

WRITTEN ONLY

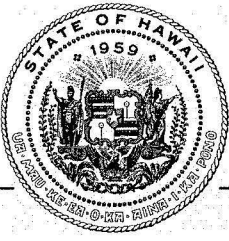
TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HUMAN SERVICES AND HOUSING
ON
HOUSE BILL NO. 3401

February 12, 2008

RELATING TO AFFORDABLE HOUSING DEVELOPMENT

House Bill No. 3401 establishes an Incentive and Streamlining Grants Program in the Office of Planning to assist the counties in streamlining the permit and approval regulatory process for construction and development-related permits for affordable housing developments for the general workforce. An incentive and streamlining grants special fund is proposed to provide grants to the counties to develop and implement plans to streamline regulatory processes. The bill provides a \$10 million appropriation to be deposited into the special fund.

As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-53.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund will be self-sustaining.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE

GOVERNOR

THEODORE E. LIU

DIRECTOR

MARK K. ANDERSON

DEPUTY DIRECTOR

MARY LOU KOBAYASHI

PLANNING PROGRAM ADMINISTRATOR

OFFICE OF PLANNING

OFFICE OF PLANNING

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824

Statement of
MARY LOU KOBAYASHI
Planning Program Administrator, Office of Planning
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON HUMAN SERVICES AND HOUSING
Tuesday, February 12, 2008
8:40 AM
State Capitol, Conference Room 329

in consideration of
HB 3401
RELATING TO AFFORDABLE HOUSING DEVELOPMENT.

Chair Shimabukuro, Vice Chair Rhoads, and Members of the House Committee on Human Services and Housing.

We support the overall concept of HB 3401. There have been many good ideas introduced this legislative session that support the State's economic development goals. 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. We defer to the Department of Budget and Finance for the establishment of the Special Fund.

HB 3401 establishes the incentive and streamlining grants program in the Office of Planning to assist the counties in streamlining the permit and approval process for the construction and development of workforce housing.

Affordable housing and the provision of workforce housing are major goals of the Administration. Measures to streamline the permit and approval process for affordable and workforce housing will help to increase their supply.

Thank you for the opportunity to testify.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

February 12, 2008
Committee on Human Services and Housing
8:40 a.m.
Room 329

The Honorable Representative Maile Shimabukuro, Chair, and Members
Committee on Human Services and Housing
State House of Representatives, Room 329
Honolulu, Hawaii 96813

Dear Chair Shimabukuro and Members:

Subject: **House Bill No. HB 3401 Relating to Affordable Housing Development**

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 supports HB 3401, with a recommended clarification.

H.B. No. 3401 proposes to increase the supply of housing developments affordable to the general workforce by providing an incentive to counties that streamline the application process for building, construction, or development-related permits.

Counties may apply for financial grants from the Office of Planning to develop and implement plans that will reduce regulatory barriers to the development of housing for the general workforce.

We strongly support the intent of the bill and recommend that the bill include a provision that provided an economic incentive to those counties who participated in the grant program and developed processes and procedures that dramatically improved the processing time of permits for workforce housing by prioritizing and funding State regional infrastructure (i.e. roads, schools, etc.) projects that are consistent with the county's growth management plans (i.e. development, sustainable community plans).

Thank you for this opportunity to express our views.

Karen I. Nakamura



**The Chamber of
Commerce of Hawaii**

Since 1850

**Testimony to the House Committee on Human Services & Housing
Tuesday, February 12, 2008 at 8:40 a.m.
Conference Room 329, State Capitol**

**RE: HOUSE BILL NO. 3401 RELATING TO AFFORDABLE HOUSING
DEVELOPMENT**

Chair Shimabukuro, Vice Chair Rhoads, and Members of the Committee:

My name is Christine Camp, Chair of The Chamber of Commerce of Hawaii, Land Use and Transportation Committee. The Chamber of Commerce of Hawaii supports HB 3401, with a recommended clarification.

The Chamber is the largest business organization in Hawaii, representing 1100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. The organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

H.B. No. 3401 proposes to increase the supply of housing developments affordable to the general workforce by providing an incentive to counties that streamline the application process for building, construction, or development-related permits.

Counties may apply for financial grants from the Office of Planning to develop and implement plans that will reduce regulatory barriers to the development of housing for the general workforce.

We strongly support the intent of the bill and recommend that the bill include a provision that provided an economic incentive to those counties who participated in the grant program and developed processes and procedures that dramatically improved the processing time of permits for workforce housing by prioritizing and funding State regional infrastructure (i.e. roads, schools, etc.) projects that are consistent with the county's growth management plans (i.e. development, sustainable community plans).

Thank you for this opportunity to express our views.