LATE

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Senate Committee on Education and Housing
Hearing Date: Wednesday, February 04, 2009, 1:15 p.m. in CR 225

Testimony in Opposition of SB 758: Relating to Affordable Housing
(Directing Counties to designate 30% of units as affordable housing)

Honorable Chair Norman Sakamoto, Vice-Chair Michelle Kidani
and Members of the EDH Committee:

My name is Dave Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawai'i's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide our testimony **in opposition** of the SB 758, which adds a new section to HRS Section 201H that requires new for-sale housing developments to designate thirty percent as affordable housing for residents in the low or moderate-income ranges. LURF's position is that the determination of the number of units that should be reserved for low or income moderate-income residents should be left up to the counties, and not dictated by state law.

SB 758. The purpose of this bill is to increase the development of affordable housing by requiring new for sale housing developments to designate thirty per cent of the units as affordable housing for residents in the low- or moderate-income ranges.
SB 758 proposes that:

> Any law to the contrary notwithstanding, new for-sale housing developments ____ of ____ units or more per acre on privately owned lands and privately financed without federal, state, or county financing assistance or subsidies, including tax credits, shall designate thirty per cent of the units as affordable housing for residents in the low- or moderate-income ranges; provided that the affordable housing units shall be subject to the ten-year occupancy requirements and transfer restrictions in sections 201H-47 and 201H-49, respectively.

LURF's Position. Due to the unique characteristics of each county and the varying needs, it should be left up to the counties to decide what percentage of units should be designated for residents in the low-or moderate-income ranges. This bill also leaves the number of units blank – thus, it is unclear what size the development must be in order to be affected.

Thank you for the opportunity to express our views on this matter.