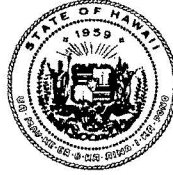


Linda Lingle  
GOVERNOR



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 HUMAN SERVICES AND HOUSING**

February 12, 2008, 8:40 a.m.  
Room 329, State Capitol

In consideration of  
**H.B. 2512**  
**RELATING TO HOUSING.**

The HHFDC supports the intent of H.B. 2512. We note, however, that this appropriation was not included in the Executive's Supplemental Budget, and 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](http://www.honolulu.gov) • DEPT. WEB SITE: [www.honoluludpp.org](http://www.honoluludpp.org)

MUFI HANNEMANN  
MAYOR



HENRY ENG, FAICP  
DIRECTOR

DAVID K. TANOUE  
DEPUTY DIRECTOR

February 12, 2008

The Honorable Maile S. L. Shimabukuro, Chair  
and Members of the Committee on Human  
Services & Housing  
House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Shimabukuro and Members:

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

The Department of Planning and Permitting is pleased to **support the intent** of House Bill 2512, 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 support Third Party Review 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 believe it would be more efficient for Hawaii Housing Finance and Development Corporation (HHFDC) to provide the financial support directly to qualified projects, rather than using the counties as a "third party".

The Honorable Maile S. L. Shimabukuro, Chair  
and Members of the Committee on Human  
Services & Housing  
House of Representatives  
HB2512  
February 12, 2008  
Page 2

Please adopt HB2512 with the requested change on funds being received directly from HHFDC to qualified projects.

In closing, we want to thank the Committee Chair for her heartfelt desire not only to address the need for more affordable housing, but to help the counties in their efforts to do the same.

Thank you for the opportunity to testify.

Sincerely yours,



Henry Eng, FAICP, Director  
Department of Planning and Permitting

HE: jmf  
hb2512-kh.doc

---

**From:** KAUHALE@aol.com [mailto:KAUHALE@aol.com]  
**Sent:** Monday, February 11, 2008 8:43 AM  
**To:** HSHtestimony  
**Cc:** KAUHALE@aol.com  
**Subject:** Testimony HB2512 Tuesday, February 12, 2008 8:15am

Dear Chair Shimabukuro, Vice Chair Rhoads and Members of the Human Services and Housing Committee:

Thank you for this opportunity to submit testimony in support of HB2512 which will appropriate out of general revenues the sum of \$500,000 for the counties to assist developers in contracting for third party review and certification of building plans. We believe the intent of this bill is to help remove one of the barriers to affordable housing and that is the time it takes to obtain entitlements like building permits.

While we fully support the intent we question if \$500,000 will have much of an impact if it is only intended to be available for the next fiscal year and can be used for the production of market for-sale housing and rental housing. Given the time it takes to bring a development on-line, we believe that the funding needs to be available for at least the next 5 years and that it should be dedicated to only those projects that serve residents with incomes of 80% of the Area Median Income (AMI) and below. This, in effect, will limit the use of the funds to affordable rental housing. We believe this is where the greatest need exists.

On a similar subject, the Committee might consider including in this bill assistance for the counties in accepting dedicated roadways included in projects serving those at 80% and below of the AMI. I do not have personal experience yet but I am told that on Oahu it can take up to 5 years for the county to accept a roadway built to county standards. This enormous delay means that the development must carry the cost of lighting and roadway repairs until the county accepts the roads. These added costs are extremely difficult to absorb in a low-income rental property where the rents can only be raised to a certain level. I believe the reason for this long delay in accepting roads is not enough staff.

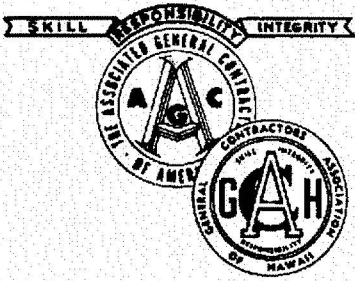
Thank you again for this opportunity to express our views on this subject.

Sincerely yours,  
Kevin

Kevin R. Carney, (B)  
Vice President, Hawaii  
EAH Housing  
Davies Pacific Center  
841 Bishop Street, Suite 2208  
Honolulu, HI 96813  
523-8826  
Website: [www.eahhousing.org](http://www.eahhousing.org)

"A non-profit housing corporation creating community by developing, managing, and promoting quality affordable housing since 1968"

This message, including any attachments, is intended solely for the addressee(s) and is confidential. It may also contain information that is legally privileged. Any person other than an intended recipient, or other party expressly authorized by the sender, is prohibited from using, copying, distributing, or otherwise disclosing the information contained herein. If you received this message in error, please immediately delete it and all copies, and promptly notify the sender.



## 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](mailto:gca@gcahawaii.org) • WEBSITE: [www.gcahawaii.org](http://www.gcahawaii.org)

February 11, 2008

TO: THE HONORABLE REPRESENTATIVE MAILE SHIMABUKURO, CHAIR  
AND HOUSE COMMITTEE ON HUMAN SERVICES AND HOUSING

SUBJECT: H.B. 2512, RELATING TO HOUSING

DATE: February 12, 2008  
TIME: 8:40AM  
PLACE: Conference Room 329  
State Capitol  
415 South Beretania Street

Dear Chair Shimabukuro 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, 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 and requests that this bill be passed.

Thank you for considering our concerns on the above bill.