

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 11, 2009

Representative Rida Cabanilla, Chair
House Committee on Housing
Representative Ken Ito, Chair
House Committee on Water, Land & Ocean Resources
State Capitol, Room 309
415 South King Street
Honolulu, Hawaii 96813

Dear Chairs Cabanilla: and Ito and Members of the Committees:

Subject: House Affordable Housing Bills

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII will be providing testimony on the following bills dealing with affordable housing.

Bill No.	Proposal	Comments
HB 361	Amends Chapter 201H to expedite the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the State or county within 45 days of county council approval of the project.	Support
HB 363	Amends Chapter 46 and requires the Counties to provide incentives for the development of affordable housing that may include but are not limited to density bonuses, height waivers, cluster zoning, greater design flexibility, procurement exemptions, waiving water and sewer connection fees, priority infrastructure financing, and site flexibility.	Support
HB 354	Amends Chapter 46 and requires the Counties to accept or reject a dedication request from an affordable, workforce, mixed use, or rental housing project constructed under chapter 201H to connect its infrastructure to the county's infrastructure. If not accepted within 60 days, of filing the request, the infrastructure automatically is dedicated to the County.	Support
HB 1189	Amends Chapter 205 and requires the petitioners for reclassification of district boundaries and developers of 25 or more housing units provide for at least 60% of the units to be affordable housing, of which 25% going to the households earning up to 80% of the area median income.	Oppose

As a matter of background in 2005, the Legislature recognizes that the lack of affordable housing in Hawaii has become a significant problem affecting all segments of society. Each legislative session, more and more people from all walks of life have come to testify on legislative measures related to affordable housing and homelessness. In response to this need, the Legislature passed Act 196, Session Laws of Hawaii 2005 (the "Omnibus Affordable Housing Act"), which included the following:

1. Sale or lease of decommissioned public housing at low cost for renovation by private entities;
2. Use of the dwelling unit revolving fund for permanent construction financing;
3. Increase in the low-income housing tax credit;
4. Grants for low-income rental units;
5. Exemption from the conveyance tax when property is transferred for low-income housing projects;
6. Use of rental housing trust fund moneys for mixed-income affordable housing projects; and
7. Extending the general excise tax exemption for certified housing projects to affordable rental housing.

While Act 196 established measurable goals and laid the foundation for continued progress, more action is clearly needed. Accordingly, the *Joint Legislative Housing and Homeless Task Force* was established by the Act to develop more immediate solutions that can be implemented in the near future to help ease Hawaii's housing shortage and the needs of the homeless.

The Task Force proposed a five-year plan with the goal of developing a substantial number of affordable housing units, as well as an increased number of accommodations and services available to the homeless.

It also recommended that the State become more actively involved in several major areas of concern, including:

1. Leveraging more sources of financing for affordable housing;
2. Making available more public land for the development of affordable housing;
3. Streamlining government approvals and permitting of affordable housing projects;
4. Building more offsite infrastructure to serve affordable housing;
5. Appropriating additional funds for transitional housing, shelters, and services for the homeless population; and
6. Preserving and maintaining the existing stock of public housing and rental units, much of which is badly deteriorated, subject to high vacancy rates and long turnover times, and otherwise not available for needy tenants.

In order to achieve this, the Task Force recommended that the Legislature adopt a five-year plan to implement solutions in each area of concern. Priority actions would include but not be limited to:

- (1) Increase the allocation of conveyance tax revenues to the rental housing trust fund to at least fifty percent, to finance development of at least an additional 2,300 rental units over the next five years (5,238 units if leveraged with other sources).
- (2) Appropriate \$20,000,000 to fund immediate and near-term solutions to the homeless problem through grants-in-aid to innovative nonprofit organizations.
- (3) Create further incentives such as a new noncompetitive state low-income housing tax credit of ten to fifteen percent of project eligible basis, unconstrained by federal law, to leverage private investment funds for development of low- and moderate-income units.
- (4) Identify private and public lands available for affordable housing development, including small state-owned parcels suitable for construction of self-help homes.

- (5) Appropriate approximately \$10,000,000 to repair and modernize 825 vacant units in federal and state public housing projects.

We would strongly suggest that this Committee review the report and assess implementation of the recommendations made as a result of the prior Legislative action.

