



KAMEHAMEHA SCHOOLS

March 18, 2009

Testimony to the House Committee on Housing
and the House Committee on Water, Land, & Ocean Resources

By: Michael G. Dang, Director
Endowment / Planning & Development

Hearing Date: Wednesday, March 18, 2009
9:00 a.m. – Conference Room 325

To: Representative Rida Cabanilla, Chair
Representative Pono Chong, Vice Chair
Members of the Committee on Housing

Representative Ken Ito, Chair
Representative Sharon Har, Vice Chair
Members of the Committee on Water, Land, & Ocean Resources

Re: SB 440 SD2: Relating to Counties.

Kamehameha Schools supports the purpose and intent of this bill. By setting a time-certain by which the dedication of a project must be accepted by the county, the Legislature is ensuring developers of affordable housing projects a greater measure of predictability in the development process and providing potential homeowners and/or renters more timely access to their residences. This can only help bring more affordable housing units into the market faster.

Thank you for the opportunity to testify on this legislation.

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GOVERNOR

Written Testimony of
Linda L. Smith
Senior Policy Advisor to the Governor
Chairperson, Affordable Housing Regulatory Barriers Task Force

Before the
HOUSE COMMITTEES ON HOUSING AND WATER, LAND, & OCEAN RESOURCES
Wednesday, March 18, 2009, 9:00 a.m.
Room 325, State Capitol

S.B. 440 SD2 RELATING TO COUNTIES

Chairs Cabanilla and Ito, Vice Chairs Chong and Har, and members of the Committees, thank you for the opportunity to provide testimony in **support** of S.B. 440 SD2 **with amendments**.

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 ninety days, the infrastructure will be automatically dedicated provided that applicable fees are paid, the infrastructure complies with applicable county standards, and completion of the improvements are granted approval by the county.

The Administration strongly supports creating a timeframe for affordable housing infrastructure dedication, however, we recommend amending the SD2 on page 2, line 10 to shorten the timeframe from ninety to sixty days. This timeframe was proposed in the original bill draft. Affordable housing developers have identified that when infrastructure dedication is delayed project financing is jeopardized, particularly where a community facilities district has been established or tax increment financing is used.

Please note that this bill is based on the findings 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 testify on this important bill.

Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING
HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

March 18, 2009 9:00 a.m.
Room 325, State Capitol

In consideration of
S.B. 440, S.D. 2
RELATING TO COUNTIES.

The HHFDC supports S.B. 440, S.D. 2. This bill requires counties to accept or reject requests for dedication of infrastructure for affordable housing projects within 90 days of filing under specific circumstances. S.B. 440, S.D. 2 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.



SB 440, SD 2 RELATING TO COUNTIES
House Committee on Housing
Committee on Water, Land & Ocean Resources

March 18, 2009

9:00 am

Room 325

The Office of Hawaiian Affairs supports the purpose and intent of SB 440, SD 2.

The growing affordable housing problem is one of the most critical issues faced by our communities, especially our Native Hawaiian communities. This issue seems to have many of our families struggling to find adequate housing and to make ends meet.

The 2006 Housing Study confirms the need to do affordable rental and for sale housing and doing innovative housing types. Policies addressing the need to develop and create partners to do these units timely need to be adopted. Until our housing crisis is manageable, government is compelled to look at every opportunity to have everyone come to the "table" to discuss in earnest viable solutions.

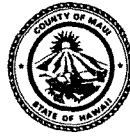
OHA also advocates a commitment to reestablishing the relationship between the art of building and the making of community, through citizen-based participatory planning and design.

Mahalo for this opportunity to provided written testimony.

Council Chair
Danny A. Mateo

Vice-Chair
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March 16, 2009

TO: Honorable Rida Cabanilla, Chair
House Committee on Housing

Honorable Ken Ito, Chair
House Committee on Water, Land, & Ocean Resources

FROM: Danny A. Mateo
Council Chair 

SUBJECT: **HEARING OF MARCH 18, 2009; TESTIMONY COMMENTING ON SB 440, SD2,
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 90 days of the request, does not take into consideration the length of time needed to demonstrate compliance with codes and standards. 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 90-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.

Honorable Rida Cabanilla, Chair
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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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