires the petitioners for reclassification of district boundaries and developers of 25 or more housing units provide for at least 60% of the units to be affordable housing, of which 25% going to the households earning up to 80% of the area median income.	<b>Oppose</b>

As a matter of background in 2005, the Legislature recognizes that the lack of affordable housing in Hawaii has become a significant problem affecting all segments of society. Each

legislative session, more and more people from all walks of life have come to testify on legislative measures related to affordable housing and homelessness. In response to this need, the Legislature passed Act 196, Session Laws of Hawaii 2005 (the "Omnibus Affordable Housing Act"), which included the following:

1. Sale or lease of decommissioned public housing at low cost for renovation by private entities;
2. Use of the dwelling unit revolving fund for permanent construction financing;
3. Increase in the low-income housing tax credit;
4. Grants for low-income rental units;
5. Exemption from the conveyance tax when property is transferred for low-income housing projects;
6. Use of rental housing trust fund moneys for mixed-income affordable housing projects; and
7. Extending the general excise tax exemption for certified housing projects to affordable rental housing.

While Act 196 established measurable goals and laid the foundation for continued progress, more action is clearly needed. Accordingly, the *Joint Legislative Housing and Homeless Task Force* was established by the Act to develop more immediate solutions that can be implemented in the near future to help ease Hawaii's housing shortage and the needs of the homeless.

The Task Force proposed a five-year plan with the goal of developing a substantial number of affordable housing units, as well as an increased number of accommodations and services available to the homeless.

It also recommended that the State become more actively involved in several major areas of concern, including:

1. Leveraging more sources of financing for affordable housing;
2. Making available more public land for the development of affordable housing;
3. Streamlining government approvals and permitting of affordable housing projects;
4. Building more offsite infrastructure to serve affordable housing;
5. Appropriating additional funds for transitional housing, shelters, and services for the homeless population; and
6. Preserving and maintaining the existing stock of public housing and rental units, much of which is badly deteriorated, subject to high vacancy rates and long turnover times, and otherwise not available for needy tenants.

In order to achieve this, the Task Force recommended that the Legislature adopt a five-year plan to implement solutions in each area of concern. Priority actions would include but not be limited to:

- (1) Increase the allocation of conveyance tax revenues to the rental housing trust fund to at least fifty percent, to finance development of at least an additional 2,300 rental units over the next five years (5,238 units if leveraged with other sources).
- (2) Appropriate \$20,000,000 to fund immediate and near-term solutions to the homeless problem through grants-in-aid to innovative nonprofit organizations.

- (3) Create further incentives such as a new noncompetitive state low-income housing tax credit of ten to fifteen percent of project eligible basis, unconstrained by federal law, to leverage private investment funds for development of low- and moderate-income units.
- (4) Identify private and public lands available for affordable housing development, including small state-owned parcels suitable for construction of self-help homes.
- (5) Appropriate approximately \$10,000,000 to repair and modernize 825 vacant units in federal and state public housing projects.

We would strongly suggest that this Committee review the report and assess implementation of the recommendations made as a result of the prior Legislative action.

The underlying problem in the State and all of its counties is the continuing critical shortage of affordable housing. As a matter of policy, the Legislature should recognize that the cyclical housing problems in the State are a function of the overall lack of supply of housing in general.

For many years, government has attempted to address the need for housing by imposing affordable housing requirements on private developers seeking zone changes to permit large residential developments. These requirements have been contained in Unilateral Agreements executed and recorded by the developer/landowner and made a part of zone changes.

However, the Legislature realized that there are segments of the housing market that cannot be accommodated by the private sector developers. What is needed is a comprehensive approach to address the existing and future housing needs for the residents of the State.

The purpose of this policy is to establish clear and comprehensive housing program to address Oahu's pressing needs for housing.

The housing market can be grouped into the following three basic segments with the associated "tools" listed that would increase the overall supply in the particular market segment:

1. Public Assisted Housing (Rentals)

The Public Assistance group is defined as household with annual income of 60% and below of the HUD median income for a family of four. This group requires significant public financial assistance in building and/or operating housing units

- a. Tools

- i. .5% Real Property Tax—The recent City Charter Amendment allows for the .5% of the annual real property taxes in the City and County of Honolulu to be used for affordable housing to those in the 50% and below income group;
- ii. Direct subsidies, grants and appropriations;
- iii. Low Income Federal Tax Credits;
- iv. Other?