The underlying problem in the State and all of its counties is the continuing critical shortage of affordable housing. As a matter of policy, the Legislature should recognize that the cyclical housing problems in the State are a function of the overall lack of supply of housing in general.

For many years, government has attempted to address the need for housing by imposing affordable housing requirements on private developers seeking zone changes to permit large residential developments. These requirements have been contained in Unilateral Agreements executed and recorded by the developer/landowner and made a part of zone changes.

However, the Legislature realized that there are segments of the housing market that cannot be accommodated by the private sector developers. What is needed is a comprehensive approach to address the existing and future housing needs for the residents of the State.

The purpose of this policy is to establish clear and comprehensive housing program to address Oahu's pressing needs for housing.

The housing market can be grouped into the following three basic segments with the associated "tools" listed that would increase the overall supply in the particular market segment:

1. Public Assisted Housing (Rentals)

The Public Assistance group is defined as household with annual income of 60% and below of the HUD median income for a family of four. This group requires significant public financial assistance in building and/or operating housing units

a. Tools

- i. .5% Real Property Tax—The recent City Charter Amendment allows for the .5% of the annual real property taxes in the City and County of Honolulu to be used for affordable housing to those in the 50% and below income group;
- ii. Direct subsidies, grants and appropriations;
- iii. Low Income Federal Tax Credits;
- iv. Other?

2. Affordable/Workforce Housing (For Sale and Rentals)

The Affordable/Workforce Housing group is defined as households with annual income between 61% and 80% for rentals and between 81% and 140% for sale of the HUD median income for a family of four.

a. Tools

- i. Inclusionary zoning (i.e. 30% of the units priced at affordable);

- ii. Target and construct infrastructure capacity in areas where the City identifies for growth;
- iii. Incentives:
 - 1. Permitting—discretionary versus ministerial approvals
 - 2. Density bonus to off-set affordable/workforce units
 - 3. Other?

3. Market Housing (For Sale and Rentals)

The Market Housing group is defined as households with annual income above 141% of the HUD median income for a family of four.

b. Tools

- i. Target and construct infrastructure capacity in areas where the City identifies for growth;
- ii. Target communities for more market units if more than 30% of the total units in the area are priced for affordable/workforce households
- iii. Incentives:
 - 1. Permitting—discretionary versus ministerial approvals
 - 2. Other?

The overall goal of the proposed legislation should be to increase the supply of housing for all income levels. This can be done by stimulating the market in certain areas to provide more incentives to build targeted housing product types. This approach allows the policy makers to focus on increasing unit counts in the various product types as opposed to trying to “regulate” the market.

It provides a different approach to increasing the supply of housing in Hawaii by reducing the uncertainty in the development of the targeted product types and allow for a variety of delivery options depending on market conditions. It also allows the market conditions to dictate supply of product type.

We appreciate the opportunity to express our views on this matter.



Executive Vice President & Chief Executive Officer
BIA-Hawaii



February 11, 2009

Representative Rida Cabanilla, Chair
 HOUSE COMMITTEE ON HOUSING
 State Capitol, Room 309
 415 South King Street
 Honolulu, Hawaii 96813

Dear Chair Cabanilla:

Subject: House Affordable Housing Bills

My name is Dean Uchida, Vice President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

The HDC will be providing testimony on the following bills dealing with affordable housing.

Bill No.	Proposal	Comments
HB 361	Amends Chapter 201H to expedite the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the State or county within 45 days of county council approval of the project.	Support
HB 363	Amends Chapter 46 and requires the Counties to provide incentives for the development of affordable housing that may include but are not limited to density bonuses, height waivers, cluster zoning, greater design flexibility, procurement exemptions, waiving water and sewer connection fees, priority infrastructure financing, and site flexibility.	Support
HB 354	Amends Chapter 46 and requires the Counties to accept or reject a dedication request from an affordable, workforce, mixed use, or rental housing project constructed under chapter 201H to connect its infrastructure to the county's infrastructure. If not accepted within 60 days, of filing the request, the infrastructure automatically is dedicated to the County.	Support
HB 1189	Amends Chapter 205 and requires the petitioners for reclassification of district boundaries and developers of 25 or more housing units provide for at least 60% of the units to be affordable housing, of which 25% going to the households earning up to 80% of the area median income.	Oppose

As a matter of background in 2005, the Legislature recognizes that the lack of affordable housing in Hawaii has become a significant problem affecting all segments of society. Each

legislative session, more and more people from all walks of life have come to testify on legislative measures related to affordable housing and homelessness. In response to this need, the Legislature passed Act 196, Session Laws of Hawaii 2005 (the "Omnibus Affordable Housing Act"), which included the following:

1. Sale or lease of decommissioned public housing at low cost for renovation by private entities;
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5. Exemption from the conveyance tax when property is transferred for low-income housing projects;
6. Use of rental housing trust fund moneys for mixed-income affordable housing projects; and
7. Extending the general excise tax exemption for certified housing projects to affordable rental housing.

