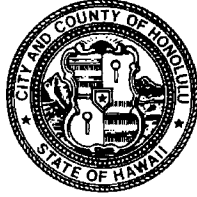


DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL  
MAYOR



KATHY K. SOKUGAWA  
ACTING DIRECTOR

TIMOTHY F. T. HIU  
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI  
DEPUTY DIRECTOR

January 31, 2020

The Honorable Stanley Chang, Chair  
and Members of the Committee on Housing  
The Honorable Kaiiali'i Kahele, Chair  
and Members of the Committee on Water and Land  
Hawaii State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Chang and Kahele, and Committee Members:

**Subject: Senate Bill No. 2652  
Relating to Housing, Exemption, Income Restrictions**

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 2652, which would drop income requirements for beneficiaries of affordable housing projects seeking exemptions from State and county processes and permits.

This Bill runs counter to decades-long State and county basic housing strategy which is to focus limited public resources on lower-income households not able to participate on their own in the housing market. Instead, this Bill replaces this strategy by changing the strategy to support housing production for Hawaii residents who do not own property.

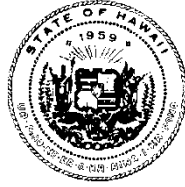
Inasmuch as Chapter 201H, HRS, is built around household income as a basis for defining beneficiaries of government housing support, we suggest this Chapter be reviewed comprehensively before making the single change reflected in Senate Bill No. 2652. This will create a coherent set of policies, programs and priorities.

Accordingly, we ask that Senate Bill No. 2652 be held in committee until amended as suggested. Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink that reads "Kathy K. Sokugawa".

Kathy K. Sokugawa  
Acting Director



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**DENISE ISERI-MATSUBARA**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WATER AND LAND  
SENATE COMMITTEE ON HOUSING**

January 31, 2020 at 1:15 p.m.  
State Capitol, Room 229

In consideration of  
**S.B. 2652**  
**RELATING TO HOUSING.**

The HHFDC **opposes** S.B. 2652. S.B. 2652 amends Section 201H-38(a), HRS, by adding a new subparagraph prohibiting income restrictions, provided the proposed housing project is built only for owner-occupants who are Hawaii residents who own no other real property.

We believe the intent of the measure is to remove income restriction on **for-sale** developments utilizing the 201H expedited approvals process. Therefore, if the joint committees decide to pass this measure, we suggest amending the bill by amending new subparagraph (4) currently located on page 3, lines 16 through 21 of the bill to read as follows:

- (4) If the proposed housing project is a for-sale project, does not require income restrictions, provided the proposed housing project is built only for:
- (A) Residents of the State of Hawaii;
  - (B) Who will be owner-occupants of the units; and
  - (C) Own no other real property; and

Thank you for the opportunity to testify.