2. Affordable/Workforce Housing (For Sale and Rentals)

The Affordable/Workforce Housing group is defined as households with annual income between 61% and 80% for rentals and between 81% and 140% for sale of the HUD median income for a family of four.

- a. Tools
  - i. Inclusionary zoning (i.e. 30% of the units priced at affordable);
  - ii. Target and construct infrastructure capacity in areas where the City identifies for growth;
  - iii. Incentives:
    - 1. Permitting—discretionary versus ministerial approvals
    - 2. Density bonus to off-set affordable/workforce units
    - 3. Other?

3. Market Housing (For Sale and Rentals)

The Market Housing group is defined as households with annual income above 141% of the HUD median income for a family of four.

- b. Tools
  - i. Target and construct infrastructure capacity in areas where the City identifies for growth;
  - ii. Target communities for more market units if more than 30% of the total units in the area are priced for affordable/workforce households
  - iii. Incentives:
    - 1. Permitting—discretionary versus ministerial approvals
    - 2. Other?

The overall goal of the proposed legislation should be to increase the supply of housing for all income levels. This can be done by stimulating the market in certain areas to provide more incentives to build targeted housing product types. This approach allows the policy makers to focus on increasing unit counts in the various product types as opposed to trying to “regulate” the market.

It provides a different approach to increasing the supply of housing in Hawaii by reducing the uncertainty in the development of the targeted product types and allow for a variety of delivery options depending on market conditions. It also allows the market conditions to dictate supply of product type.

We appreciate the opportunity to express our views on this matter.





**HOUSE COMMITTEE ON HOUSING**

**February 11, 2009  
 State Capitol, Room 309  
 415 South King Street  
 Honolulu, Hawaii 96813**

Subject: House Affordable Housing Bills

Chair Cabanilla and members of the committee:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber of Commerce of Hawaii will be providing testimony on the following bills dealing with affordable housing.

<b>Bill No.</b>	<b>Proposal</b>	<b>Comments</b>
HB 361	Amends Chapter 201H to expedite the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the State or county within 45 days of county council approval of the project.	<b>Support</b>
HB 363	Amends Chapter 46 and requires the Counties to provide incentives for the development of affordable housing that may include but are not limited to density bonuses, height waivers, cluster zoning, greater design flexibility, procurement exemptions, waiving water and sewer connection fees, priority infrastructure financing, and site flexibility.	<b>Support</b>
HB 354	Amends Chapter 46 and requires the Counties to accept or reject a dedication request from an affordable, workforce, mixed use, or rental housing project constructed under chapter 201H to connect its infrastructure to the county's infrastructure. If not accepted within 60 days, of filing the request, the infrastructure automatically is dedicated to the County.	<b>Support</b>
HB 1189	Amends Chapter 205 and requires the petitioners for reclassification of district boundaries and developers of 25 or more housing units provide for at least 60% of the units to be affordable housing, of which 25% going to the households earning up to 80% of the area median income.	<b>Oppose</b>

As a matter of background in 2005, the Legislature recognizes that the lack of affordable housing in Hawaii has become a significant problem affecting all segments of society. Each legislative session, more and more people from all walks of life have come to testify on legislative measures related to affordable housing and homelessness. In response to this need, the Legislature passed Act 196, Session Laws of Hawaii 2005 (the "Omnibus Affordable Housing Act"), which included the following:

1. Sale or lease of decommissioned public housing at low cost for renovation by private entities;

2. Use of the dwelling unit revolving fund for permanent construction financing;
3. Increase in the low-income housing tax credit;
4. Grants for low-income rental units;
5. Exemption from the conveyance tax when property is transferred for low-income housing projects;
6. Use of rental housing trust fund moneys for mixed-income affordable housing projects; and
7. Extending the general excise tax exemption for certified housing projects to affordable rental housing.

While Act 196 established measurable goals and laid the foundation for continued progress, more action is clearly needed. Accordingly, the *Joint Legislative Housing and Homeless Task Force* was established by the Act to develop more immediate solutions that can be implemented in the near future to help ease Hawaii's housing shortage and the needs of the homeless.

The Task Force proposed a five-year plan with the goal of developing a substantial number of affordable housing units, as well as an increased number of accommodations and services available to the homeless.