While Act 196 established measurable goals and laid the foundation for continued progress, more action is clearly needed. Accordingly, the *Joint Legislative Housing and Homeless Task Force* was established by the Act to develop more immediate solutions that can be implemented in the near future to help ease Hawaii's housing shortage and the needs of the homeless.

The Task Force proposed a five-year plan with the goal of developing a substantial number of affordable housing units, as well as an increased number of accommodations and services available to the homeless.

It also recommended that the State become more actively involved in several major areas of concern, including:

1. Leveraging more sources of financing for affordable housing;
2. Making available more public land for the development of affordable housing;
3. Streamlining government approvals and permitting of affordable housing projects;
4. Building more offsite infrastructure to serve affordable housing;
5. Appropriating additional funds for transitional housing, shelters, and services for the homeless population; and
6. Preserving and maintaining the existing stock of public housing and rental units, much of which is badly deteriorated, subject to high vacancy rates and long turnover times, and otherwise not available for needy tenants.

In order to achieve this, the Task Force recommended that the Legislature adopt a five-year plan to implement solutions in each area of concern. Priority actions would include but not be limited to:

- (1) Increase the allocation of conveyance tax revenues to the rental housing trust fund to at least fifty percent, to finance development of at least an additional 2,300 rental units over the next five years (5,238 units if leveraged with other sources).
- (2) Appropriate \$20,000,000 to fund immediate and near-term solutions to the homeless problem through grants-in-aid to innovative nonprofit organizations.

- (3) Create further incentives such as a new noncompetitive state low-income housing tax credit of ten to fifteen percent of project eligible basis, unconstrained by federal law, to leverage private investment funds for development of low- and moderate-income units.
- (4) Identify private and public lands available for affordable housing development, including small state-owned parcels suitable for construction of self-help homes.
- (5) Appropriate approximately \$10,000,000 to repair and modernize 825 vacant units in federal and state public housing projects.

We would strongly suggest that this Committee review the report and assess implementation of the recommendations made as a result of the prior Legislative action.

The underlying problem in the State and all of its counties is the continuing critical shortage of affordable housing. As a matter of policy, the Legislature should recognize that the cyclical housing problems in the State are a function of the overall lack of supply of housing in general.

For many years, government has attempted to address the need for housing by imposing affordable housing requirements on private developers seeking zone changes to permit large residential developments. These requirements have been contained in Unilateral Agreements executed and recorded by the developer/landowner and made a part of zone changes.

However, the Legislature realized that there are segments of the housing market that cannot be accommodated by the private sector developers. What is needed is a comprehensive approach to address the existing and future housing needs for the residents of the State.

The purpose of this policy is to establish clear and comprehensive housing program to address Oahu's pressing needs for housing.

The housing market can be grouped into the following three basic segments with the associated "tools" listed that would increase the overall supply in the particular market segment:

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- a. Tools

- i. .5% Real Property Tax—The recent City Charter Amendment allows for the .5% of the annual real property taxes in the City and County of Honolulu to be used for affordable housing to those in the 50% and below income group;
- ii. Direct subsidies, grants and appropriations;
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- iv. Other?

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- a. Tools
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 - i. Target and construct infrastructure capacity in areas where the City identifies for growth;
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The overall goal of the proposed legislation should be to increase the supply of housing for all income levels. This can be done by stimulating the market in certain areas to provide more incentives to build targeted housing product types. This approach allows the policy makers to focus on increasing unit counts in the various product types as opposed to trying to “regulate” the market.

It provides a different approach to increasing the supply of housing in Hawaii by reducing the uncertainty in the development of the targeted product types and allow for a variety of delivery options depending on market conditions. It also allows the market conditions to dictate supply of product type.

