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IN REPLY REFER TO

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

HOUSE COMMITTEE ON HOUSING

April 22, 2009, 10:00 a.m.
Room 325, State Capitol

In consideration of
S.C.R. 87, S.D. 1

**URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
TO CONVENE A TASK FORCE TO REVIEW STATE AND COUNTY AFFORDABLE
HOUSING APPROVAL REQUIREMENTS AND PROCEDURES.**

The HHFDC **supports the intent** of S.C.R. 87, S.D. 1. We note that an initial review of the Chapter 201H, Hawaii Revised Statutes process was completed by the Affordable Housing Regulatory Barriers Task Force. We are willing to work with the parties named in this Concurrent Resolution to focus on core elements of the 201H-38 process.

Thank you for the opportunity to testify.



SCR 87, SD1 Urging the Hawaii Housing Finance and Development Corporation to Convene a Task Force to Review State and County Affordable Housing Approval Requirements and Procedures
House Committee on Housing

April 22, 2009
325

10:00 a.m.

Room

The Office of Hawaiian Affairs supports the purpose and intent of SCR 87, SD1.

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.

OHA recognizes housing is the highest cost item for our families and more needs to be done to address the affordable housing issue or our families will continue to move down the economic and social ladder.

Policies need to be adopted timely addressing the development and creation of partners to do affordable rentals and affordable for sale units. The resources obtained need to be able to devote full time attention to this process to expedite project reviews and assist each county to adopt requirements and procedures that meet their needs.

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. Therefore, the resources obtained to devote full time attention to the process of developing partners to do affordable rentals and for sale units timely need to include the related communities.

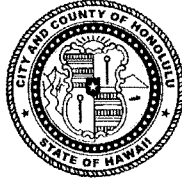
We recognize that physical solutions by themselves will not solve social and economic problems, but neither can economic vitality, community stability, and environmental health be

sustained without a coherent and supportive physical
framework.

Mahalo nui loa for the opportunity to provide this testimony.

DEPARTMENT OF PLANNING AND PERMITTING
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MUFI HANNEMANN
MAYOR

DAVID K. TANOUE
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

April 22, 2009

The Honorable Rida Cabanilla, Chair
and Members of the Committee on Housing
State House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Cabanilla and Members:

**Subject: Senate Concurrent Resolution 81
Relating to an HHFDC Study on SRO in Transit Oriented
Developments**

The Department of Planning and Permitting has **no objections** to SCR 81, which urges the Hawaii housing finance and development corporation (HHFDC) to study the feasibility of Single Room Occupancy (SRO) dwellings as part of transit-oriented developments (TOD).

As you may know, our department is already actively preparing for TOD, with the development of neighborhood TOD plans, and subsequent zoning and financial mechanisms to guide private sector projects towards meeting adopted community values and opportunities. Affordable housing is one of the topics being studied. We believe that as a result of community input and our own analyses, affordable housing needs and goals may be different, depending on the community.

We welcome this additional input from HHFDC represented by SCR 81. We would be especially interested in conclusions regarding financial (subsidy) requirements and market receptivity when SRO is proposed or built with retail, office and market housing.

Thank you for this opportunity to testify.

Very truly yours,

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

David K. Tanoue, Director
Department of Planning and Permitting

DKT: jmf
scr81-kst.doc



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April 22, 2009

**House Committee on Housing
Hearing Date: Wednesday, April 22, 2009, 10:00 a.m. in CR 329**

**Support and Comments Regarding SCR 87 SD1
URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION TO CONVENE A TASK FORCE TO REVIEW STATE AND
COUNTY AFFORDABLE HOUSING APPROVAL
REQUIREMENTS AND PROCEDURES**

The Honorable Chair Rida Cabanilla, Vice Chair Pono Chong and
and Members of the House of Representatives Committee on Housing:

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 **support and comments** regarding Senate Concurrent Resolution 87, SD1 (SCR 87, SD1), which urges the Hawaii Housing Finance and Development Corporation (HHFDC) to convene a task force to review State and County affordable housing approval requirements and procedures. While LURF and its members **support the general intent of this measure**, we wish to express the following concerns:

- The proposed affordable housing study, findings and recommendations are currently narrowly limited to targeting the different county permitting requirements, forms and processes for review and approval of affordable housing projects under Section 201H-38 Hawaii Revised Statutes. There have been many affordable housing studies done over the years, as well as the recent initiative, study and recommendations completed by the Affordable Housing Regulatory Barriers Task Force, and most of the studies recognize the same basic truth – that the affordable housing shortage is due to the overall lack of housing supply. Solving the affordable housing in Hawaii will take a **comprehensive approach**, thus LURF respectfully recommends that **the Study should be**

broadened to address the overall lack of housing supply at all levels, and should focus on the different permitting requirements, forms and processes for review and approval of all housing projects;

- Most of the previous affordable housing studies have recommended specific legislation, rules and regulations, however, those recommendations have not been implemented. LURF respectfully recommends that the proposed Study should also concentrate on strategies to **implement the specific recommendations** to decrease the cost and time required to develop both affordable and market housing projects; and
- **The Legislature and Counties should commit to passing legislation, rules and regulations** to decrease the cost and time for approval of all housing projects.

