

LATE TESTIMONY



Via Capitol Website

February 4, 2009

**Senate Committee on Education and Housing
Hearing Date: Wednesday, February 04, 2009, 1:15 p.m. in CR 225**

**Testimony in Support of SB 440: Relating to Counties
(Public Infrastructure Dedication and Affordable Housing Project)**

Honorable Chair Norman Sakamoto, Vice-Chair Michelle Kidani
and Members of the EDH Committee:

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, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide our testimony **in support** of the SB 440, which requires counties to accept or reject a dedication of infrastructure within sixty days, under specified conditions, as part of an affordable housing project or the infrastructure is deemed dedicated.

Background. The lack of affordable housing remains a significant problem affecting Hawaii. Finding ways to provide sufficient affordable housing and market housing for Hawaii's residents has been a major objective for our elected officials, and state and county agencies, and members of the housing industry and business community. For the past two years, LURF has participated in a statewide task force comprised of representatives from all four counties, business, labor, developers, architects, nonprofit providers of services, the State, and the legislature, whose purpose was to identify, address and propose regulatory reform and solutions to remove the barriers to the production of affordable housing. **SB 440** is part of the legislative recommendations of that task force.

SB 440. The purpose of this bill is to require counties to accept or reject a dedication of public infrastructure request of an affordable rental housing project within a specified time (60 days) and under certain conditions, or the request is deemed dedicated. The pertinent provisions of SB 440 are as follows: "A request for dedication of infrastructure for affordable housing, as defined in section 201H-57 shall be deemed dedicated to the county if the county does not accept or reject the dedication request within 60 days of the filing of the dedication if it meets the following criteria:

1. There is paid applicable meter and connection fees and utility costs relating to the dedicated infrastructure;
2. The dedicated infrastructure conforms to county building codes; and
3. The dedicated infrastructure is certified to be in compliance by the county inspector responsible for accepting the dedicated infrastructure or by a third-party licensed building inspector. “

LURF’s Position. SB 440 is being proposed because there has been an apparent problem with the delay of counties in affirmatively accepting or rejecting public infrastructure improvements that have been developed as part of a housing project. Thus, it is necessary to expedite such infrastructure dedication requests involving affordable housing projects, because of the increased cost incurred with any delays in housing projects are ultimately paid by consumers. This bill provides some assurance to the developer that dedication of infrastructure will happen within a set amount of time (60 days for filing for dedication), if all conditions for dedication listed in the Bill are met.

- LURF respectfully recommends including language that will clarify when the clock starts and stops in terms of the sixty days to prevent applications from unwarranted delay.
- Due to the fact that county building codes change from time to time, LURF also respectfully requests that the Committee amend page 2, lines 15 and 16 of SB 440 to read as follows:

“(2) The dedicated infrastructure conforms to county building codes in effect at the time of construction and”

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