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HOUSE COMMITTEE ON HOUSING
February 11, 2009
State Capitol, Room 309
415 South King Street
Honolulu, Hawaii 96813

Subject: House Affordable Housing Bills

Chair Cabanilla and members of the committee:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber of Commerce of Hawaii will be providing testimony on the following bills dealing with affordable housing.

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We appreciate the opportunity to express our views on this matter.



KAMEHAMEHA SCHOOLS

February 10, 2009

TESTIMONY TO THE HOUSE COMMITTEE ON HOUSING
AND THE HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCE

By

Sydney W.C.K. Keli'ipuleole
Endowment/ Residential Assets Division
Kamehameha Schools

Hearing Date: Wednesday, February 11, 2009
9:00 a.m., Conference Room 325

RE: HB 361 – RELATING TO AFFORDABLE HOUSING.

To: Rep. Rida Cabanilla, Chair
Rep. Pono Chong, Vice Chair
Members of the Committee on Housing

Rep. Ken Ito, Chair
Rep. Sharon E. Har, Vice Chair
Members of the Committee on Water, Land, & Ocean Resources

Thank you for the opportunity to comment on HB No. 361, which expedites the construction of affordable housing units by requiring ministerial permits to be issued within 45 days of the project approval.

Kamehameha Schools supports this measure.

As we have stated in other testimony, KS believes is that provisions in statute, rules and policies concerning affordable housing must be viewed collectively for their contribution to an overall effective policy that promotes actual development of affordable housing. To achieve this desired outcome, we believe that a range of tools and strategies are needed.

HB No. 361 is positive legislation that promotes many of the tools and strategies we believe can facilitate development of more affordable housing in Hawai'i. We commend the legislature for its forward thinking approach.

We appreciate the opportunity to express our views on this measure.

567 South King Street • Honolulu, Hawai'i 96813-3036 • Phone 808-523-6200

Founded and Endowed by the Legacy of Princess Bernice Pauahi Bishop



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.537.9019 hawaii.chapter@sierraclub.org

HOUSE COMMITTEE ON AGRICULTURE
HOUSE COMMITTEE ON TOURISM, CULTURE, & INTERNATIONAL AFFAIRS
February 11, 2009, 9:00 A.M.

(Testimony is 1 page long)

TESTIMONY IN OPPOSITION TO HB 361

Chair Cabanilla, Chair Ito, and members of the Committees:

The Sierra Club, Hawai'i Chapter, with 5500 dues paying members statewide, submits the following testimony in opposition to HB 361, mandating that ministerial permits be approved within forty-five days after county council approval of the project.

As a foremost matter, the Sierra Club objects to the "automatic approval" of any permit, particularly with such a narrow time window. In a state that values its communities, environment, and citizens rights, automatic approval is simply poor policy. Permits should be granted on their merits, not by mistake. ***No community should suffer because government failed to perform.***

Moreover the Sierra Club observes this bill automatically approves all ministerial permits without requiring the developer to actually submit the pertinent application. Thus, all building, electrical and plumbing permits could be deemed "approved" even though no specific information has been submitted to the governing agency. This makes ***no*** sense.

Nor is there any provision to extend the review time if the developer fails to cooperate with the agency (such as responding to questions). This bill rewards gamesmanship and bad behavior by automatically approving the project, rather than ensuring that the public is protected.

Thank you for the opportunity to testify.



Via Capitol Website

February 11, 2009

**House Committee on Housing
and
House Committee on Water, Land and Ocean Resources
Wednesday, February 11, 2009 at 9:00 AM, CR 309**

Testimony in Support of **HB 361. Relating to Affordable Housing
(Expedited Ministerial Permits)**

The Honorable Chairs Cabanilla and Ito, Vice-Chair Chong/Har
And HSG-WLO Members:

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 is writing **in support** of **HB 361**, which is to expedite the construction of affordable housing units by requiring ministerial permits associated with the project to be issued by the State or county within 45 days of county council approval of the project.

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 361** is part of the legislative recommendations of that task force.

HB 361. The purpose of this bill is to place standard timeframes on agency issuance of ministerial permits for approved affordable housing projects.

This bill proposes to amend HRS §201H -38(4)(c) and makes the following provisions:

(c) State and county agencies shall issue any ministerial permits associated with any project approved pursuant to this section or section 46-15.1 within forty-five days from the time of approval by the legislative body of the applicable county; provided that the review procedure for ministerial permits performed by any state or county agency is limited to not more than two comprehensive reviews.

