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**From:** David Arakawa [darakawa@lurf.org]  
**Sent:** Wednesday, February 03, 2010 11:33 AM  
**To:** HSGtestimony  
**Cc:** 'Shannon Alivado'; uejo@hawaii.edu; 'Lynell Yuu'  
**Subject:** HB 2488 AFF HSG CONVEYANCE TAX 10% Increase for Homeless (HSG-WLO 2.3.10 @ 10AM)  
**Attachments:** 100203 HB 2488 10% Increase in Conveyance Tax for Homeless LURF (HSG-WLO 2.3.10).doc

Aloha Committee on Housing:

Attached is the testimony of the Land Use Research Foundation (LURF) in **strong opposition to HB 2488**, which will be heard by HSG/WLO:

**HEARING DATE:** Wednesday, February 3, 2010  
**HEARING TIME:** 10:00 AM  
**ROOM:** 325

Please feel free to contact us, if you have any questions.

Mahalo, Dave

David Z. Arakawa  
Executive Director  
Land Use Research Foundation  
of Hawaii  
700 Bishop Street, Suite 1928  
Honolulu, Hawaii 96813  
Telephone: (808) 521-4717, ext 11  
Cellular: (808) 783-9407  
Fax: (808) 536-0132  
E-mail: [darakawa@lurf.org](mailto:darakawa@lurf.org)  
[www.lurf.org](http://www.lurf.org)

**LATE TESTIMONY**

Mahalo,

Lynell Yuu (intern)

Land Use Research Foundation of Hawaii ("LURF")

(808) 521-4717, Ext. 13

[www.lurf.org](http://www.lurf.org)



LAND USE RESEARCH  
FOUNDATION OF HAWAII  
700 Bishop Street, Ste. 1928  
Honolulu, Hawaii 96813  
Phone 521-4717  
Fax 536-0132

LATE TESTIMONY

**Via E-Mail: HSGTestimony@Capitol.hawaii.gov**

**February 3, 2010**

**Opposition to HB 2488 Relating to the Homeless**  
**(10% conveyance tax increase on home for Homeless Parks)**

Honorable Chair Rida Cabanilla and Vice Chair Pono Chong and Members  
of the Committee on Housing:

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 Hawaii's significant natural and cultural resources and public health and safety.

LURF **strongly opposes this Bill 2488**, because it is an unfair and illogical tax and there is no rational nexus between the sale of homes over \$700,000 and conveyance system.

Our objections are based on the following:

- **Some homes over \$700,000 are purchased by large working-class families and multigenerational families.** Some large homes in working-class neighborhoods have had their property tax values increase over the years. This bill unfairly punishes large working-class families, or multi-generational families who wish to have live with elderly parents and grandparents who need care, by imposing an unreasonably large conveyance tax, which substantially increases in the cost of housing for large families who wish to live in single family homes in areas whose property values have appreciated over the years.
- **No Rational Nexus.** This bill is most objectionable because there is no rational nexus between a tax to financially support for the State conveyance tax system and financing the purchase and maintenance of state parks to serve the homeless.
- **Home Sales will be drastically reduced = No Funding for Homeless Parks.** This proposed conveyance tax is illogical at best. The effect of this bill is

that either there will be a drastic reduction in the sales of homes over \$700,000, or the real estate market will find other mechanisms for people to exchange value and live in such homes, thus avoiding the 10% increase in conveyance tax.

- **The Legislature should address other existing programs to assist the Homeless.** We are unaware of any homeless housing study that recommend that the State should raise more funding to purchase land and maintain parks for the homeless. Instead of using the conveyance tax system to address homeless problem by buying and maintaining public parks, we would respectfully recommend that the legislature may consider concentrating on efforts to support the various existing programs to assist the homeless.

**Questionable premise, intent and logic of HB 2488.** Increases by 10% the conveyance tax on the sale of homes over \$700,000 to finance the purchase, acquisition, design, and maintenance of state or county parks to serve the homeless population.

While we understand that the Homelessness continue to be a major concern for the Sate, and that despite some success providing shelters and services for the homeless, there appears to be an identifiable segment of the homeless population that has had difficulties transitioning into those shelters. It appears that these independent individuals prefer the freedom and openness of the outdoors and are drawn in growing numbers to local parks and beaches. This bill is based on the **very questionable premise** that providing the financing to acquire and maintain state parks to serve this segment of the homeless population will reduce many of the problems evident in several parks and beaches across the State.

We appreciate the opportunity to express our **strong opposition to HB 2488.**

LATE TESTIMONY