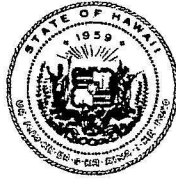


Linda Lingle
GOVERNOR



ORLANDO "DAN" DAVIDSON
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
Orlando "Dan" Davidson
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 20, 2008, 2:30 p.m.
Room 308, State Capitol

In consideration of
H.B. 2512, H.D. 1
RELATING TO HOUSING.

The HHFDC supports the intent of H.B. 2512, H.D. 1, but notes that this appropriation was not included in the Executive's Supplemental Budget. We therefore request that this appropriation not displace the priorities contained in that budget.

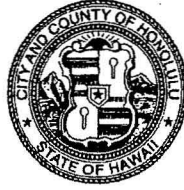
The lengthy permit process is attributable in large part to the shortage of qualified county staff to conduct necessary reviews. The City and County of Honolulu allows certified third party reviewers to check plans. However, the cost for such review may inhibit developers of affordable housing projects from utilizing the service. This appropriation would provide an option to accelerate the review and issuance of permits for affordable housing projects.

Thank you for the opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743
INTERNET: www.honolulu.gov • DEPT. WEB SITE: www.honolulu.dpp.org

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

February 20, 2008

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

**Subject: House Bill 2512 HD1
Relating to Housing**

The Department of Planning and Permitting is pleased to **support** of House Bill 2512, HD1, which would provide grants to affordable housing projects to cover the cost of Third Party Reviews.

In the City and County of Honolulu, Third Party Review refers to the use of private companies to review building permit applications on behalf of the city. These companies have been certified by the city to perform this function. By providing this service, permit processing is accelerated because the private companies are staffed to perform reviews faster than the city. Individual project developers approach the certified companies directly; the city is neither involved in this process, nor in determining the fees charged by the private companies. We prefer Third Party Review support over "expedited processing" since the latter usually implies "cutting in line," pushing other projects father back in the city processing line.

We understand that Kauai County may be offering Third Party Review for grading permits. However, for Oahu, the proposed Third Party funding would only be used for building permit applications and limited inspections, as Third Party Review is not offered for subdivision approval or discretionary zoning permits.

We support HD1 which allows the Hawaii Housing Finance and Development Corporation to directly award support to qualified projects, rather than using the counties as a "third party".

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
House of Representatives
Re: HB2512 HD1
February 20, 2008
Page 2

Please adopt HB2512 HD1.

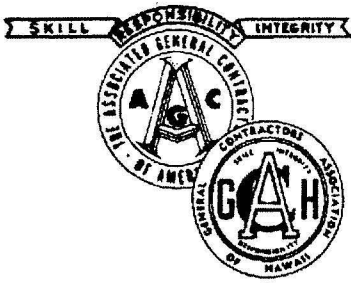
Thank you for the opportunity to testify.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Henry Eng".

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE: jmf
hb2512 hd1-kh.doc



GENERAL CONTRACTORS ASSOCIATION OF HAWAII

1065 AHUA STREET • HONOLULU, HAWAII 96819-4493 • PHONE 808-833-1681 • FAX 808-839-4167

E-MAIL ADDRESS: gca@gcahawaii.org • WEBSITE: www.gcahawaii.org

February 19, 2008

TO: THE HONORABLE REPRESENTATIVE MARCUS R. OSHIRO, CHAIR AND
HOUSE COMMITTEE ON FINANCE

SUBJECT: H.B. 2512 HD1, RELATING TO HOUSING

DATE: WEDNESDAY, February 20, 2008
TIME: 2:30 P.M.
PLACE: Conference Room 308

Dear Chair Oshiro and Members of the Committee:

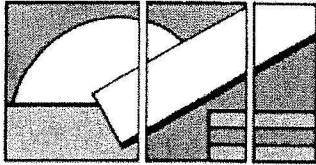
The General Contractors Association (GCA) of Hawaii, an organization comprised of over five hundred and forty (540) general contractors, subcontractors, and construction related firms, **supports** the passage of H.B. 2512 HD1, RELATING TO HOUSING.

The bill provides an appropriation of \$500,000 to the counties to enable the counties to hire third parties to review and certify building permits for affordable housing projects. With the current shortage of affordable housing in Hawaii, the GCA believes that the appropriation of funds to speed up the review of projects that are designed to provide affordable housing units would be a prudent and desirable expenditure of public funds. One of the reasons for increased cost of building homes in Hawaii is the lengthy process of review of subdivisions and condominium proposals and subsequent review of building permits.

Anything that will speed up the review process will help to reduce the cost of construction and thereby make affordable housing projects more feasible.

The GCA **supports** the passage of H.B.2512 HD1 and requests that this bill be passed.

Thank you for considering our concerns on the above bill.



PACIFIC HOUSING ASSISTANCE CORPORATION

677 ALA MOANA BOULEVARD • SUITE 712 • HONOLULU, HAWAII 96813 • (808) 523-5681

TESTIMONY ON H. B. 2512, H.D. 1, RELATING TO HOUSING
Before the House Committee on Finance
February 20, 2008, 2:30 pm (Agenda # 2); CONFERENCE ROOM 308
Submitted By: Marvin Awaya, Executive Director

Pacific Housing Assistance Corporation supports HB 2512, HD 1 and the appropriation to expedite building permitting through third party reviews.