It also recommended that the State become more actively involved in several major areas of concern, including:

1. Leveraging more sources of financing for affordable housing;
2. Making available more public land for the development of affordable housing;
3. Streamlining government approvals and permitting of affordable housing projects;
4. Building more offsite infrastructure to serve affordable housing;
5. Appropriating additional funds for transitional housing, shelters, and services for the homeless population; and
6. Preserving and maintaining the existing stock of public housing and rental units, much of which is badly deteriorated, subject to high vacancy rates and long turnover times, and otherwise not available for needy tenants.

In order to achieve this, the Task Force recommended that the Legislature adopt a five-year plan to implement solutions in each area of concern. Priority actions would include but not be limited to:

- (1) Increase the allocation of conveyance tax revenues to the rental housing trust fund to at least fifty percent, to finance development of at least an additional 2,300 rental units over the next five years (5,238 units if leveraged with other sources).
- (2) Appropriate \$20,000,000 to fund immediate and near-term solutions to the homeless problem through grants-in-aid to innovative nonprofit organizations.
- (3) Create further incentives such as a new noncompetitive state low-income housing tax credit of ten to fifteen percent of project eligible basis, unconstrained by federal law, to leverage private investment funds for development of low- and moderate-income units.
- (4) Identify private and public lands available for affordable housing development, including small state-owned parcels suitable for construction of self-help homes.

- (5) Appropriate approximately \$10,000,000 to repair and modernize 825 vacant units in federal and state public housing projects.

We would strongly suggest that this Committee review the report and assess implementation of the recommendations made as a result of the prior Legislative action.

The underlying problem in the State and all of its counties is the continuing critical shortage of affordable housing. As a matter of policy, the Legislature should recognize that the cyclical housing problems in the State are a function of the overall lack of supply of housing in general.

For many years, government has attempted to address the need for housing by imposing affordable housing requirements on private developers seeking zone changes to permit large residential developments. These requirements have been contained in Unilateral Agreements executed and recorded by the developer/landowner and made a part of zone changes.

However, the Legislature realized that there are segments of the housing market that cannot be accommodated by the private sector developers. What is needed is a comprehensive approach to address the existing and future housing needs for the residents of the State.

The purpose of this policy is to establish clear and comprehensive housing program to address Oahu's pressing needs for housing.

The housing market can be grouped into the following three basic segments with the associated "tools" listed that would increase the overall supply in the particular market segment:

1. Public Assisted Housing (Rentals)

The Public Assistance group is defined as household with annual income of 60% and below of the HUD median income for a family of four. This group requires significant public financial assistance in building and/or operating housing units

- a. Tools

- i. .5% Real Property Tax—The recent City Charter Amendment allows for the .5% of the annual real property taxes in the City and County of Honolulu to be used for affordable housing to those in the 50% and below income group;
- ii. Direct subsidies, grants and appropriations;
- iii. Low Income Federal Tax Credits;
- iv. Other?

2. Affordable/Workforce Housing (For Sale and Rentals)

The Affordable/Workforce Housing group is defined as households with annual income between 61% and 80% for rentals and between 81% and 140% for sale of the HUD median income for a family of four.

- a. Tools

- i. Inclusionary zoning (i.e. 30% of the units priced at affordable);
- ii. Target and construct infrastructure capacity in areas where the City identifies for growth;

- iii. Incentives:
  - 1. Permitting—discretionary versus ministerial approvals
  - 2. Density bonus to off-set affordable/workforce units
  - 3. Other?

3. Market Housing (For Sale and Rentals)

The Market Housing group is defined as households with annual income above 141% of the HUD median income for a family of four.

- b. Tools
  - i. Target and construct infrastructure capacity in areas where the City identifies for growth;
  - ii. Target communities for more market units if more than 30% of the total units in the area are priced for affordable/workforce households
  - iii. Incentives:
    - 1. Permitting—discretionary versus ministerial approvals
    - 2. Other?

The overall goal of the proposed legislation should be to increase the supply of housing for all income levels. This can be done by stimulating the market in certain areas to provide more incentives to build targeted housing product types. This approach allows the policy makers to focus on increasing unit counts in the various product types as opposed to trying to “regulate” the market.

It provides a different approach to increasing the supply of housing in Hawaii by reducing the uncertainty in the development of the targeted product types and allow for a variety of delivery options depending on market conditions. It also allows the market conditions to dictate supply of product type.

We appreciate the opportunity to express our views on this matter.