SENATE CONCURRENT RESOLUTION NO. 87 SD1. This Resolution urges the HHFDC to convene a task force to review state and county affordable housing approval requirements and procedures, in addition, includes the following requests:

- HHFDC, with the assistance of the four counties, is requested to identify a core, standardized affordable housing approval procedure that each county can adopt; and
- HHFDC is requested to consult with other state agencies, private developers, and nonprofit housing organizations regarding the recommendations for a standardized, affordable housing approval procedure for the counties; and
- HHFDC report its findings and recommendations, including any proposed county or state legislation, to the Legislature no later than twenty days prior to the convening of the Regular Session of 2010.

BACKGROUND. The lack of affordable housing remains a significant problem affecting Hawaii. Finding ways to increase the supply of both 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. In 2007, by Executive Order, the Governor initiated the Affordable Housing Regulatory Barriers Task Force (Task Force) in response to the U.S. Department of Housing and Urban Development's National Call to Action regarding the lack of affordable housing nationwide. The Task Force's goal was to identify barriers to affordable housing development in Hawaii and recommend solutions. For the past two years, LURF has participated in the Task Force, which is a statewide task force comprised of representatives from all four counties, the U.S. Department of Housing and Urban Development, business, labor, developers, architects, nonprofit providers of services, land use and legal experts, the State, and the chairs of the House and Senate Affordable Housing Committees.

As a result of the work of the state-wide Task Force, the Governor submitted a Report to the Governor's Affordable Housing Regulatory Barriers Task Force, which can be found at www.hawaii.gov/gov, and a number of bills were introduced by the Governor this legislative session relating to the following:

- **PRIORITY PERMITTING FOR MIXED USE PROJECTS (WHICH INCLUDE AFFORDABLE HOUSING) AND SUPPORTING INFRASTRUCTURE.** To stimulate affordable housing development by allowing mixed use housing projects, including infrastructure projects for a housing or mixed use housing, to be eligible for expeditious review at the state and county levels.
- **ESTABLISHMENT OF STANDARD TIMEFRAMES FOR PERMIT REVIEWS.** Establishes standard timeframes that govern permit issuances for affordable housing projects to expedite the construction of affordable housing units.
- **LAND USE RECLASSIFICATIONS SUBJECT TO QUASI-LEGISLATIVE REVIEW BY THE LAND USE COMMISSION.** Plan-based petitions would be subject to quasi-legislative rather than quasi-judicial review by the state land use commission. The proposed legislation would allow a quasi-legislative land use commission review for petitions for boundary amendments based on county plans.
- **EXEMPTIONS FOR IMPACT/CONNECTION FEES; COUNTY AFFORDABLE HOUSING INCENTIVES.** Increases the supply while decreasing the cost of affordable housing. Exempts affordable housing projects from impact and connection fees and provides incentives for the development of affordable housing.
- **ESTABLISHMENT OF COUNTY TIMEFRAMES TO ACCEPT AFFORDABLE HOUSING RELATED INFRASTRUCTURE.** This bill establishes a timeframe for counties to accept or reject public infrastructure that is part of an affordable housing development. This will ensure that projects progress within reasonable lengths of time.
- **COUNTY AFFORDABLE HOUSING “RECEIVING ZONES.”** In addition to directing the State to identify and designate Affordable Housing receiving zones it also prohibits receiving zones on conservation and important agricultural lands.
- **THIRD PARTY REVIEW AUTHORIZATION AND IMMUNITY.** The purpose of this bill is to support the development of affordable housing by facilitating and permitting the review process at the state and county levels through the use of third party reviewers. The bill also limits the liability of those who handle the review function.

Of the proposed bills listed above, only one bill remains alive:

- **SB 440 SD2, HD1 Counties must accept or reject public infrastructure dedication w/in 90 days under specified conditions.** Requires counties within 90 days to accept or reject a public infrastructure dedication, under specified conditions, as part of an affordable housing project, or the infrastructure is deemed dedicated. (HD1)

LURF and its members are in general support of the above-mentioned bill and have submitted testimony stating our position. Legislation that would assist in the expeditious processing for affordable housing will help achieve the overall goal of the Task Force, which is to increase the overall supply of housing, by overcoming the barriers that many builders and developers face for affordable housing projects, as well as market housing projects.

LURF's POSITION. The overall lack of housing supply and the particular lack of affordable housing remain a significant problems affecting Hawaii. One way to increase the overall housing supply would be to expedite the approval process for housing projects which are subject to different state and county review and approval processes and procedures, requiring different information and different forms. The differing review and approval requirements add to the overall project development time and total project cost. LURF agrees with the intent of this SCR 87, SD1 - - that in an effort to increase the overall supply of housing in Hawaii, the State and Counties should consider alternatives to decrease the cost and time required to develop both affordable and market housing projects.

Thus, LURF respectfully recommends the following: (1) that **the Study should be broadened to address the overall lack of housing supply at all levels**, and should focus on the different permitting requirements, forms and processes for review and approval of all housing projects; (2) that the proposed Study should also **concentrate on strategies to implement the specific recommendations** to decrease the cost and time required to develop both affordable and market housing projects; and (3) **The Legislature and Counties should commit to passing legislation, rules and regulations** to decrease the cost and time for approval of all housing projects.

If HHFDC proceeds with SCR 87, LURF would be willing to take part in the the Task Force and Study.

Thank you for the opportunity to submit testimony providing **support and comments** regarding SCR 87 SD1.