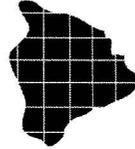




LATE TESTIMONY

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Via Capitol Website

March 16, 2009

House Committee on Transportation
Hearing Date: Monday, March 16, 2009, 9:00 a.m. in CR 309
Testimony in Support of SB 442, SD2– Relating to Transit Oriented Development

(Allows HHFDC to contract for 3rd party review of a TOD affordable housing project; creates a Commission on Transit-Oriented Development)

The Honorable Chair Joseph M. Souki, Vice-Chair Karen Leinani Awana and Members of the Committee on Transportation:

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 appreciates the opportunity to provide our testimony **in support** of SB 442, SD1, which would authorize the Hawaii Housing Finance and Development corporation (HHFDC) to grant funds to affordable housing developers to contract for third-party review and certification to expedite the process and issuance of building permits for an affordable housing project that is part of a transit oriented development; and establishes a Commission on Transit–Oriented Development. LURF also respectfully **recommends that the bill be amended** to include Commission members who are representatives of “TOD stakeholders” – major landowners, developers and businesses who will be impacted by transit-oriented development (TOD) and will be involved in the development of affordable and market housing in TOD areas.

Background of Transit Oriented Development. The City Council and Administration of the City and County of Honolulu (City) have initiated a major mass transit project that has the potential to fundamentally reshape the form and character of Honolulu. The Council has selected a fixed guideway system and a Locally Preferred Alternative alignment route for the project under Ordinance 07-01. Appropriate TOD land use regulations along the alignment and around the rapid transit stations will be crucial.

SB 442, SD2. The purpose of this bill is to encourage the delivery of affordable housing as part of transit oriented development by offering faster permit processing through third-party review and certification of affordable housing projects. This measure will authorize and appropriate funds for the HHFDC to grant funds to affordable housing developers to contract for third-party review and certification to expedite the processing and issuance of building permits for an affordable housing project that is part of a transit oriented development and it also establishes a Commission on Transit-Oriented Development to improve the coordination of housing and transportation planning at all levels of government.

LURF's Position

- **Support of Third-Party Review.** One way to encourage more affordable housing development is by ensuring that projects are not delayed due to the permitting process. 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 third-party 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. Therefore, it is important that transit oriented development be encouraged to provide new affordable housing and retain existing affordable housing. Additionally, a faster, yet efficient, permitting process through third-party reviews will ensure development of more affordable housing units in Hawaii.

- **The Commission should not be another layer of approval and should include representatives of the major stakeholders.** While we recognize a need to improve the coordination of housing and transportation planning at all levels of government, we have two concerns:
 - The Commission should not be another layer of approval which will delay the delivery of affordable and market housing in TOD areas;
 - The bill should be **amended** to include Commission members who are representatives of "TOD stakeholders" – major landowners, developers and businesses that will be impacted by, and will be involved in, the development of affordable and market housing in TOD areas.

Based on the above, we respectfully request your **favorable consideration of SB 442, SD2, together with LURF's proposed amendments.**

Thank you for the opportunity to express our **support for SB 442, SD1.**