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January 9, 2007

The Honorable Charles Djou, Chair, and Members
Zoning Committee, City Council
City and County of Honolulu, Honolulu Hale
Honolulu, Hawaii 96813

BY FACSIMILE: 527-5733

RE: Resolution No. 07-008 Proposing an Amendment to Chapter 21, ROH 1990 (The Land Use Ordinance), as amended, Relating Affordable Housing

Dear Chair Djou and Committee Members:

I am Dean Uchida, Executive Director of the Land Use Research Foundation of Hawaii (LURF), offering our comments on the subject resolution.

We understand that the proposed Resolution would amend Section 21 of the LUO by establishing multi-family dwellings as a permitted use in the B-2 zoning district, provided they qualify as affordable housing. The proposed ordinance further defines "affordable housing" as:

A building or group of buildings in a housing development where at least 75% of the dwelling units in the project are set aside in perpetuity for sale or rent based on the following allocation:

1. 65% are set aside for households with incomes at or below 120% of the HUD median income; and,
2. 10% are set aside for households with incomes at or below 80% of the HUD median income.

We generally are in support of any effort to encourage the construction of more affordable housing units in Hawaii; however, we are concerned on the proposed definition for affordable housing. Requiring 75% of the dwelling units in a project to be for incomes at or below 120% of the HUD median income may severely limit the viability of the project.

Unless there is some economic analysis to support this quota, we cannot support this inclusionary zoning exaction considering it is substantially higher than what has be customarily imposed on residential developments on Oahu.

Thank you for the opportunity to express our views.