



Via Capitol Website

February 9, 2009

**Senate Committee on Education and Housing
Hearing Date: Monday, February 9, 2009, 1:15 p.m. in CR 225**

Comments Regarding SB 442 – Relating to Transit Oriented Development
(Allows HHFDC to contract for 3rd party review of affordable housing project that is party of transit oriented development)

The Honorable Chair Sakamoto, Vice-Chair Kidani & EDH Members:

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 Hawai'i's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide our testimony **in support** of SB 442, which would authorize the Hawaii Housing Finance and Development corporation (HHFDC) to grant funds to affordable housing developers to contract for third-party review and certification to expedite the process and issuance of building permits for an affordable housing project that is part of a transit oriented development.

Background of Transit Oriented Development. The City Council and Administration of the City and County of Honolulu (City) have initiated a major mass transit project that has the potential to fundamentally reshape the form and character of Honolulu. The Council has selected a fixed guideway system and a Locally Preferred Alternative (LPA) alignment route for the project under Ordinance 07-01. Appropriate transit-oriented development (TOD) land use regulations along the alignment and around the rapid transit stations will be crucial.

SB 442. The purpose of this bill is to encourage the delivery of affordable housing as part of transit oriented development by offering faster permit processing through third-party review and certification of affordable housing projects.

LURF's Position. One way to encourage more affordable housing development is by ensuring that projects are not delayed due to the permitting process. There are processes in place at the state and counties to provide expedited reviews of affordable housing projects, however, there is usually a shortage of staff to do such reviews. Since 2005, the City and County of Honolulu has utilized third party professionals to assist in electrical and mechanical reviews of permits. This experience has proven that third party review can significantly shorten the review process time from months to weeks. These expedited reviews allow the timely development of housing projects, have a favorable effect on project entitlement and financing costs, and result in the production of more affordable residential units.

Therefore, it is important that transit oriented development be encouraged to provide new affordable housing and retain existing affordable housing. Additionally, a faster, yet efficient, permitting process through third-party reviews will ensure development of more affordable housing units in Hawaii.

LURF is **in support** of SB 442 Relating to TOD.

We appreciate the opportunity to present testimony in support of SB 442.