For the purposes of this subsection, "ministerial permits" means any nondiscretionary permit for which the permit administrator needs to determine only conformity with applicable ordinances before approving the project."

This bill would be effective July 1, 2009.

LURF's Position. HB 363 is part of the legislative recommendations of that task force. Although there is a process in place that provides an opportunity to approve affordable housing project proposals in an expedited manner at the state and county levels, the ministerial permits that are issued subsequent to project approval may take a significant amount of time to issue. This type of delay adds to the cost of an affordable housing project, which usually trickles down to the buyer or renter. Moreover, the delay lengthens the time it takes for a unit to be constructed and habitable.

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 type projects will cause an even bigger crisis in the near future. The housing crisis is a statewide issue. In expediting the construction of affordable housing units by accelerating the ministerial permitting process will be favorable to all involved in the development of an affordable housing project, but most of all to island residents who are in desperate need of housing.

Based on the above, we respectfully request your **favorable consideration of HB 361.**

Thank you for the opportunity to express our **support for HB 361.**



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

Testimony of
Linda L. Smith
Senior Policy Advisor to Governor Lingle
Chairperson, Affordable Housing Regulatory Barriers Task Force

Before the
**HOUSE COMMITTEES ON HOUSING AND
WATER, LAND, & OCEAN RESOURCES**
Wednesday, February 11, 2009, 9:00 a.m.
Room 309, State Capitol

H.B. 361 RELATING TO AFFORDABLE HOUSING

Chairs Cabanilla and Ito, Vice Chairs Chong and Har, and members of the Committees, thank you for the opportunity to provide testimony in support of House Bill 361; a bill that is based on recommendations from the Affordable Housing Regulatory Barriers Task Force.

The purpose of this bill is to expedite the construction of affordable housing by creating standard timeframes for the issuance of ministerial permits for approved affordable housing projects.

Although there is a process in place that provides an opportunity for government agencies to approve affordable housing project proposals through an expedite track, ministerial permits that are issued subsequent to project approval may take significant amounts of time before they are issued. This bill addresses this delay by creating a standard timeframe to guide government agencies.

Thank you for the opportunity to provide testimony in strong support of this bill.

Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE 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
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

**HOUSE COMMITTEE ON HOUSING
HOUSE COMMITTEE ON WATER, LAND & OCEAN RESOURCES**

February 11, 2009, 9:00 a.m.
Room 325, State Capitol

In consideration of
H.B. 361
RELATING TO AFFORDABLE HOUSING.

The HHFDC supports the intent of H.B. 361. The delays associated with the lengthy permit review process tend to drive up the development costs of affordable housing. However, 45 days from the time of a 201H project's approval by the county council may not be a reasonable timeframe, given that most projects currently undergoing the 201H expedited approvals process are in the planning phases, and are not ready to apply for ministerial permits.

Accordingly, if it is the Committees' intent to move this bill forward, we respectfully request that it be amended as follows:

On page 5, lines 11 through 21 should read:

"(c) State and county agencies shall issue any ministerial permits associated with any project approve pursuant to this section or section 46-15.1 within forty-five days from the time of application; provided that the review process for ministerial permits performed by any state or county agency is limited to not more than two comprehensive reviews.

For the purposes of this subsection, "ministerial permits" means any nondiscretionary permit for which the permit administrator needs to determine only conformity with applicable ordinances before approving the project."

(amended language highlighted).

Thank you for the opportunity to testify.



HB 361 Relating to Affordable Housing
House Committee on Housing
Committee on Water, Land, & Ocean Resources

February 11, 2009
Room 325

9:00 am

The Office of Hawaiian Affairs supports the purpose and intent of HB 361.

The growing affordable housing problem is one of the most critical issues faced by our communities, especially our Native Hawaiian communities. This issue seems to have many of our families struggling to find adequate housing and to make ends meet.

The continued increased pressure on government to provide financing assistance and reduce government barriers for the development of affordable housing has not ceased. The counties need to have options to provide funding and reduce the time required to issue ministerial permits associated with projects to be issued by the State or county within 45 days of county council approval.

Relating this to stimulus packages approved and being discussed by the federal government conditions assistance on the speed of being able to start a project in a fairly short period of time. Time is crucial to effect change and is crucial in keeping projects affordable.

