

LATE TESTIMONY



Via Capitol Website

February 9, 2009

**Senate Committees on Education and Housing &
Transportation, International and Intergovernmental Affairs
Hearing Date: Monday, February 9, 2009, 1:15 p.m. in CR 225**

Testimony in support of SB 735 – Relating to Affordable Housing
(Requires counties to identify and designate affordable housing receiving zones.)

Honorable Chairs Sakamoto/English, Vice-Chairs Kidani/Gabbard
& EDH-TIA Members:

My name is David 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 Hawaii's significant natural and cultural resources and public health and safety.

LURF is writing to provide testimony **in support** of **SB 735**, which requires counties to identify and designate affordable housing receiving zones to facilitate the development of affordable housing.

Background. The lack of affordable housing remains a significant problem affecting Hawaii. Finding ways to provide sufficient affordable housing and market housing for Hawaii's residents has been a major objective for our elected officials, and state and county agencies, and members of the housing industry and business community. For the past two years, LURF has participated in a statewide task force comprised of representatives from all four counties, business, labor, developers, architects, nonprofit providers of services, the State, and the legislature, whose purpose was to identify, address and propose regulatory reform and solutions to remove the barriers to the production of affordable housing.

SB 735. This bill implements the legislative recommendations of the task force by requiring the counties to identify and designate affordable housing, encourage and facilitate the development of affordable housing. The counties are best equipped to determine where affordable housing developments should be located within geographic

areas designated for population growth as determined in general plans adopted by the counties pursuant to section 226-58.

SB 735 adds a new section relating to receiving zones to Chapter 201H and, among other things, gives the power to the Hawaii Housing and Finance Development Corporation (HHFDC) to do the following:

- (1) Establish criteria for determining what areas qualify as affordable housing receiving zones; provided that no affordable housing receiving zone shall include any lands designated important agricultural lands or conservation lands; provided further that the criteria shall be the minimum required for implementation of the purpose of this part;
- (2) Monitor the implementation and operation of this part;
- (3) Conduct a continuing evaluation program of affordable housing receiving zones;
- (4) Assist counties in obtaining the reduction of rules within affordable housing receiving zones;
- (5) Submit annual reports evaluating the effectiveness of the program and any recommendations for legislation to the legislature and the governor;
- (6) Administer and enforce the rules adopted by the corporation; and
- (7) Administer this part in such a manner that the area to be designated as an affordable housing receiving zone will most benefit the area and the State.

The bill also sets forth criteria in which counties will follow in determining receiving zones.

LURF's Position. The housing crisis in Hawaii has affected many families who are now forced to live with extended families because of high costs. Access to affordable housing is critical to our communities and any further delay of any affordable housing projects will cause an even bigger crisis in the near future. The housing crisis is a statewide issue and working with counties to identify receiving zones will allow state and county leaders to focus resources where they will have significant impacts. In working with HHFDC and counties, affordable housing projects may be able to get off the ground at a faster pace.

Thank you for the opportunity to testify **in support** SB 735.