Building permitting in the City and County of Honolulu can take over 12 months and is making it difficult to hold budgets in line for affordable housing projects. Unfortunately, because of the delay more developers and builders are resorting to starting their projects with foundation permits (only) and "courtesy inspections" by City inspectors. This is not the preferred way of doing things but because the delay can cause budgets to become "unbalanced", it's either taking the risk of starting with a foundation permit (and without the building permit) or canceling the project.

Use of third party reviews in the City and County of Honolulu has been allowed for a few years now and has proven an effective method of reducing permitting time. However, affordable housing projects have largely been unable to use this because of the fees charged for these reviews. The appropriation will allow affordable housing developers to access this service without impacting their already tight budgets.

We urge this committee to incorporate this item in the State's budget.

FINtestimony

From: KAUIHALE@aol.com
Sent: Tuesday, February 19, 2008 8:54 AM
To: FINtestimony
Cc: kcarney@eahhousing.org
Subject: HB2512 Agenda #2, Feb 20, 2008 2:30pm
Categories: Printed Already

Dear Chair Oshiro, Vice Chair Lee and Members of the Committee on Finance:

EAH Housing fully supports HB2512 HD1 as another step in removing barriers and expediting the production of affordable housing. However, we wonder just how many projects this effort is going to help move forward and how many units of affordable housing will be provided given that the funding will only be available for the next fiscal year?

Housing development is a long process and while this bill will be helpful, it would have a much greater impact if the funding were to be available for at least the next five (5) years.

Thank you for your consideration and the opportunity to submit our thoughts on this subject.

Sincerely yours,
Kevin

Kevin R. Carney (B)
Vice President, Hawaii
EAH, Inc.
841 Bishop Street, Suite 2208
Honolulu, Hawaii 96813

Phone: 523-8826
Website: www.eahhousing.org

Delicious ideas to please the pickiest eaters. [Watch the video on AOL Living.](#)

FINtestimony

From: Kathleen Hasegawa [kathi@hawaiihabitat.org]
Sent: Tuesday, February 19, 2008 4:22 PM
To: FINtestimony
Subject: HB2512 Agenda

Committee on Finance
Wednesday, February 20, 2008
2:30 p.m. Room 308

Testimony in support of HB2512.HD1 Relating to Housing

Hawaii Habitat for Humanity supports this measure because it funds a mechanism for getting past the log jam that happens in the permitting process. With a more timely process we could build more homes more quickly.

Thank you.

Kathleen Hasegawa
Hawaii Habitat for Humanity Association
1164 Bishop St., Suite 510
Honolulu, Hawaii 96813

LATE



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



February 20, 2008

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair, and Members
House Committee on Finance
Hawaii State Capitol, Room 308
Honolulu, HI 96813

via E-Mail

**RE: AGENDA #2 Testimony in Support of H.B. No. 2512
Relating to Housing (Affordable Housing 3rd Party Review)**

Dear Chair Oshiro, Vice Chair Lee and Finance Committee 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 and rational land use planning, legislation and regulations affecting common problems in Hawaii.

We appreciate the opportunity to provide our testimony **providing comments and in support of H.B. No. 2512 HD1.**

H.B. No. 2512 HD1. This bill would appropriate out of the general revenues of the State the sum of \$500,000, or so much thereof as may be necessary for fiscal year 2008-2009 for the Hawaii Housing Finance and Development Corporation ("HHFDC") to assist developers in contracting for third party review and certification to expedite the process and issuance of building permits for housing projects that are affordable to households with incomes at or below one hundred forty percent (140%) of the median family income as determined by the United States Department of Housing and Urban Development. Third party review and certification shall apply to inspections and ministerial and discretionary permits. In processing requests for third party review, HHFDC shall give priority to projects that allocate at least fifty per cent (50%) of the available units for persons and families with incomes at or below eighty per cent (80%) of the median family income.

LURF's Position and Comments. LURF supports H.B. 2512, because it is intended to support the development of affordable housing by appropriating funds to assist developers in contracting for third party review and certification to expedite the various county permitting and review process for affordable housing projects.

- Some of the permitting delays at the City and County of Honolulu ("City") are attributable to the lack of qualified staff to review building permit applications.

For the past couple of years, the City has allowed individual private project developers and building permit applicants to hire City-certified Third Party Review companies to review building permit applications and perform limited inspections on behalf of the City. According to the City, these Third Party Review companies have accelerated the permit processing because the private companies have a large number of qualified staff to perform reviews faster than it could be done by the City.

- While some individual private project developers and building permit applicants can afford the costs of hiring City-certified private Third Party Review companies, the costs for such consultants could be prohibitive for some developers of affordable housing projects. This bill would create a fund which would enable such affordable housing developers to hire Third Party Review companies.
- Initiatives such as this, which expedite the permit review process, will help make affordable housing projects more feasible by helping to reduce lengthy delays and the costs of construction and financing.
- Also, if the legislature deems that one of its major priorities is increasing the supply of affordable housing, we would recommend that this funding continue for at least five (5) years, which would address the length of time it takes to go through the various permitting processes and could allow the start of additional affordable housing projects.

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