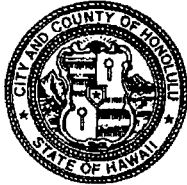


SB 442

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



DAVID K. TANOUE
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

February 27, 2009

The Honorable Donna Mercado Kim, Chair
and Members of the Committee on Ways and Means
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Kim and Members:

**Subject: Senate Bill No. 442, SD1
Related to Transit-Oriented Development**

The department has **comments** on Senate Bill No. 442, SD1, which would authorize third party review grants and establish an advisory commission on transit-oriented development (TOD).

We support the grants program. It would authorize the Hawaii housing finance and development corporation to assist developers of affordable housing which is part of a transit-oriented development (TOD). The funds would help reduce the cost of construction by expediting the processing of building permits using authorized third party. Although any amount is appreciated, the stated limit of \$10,000 per project is too little. We understand that for a multi-story residential development, the cost for third-party review averages \$800 - \$1,000 per unit.

With respect to the proposed commission, we welcome a forum to discuss incentives for TOD projects, especially those that include affordable housing. We also appreciate the clear provision that the commission does not supersede the functions and responsibilities of state and county agencies. We would have preferred an entity that becomes a "one stop shop" for the granting of state incentives for TOD, as this is a way of streamlining state entitlements. The proposed commission, as an advisory group, seems similar (and possibly duplicative in some respect) to the Mass Transit Economic Zone task force proposed under House Bill No. 617.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", written over a horizontal line.

David K. Tanoue, Director
Department of Planning and Permitting

DKT: jmf
sb442sd1-kst.doc