



LATE TESTIMONY

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Via Capitol Website

February 4, 2009

**House Committee on Housing
Hearing Date: Monday, February 04, 2009, 9:00 a.m. in CR 325**

**Testimony in Support of HB 357: Relating to Affordable Housing
(Third Party Review)**

**Testimony in Support of HB 360: Relating to Housing
(Expedited permitting for projects including affordable housing)**

Honorable Chair Rida Cabanilla, Vice Chair Pono Chong
and Members of the House 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 Hawai'i's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide our testimony **in support** of the following bills:

- **HB 357.** Generally allows state and county agencies to hire third party reviewers to facilitate the processing and issuance of building permits for affordable housing projects.
- **HB 360.** Expedites project reviews for mixed-use housing and related infrastructure projects to stimulate affordable housing development.

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. **HB 357** and **HB 360** are part of the legislative recommendations of that task force.

Basis for support

- **HB357** clarifies the authority of the counties and state agencies to hire outside third parties to handle permits and review approvals; the bill also limits the liability of those who conduct such third party reviews. There are processes in place at the state and counties to provide expedited reviews of affordable housing projects, however, there is usually a shortage of staff to do such reviews. Since 2005, the City and County of Honolulu has utilized third party professionals to assist in electrical and mechanical reviews of permits. This experience has proven that third party review can significantly shorten the review process time from months to weeks. These expedited reviews allow the timely development of housing projects, have a favorable effect on project entitlement and financing costs, and result in the production of more affordable residential units.
- **HB 360** allows for an expedited 201H review process for qualifying mixed-use housing projects and infrastructure projects which will provide at least twenty percent of the housing units for individuals and families that meet the affordable income threshold under section 201H-202(e)(2). The state's 201H expedited permitting process for affordable housing has proven to be successful in assisting with the production of affordable housing units, however, the process is currently limited only for affordable housing projects. Bill 360 will expand the expedited review to projects with a combination of different types of structures, including commercial, public facilities, industrial, low, moderate, workforce, affordable and market housing units and infrastructure to support such mixed-use projects. This legislation recognizes that developments which provide affordable housing often include other uses, and that the expedited approval of the entire mixed-use projects and supporting infrastructure will result in the timely production of more affordable housing units.

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