## KAMEHAMEHA SCHOOLS

Testimony to the House Committee on Housing  
and the House Committee on Water, Land and Ocean Resources  
Hearing Date: Wednesday, February 11, 2009  
9:00a.m. – Conference Room 325

*Sydney Keli'ipuleole*  
*Director, Residential Assets Division*  
*Kamehameha Schools*

Thank you for the opportunity to comment on HB No. 1189.

Kamehameha Schools respectfully opposes this measure.

Kamehameha Schools broadly supports the increasing availability of affordable housing throughout Hawai'i. We believe that the housing crisis in Hawai'i is real and requires immediate action. We also believe it is critically important to implement policies that will result in the construction of new affordable units (or retention of existing supply) and not have the unintended and ironic consequence of inhibiting construction altogether.

Our overarching comment is that provisions in statute, rules and policies concerning affordable housing must be viewed collectively for their contribution to an overall effective policy that promotes actual development of affordable housing. Legislating a prescribed percentage of "affordable" units in specific districts or communities will not accomplish the desired result. To be truly effective, we must find ways to build low-to-gap group housing throughout our state. We believe that a range of strategies will help provide realistic options for many Hawaii residents. We want to engage in constructive dialog with you and key stakeholders and thank you for allowing us to highlight several key issues. Unfortunately, this measure will not accomplish that objective.

567 South King Street • Honolulu, Hawai'i 96813-3036 • Phone 808-523-6200

*Founded and Endowed by the Legacy of Princess Bernice Pauahi Bishop*



# Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803  
808.537.9019 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON AGRICULTURE  
HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES  
February 11, 2009, 9:00 A.M.

*(Testimony is 1 page long)*

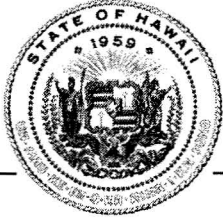
## TESTIMONY IN SUPPORT OF HB 1189

Chair Cabanilla, Chair Ito, and members of the Committees:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, submits the following testimony in support of HB 1189, requiring affordable housing to be built for at least 60% of all housing units.

Sometimes the simplest procedures are the best. By requiring affordable housing to be built as a condition of a housing project, we ensure that affordable homes are actually built. Without this requirement, developers will also choose to build homes that maximize profits, i.e., multimillion exclusive estates. Let's make development work for Hawai'i for a change.

Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

**LINDA LINGLE**  
GOVERNOR  
**THEODORE E. LIU**  
DIRECTOR  
**MARK K. ANDERSON**  
DEPUTY DIRECTOR  
**ABBEY SETH MEYER**  
DIRECTOR  
OFFICE OF PLANNING

**OFFICE OF PLANNING**

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846  
Fax: (808) 587-2824

Statement of  
**ABBEY SETH MEYER**  
Director, Office of Planning  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON HOUSING  
AND  
HOUSE COMMITTEE ON WATER, LAND AND OCEAN RESOURCES**  
Wednesday, February 11, 2009  
9:00 AM  
State Capitol, Conference Room 325

in consideration of  
**HB 1189**  
**RELATING TO HOUSING.**

Chairs Cabanilla and Ito, Vice Chairs Chong and Har, and Members of the House Committees on Housing and Water, Land and Ocean Resources.

The Office of Planning (OP) opposes House Bill 1189. This measure amends Section 205-17, Hawaii Revised Statutes to allow the State Land Use Commission, in its review of any petition for reclassification and any development of twenty-five or more housing units, to consider affordable housing opportunities, including rental housing, and to require that 60 percent of all proposed housing units be dedicated and sold or rented to low, low-moderate, or gap group persons and families, of which 25 percent shall be sold or rented to households with incomes up to eighty percent of the area median income as determined by the United States Department of Housing and Urban Development. Our office is not in support of this bill.

It is the State's policy to allow the Counties to determine affordable housing requirements for private development projects.

The standard condition recommended by the Office of Planning to the State Land Use Commission is as follows:

Affordable Housing - Petitioner shall provide affordable housing opportunities for residents in the State of Hawaii in accordance with the applicable affordable housing requirements of the County. The location and distribution of the affordable housing or other

provisions for affordable housing shall be under such terms as may be mutually agreeable between the Petitioner and the County.

This condition defers to County house rule.

While OP is supportive of initiatives intending to increase the availability of affordable homes, a statewide blanket requirement of this type may not be financially feasible in many localities. Ultimately, this may contribute to continued housing shortages.

Thank you for the opportunity to testify.