We recognize that physical solutions by themselves will not solve social and economic problems, but neither can economic vitality, community stability, and environmental health be sustained without a coherent and supportive physical framework. This bill may assist the counties to providing a much needed changed framework.

Mahalo nui loa for the opportunity to provide this testimony and request your support.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3065 / TELEPHONE 547-7000

NESTOR GARCIA

Councilmember
Council District IX
(808) 768-5009 {Voice}
(808) 768-5011 {Fax}
ngarcia@honolulu.gov

February 11, 2009

Committees on
Housing
Water, Land & Ocean Resources
House of Representatives
State of Hawaii

Testimony of
Nestor Garcia, President, Hawaii State Association of Counties
House Bill 361
Regular Session 2009

Chairs Cabanilla and Ito, and members of this Joint House Committee:

Thank for you this opportunity to offer comments on HB 361.

Section 201H-38, Hawaii Revised Statutes, enables county councils to evaluate and approve, approve with modifications, or disapprove affordable housing projects within a 45-day window.

The Councils of each of Hawaii's four counties has found this amount of time is inadequate for a responsible legislative review. Much of the time that should be spent evaluating a project is consumed by the notice requirements under Chapter 92, HRS, with regard to the scheduling of committee and council meetings.

I firmly believe that extending the 45-day period to 90 days will result in projects that are better suited to each county's respective needs and provide ample opportunity for residents of the targeted communities to weigh in. Compared with other, non-affordable housing projects under county review, the 90-day window would still represent an expedited process for affordable housing.

In recognition of this, the Hawaii State Association of Counties has introduced measures in the House and Senate to allow for more time for legislative review of affordable housing projects. These measures are House Bill 220 and Senate Bill 100.

I respectfully request this joint committee defer HB 361 at this time.

Aloha,

A handwritten signature in black ink, appearing to read "Nestor Garcia", is written over a horizontal line.

NESTOR R. GARCIA
President, Hawaii State Association of Counties
Vice Chair, Honolulu City Council

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honoluluodpp.org • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
MAYOR



DAVID K. TANOUE
ACTING DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

February 11, 2009

The Honorable Rida Cabanilla, Chair
and Members of the Committee on Housing

The Honorable Ken Ito, Chair
and Members of the Committee on Water,
Land & Ocean Resources
State House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Cabanilla, Ito and Members:

**Subject: House Bill No. 361
Relating to Affordable Housing**

The Department of Planning and Permitting respectfully **opposes** House Bill No. 361 because it imposes unrealistic deadlines and unreasonable restrictions on the counties' review of ministerial permits for affordable housing projects under Section 201H, Hawaii Revised Statutes.

The purpose of ministerial permits for building, grading, construction in county roadways, etc, is to ensure public health and safety, to safeguard life and limb and to protect both private and public property.

Projects, whether affordable or not, that are not properly reviewed and approved would create financial, legal, and other related impacts. It is vital that persons in the county with expertise have an opportunity to properly review and approve permits to ensure the public's health and safety is accounted for. A rushed review, or insufficient review, could result in safety issues, negative environmental impacts, code violations, etc.

Dictating a rigid forty-five day time limit for the review and issuance of any ministerial permits and limiting the counties to performing no more than two comprehensive reviews on the permits would unreasonably limit county compliance with the laws and regulations that must be enforced to ensure public health and safety. The county needs to maintain the ability to perform necessary reviews to ensure that a project satisfies all the applicable statutory requirements and receives a properly issued permit.

The Honorable Rida Cabanilla, Chair
and Members of the Committee on Housing

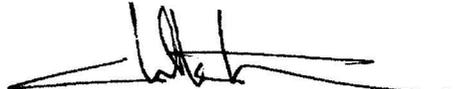
The Honorable Ken Ito, Chair
and Members of the Committee on Water,
Land & Ocean Resources
State House of Representatives
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In our experience, the main reason that a permit needs to be reviewed more than once is because the application and plans are incomplete or the applicant fails to address the reviewer's comments and/or provide the requested documentation. This bill does not place any responsibility on the project's developer and consultants to ensure that their permit applications are complete, that timely responses to our comments are provided, and requested documentation or corrections are made.

Accordingly, we respectfully request that House Bill No. 361 be amended or filed.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read 'David K. Tanoue', is written over a horizontal line.

David K. Tanoue, Acting Director
Department of Planning and Permitting

DKT: jmf
hb361-mst.doc