

SB 440, SD1



EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE
GOVERNOR

Written Testimony of

Linda L. Smith

Senior Policy Advisor to the Governor

Chairperson, Affordable Housing Regulatory Barriers Task Force

Before the

**SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS**

Wednesday, February 25, 2009, 1:45 p.m.

Room 224, State Capitol

S.B. 440 SD1 RELATING TO COUNTIES

Chair English, Vice Chair Gabbard, and members of the Committee, thank you for the opportunity to provide testimony in support of S.B. 440 SD1.

This bill establishes a timeframe for counties to accept or reject a dedication of infrastructure request for an affordable housing project. If the county does not accept or reject the dedication request within sixty days, the infrastructure will be automatically dedicated provided that applicable fees are paid, the infrastructure complies with county building codes in effect at the time of construction, and the infrastructure has been certified to be in compliance by a county inspector or a third-party licensed building inspector.

The timeframe established in this bill ensures that affordable housing projects are not inadvertently delayed by the infrastructure dedication process. Given the statewide need for affordable housing, it is pertinent that government processes are streamlined.

Please note that the provisions of S.B. 440 SD1 coincide with recommendations of the Affordable Housing Regulatory Barriers Task Force. This Task Force worked over a period of eighteen months to identify barriers to affordable housing development and to formulate appropriate remedies. Passage of this bill contributes to the overall efforts of the Task Force to increase the State's affordable housing inventory.

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

**SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL
AND INTERGOVERNMENTAL AFFAIRS**

February 25, 2009 1:45 p.m.
Room 224, State Capitol

In consideration of
S.B. 440, S.D. 1
RELATING TO COUNTIES.

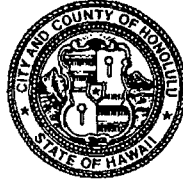
The HHFDC supports S.B. 440, S.D. 1. This bill requires counties to accept or reject requests for dedication of infrastructure for affordable housing projects within 60 days of filing under specific circumstances. S.B. 440, S.D. 1 would help to make it easier to develop affordable housing by limiting the amount of time the developer is responsible for maintaining the infrastructure and enables the developer to get back its surety bond in a reasonable amount of time.

Thank you for the opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



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

February 25, 2009

The Honorable J. Kalani English, Chair
and Members of the Committee on Transportation,
International and Intergovernmental Affairs
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair English and Members:

**Subject: Senate Bill No. 440, SD1
Relating to Counties**

The Department of Planning and Permitting respectfully **opposes** Senate Bill No. 440, SD1 because of the following concerns regarding Section 2 of the bill:

1. Infrastructure constructed for dedication purposes is not regulated by the building code but by separate county street standards and public works construction standards. The reference to the building code is inaccurate.
2. There is no county inspector that certifies infrastructure for dedication. Inspectors only certify that improvements are constructed in accordance with plans and applicable standards. Improvements to be dedicated located on private property need to be subdivided or have an easement designated in favor of the county. Only the grant of approval by the county of the completion of the improvements associated with a subdivision or easement application would enable the dedication process to be initiated through the county council.
3. Similarly, the City and County does not use third-party building inspectors to certify improvements. We feel that they may not be looking for the best interest of the City.

There should be more discussion regarding the consequences of dedications without proper review and approval by the county. As currently stated, the automatic dedication of infrastructure after "sixty days of the dedication request" seems arbitrary. There is no consideration in the bill for the length of time that it takes for the county council to act on the dedication request.

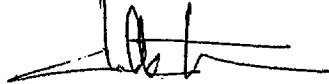
The Honorable J. Kalani English, Chair
and Members of the Committee on Transportation,
International and Intergovernmental Affairs
State Senate
Re: Senate Bill 440, SD1
February 25, 2009
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Dedications that are not properly reviewed and approved would 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 dedication requests to ensure the public's health and safety is accounted for. A rushed review, or worse yet, no review, could result in safety issues.

Accordingly, we respectfully request that Senate Bill No. 440, SD1 be amended or filed.

Thank you for the opportunity to testify.

Very truly yours,



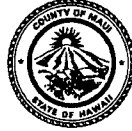
David K. Tanoue, Acting Director
Department of Planning and Permitting

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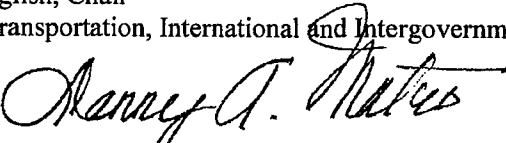


Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov/council

February 24, 2009

TO: Honorable J. Kalani English, Chair
House Committee on Transportation, International and Intergovernmental Affairs

FROM: Danny A. Mateo
Council Chair


SUBJECT: **HEARING OF FEBRUARY 25, 2009; TESTIMONY COMMENTING ON SB 440, SD1, RELATING TO COUNTIES**

Thank you for the opportunity to testify and offer comments on this measure. The purpose of this measure is to require counties to accept or reject a public infrastructure dedication, under specified conditions, as part of an affordable housing project, or the infrastructure is deemed dedicated.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I offer the following comments on this measure:

1. While the Council strives to support and assist those seeking to build affordable housing, the automatic dedication of "infrastructure" as defined in Section 171-131, Hawaii Revised Statutes, within 60 days of the request, does not take into consideration the requirements for compliance with codes and standards other than the County's building codes. Given the bill's current definition of infrastructure, which includes water, drainage, sewer, waste disposal, waste treatment systems, roads and street lighting, certification by various County agencies would be required to ensure that such infrastructure meets minimum standards.
2. I am concerned that this bill will either expose the counties to increased liability due to hurried dedications or result in rejected dedications. The 60-day period appears arbitrary and does not adequately take into consideration the time that is needed to comply with various code requirements, including Council approval. My concern is that it often will take longer to assess such infrastructure, and that the forced dedication of substandard infrastructure will lead to greater liability. The bill allows the counties to reject such dedications, but to do so routinely due to time constraints would defeat the purpose of the bill. I encourage the committee to consider this time period carefully and revise it in such a way that both the counties' interest in completing their due diligence and the need to support and assist those building affordable housing can be served.

To Honorable J. Kalani English, Chair
February 24, 2009
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3. It is unclear how this measure would impact current County procedures for accepting the dedication of infrastructure, which is typically by deed and acceptance by Council resolution. I am concerned that this lack of clarity may expose both the developer and the counties to claims regarding liability.

Thank you for the opportunity to provide testimony on this measure.

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