

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

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

In consideration of
S.C.R. 88, S.D. 1

**URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
TO ESTABLISH A TRANSIT ORIENTED DEVELOPMENT TASK FORCE TO
FACILITATE MIXED-INCOME AND AFFORDABLE HOUSING IN TRANSIT
ORIENTED DEVELOPMENTS BY BETTER COORDINATING TRANSPORTATION
AND HOUSING PLANNING AND PROGRAMS.**

The HHFDC supports the intent of S.C.R. 88, S.D. 1. However, we have concerns relating to the broad scope of services for the proposed Transit Oriented Development (TOD) Task Force and the lack of necessary administrative and financial resources to support the Task Force for the entire period contemplated in this resolution.

The proposed TOD Task Force would serve in an advisory capacity to the Legislature, the legislative body of each county, and the appropriate state and county agencies responsible for carrying out the TOD planning process. The proposed Task Force would be operational until December 31, 2011.

We also would like to point out that tasks number 6 through 8 stated in this resolution extend beyond the HHFDC's capabilities. We do not have the necessary expertise relating to community health care facilities. Moreover, we will not be able to monitor outcomes and continually update goals and objectives through 2011, nor will we be able to ensure a joint planning process between a county and the State, nor advise appropriate legislative bodies and agencies.

Thank you for the opportunity to testify.



SCR 88, SD 1 Urging the Hawaii Housing Finance and Development Corporation to Establish a Transit Oriented Development Task Force to Facilitate Mixed-income and Affordable Housing in Transit Oriented Developments by Better Coordinating Transportation and Housing Planning and Programs
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 88, SD 1.

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 near their place of employment in the urban cores in order to make ends meet.

Urban cores with mixed-use housing need the affordable units because the jobs are there and until neighborhoods are built, instead of subdivisions, families need to be where the jobs are. Transit-oriented development can be another opportunity to get our citizens living near an area that will get them to their place of employment by keeping their transportation costs to a minimum.

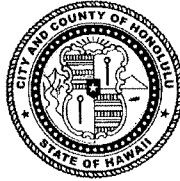
OHA recognizes that physical solutions by themselves will not solve social and economic problems, but neither can economic vitality, community stability, and environmental health be sustained without a coherent and supportive physical framework. Transit-oriented development will provide one of the many physical frameworks needed for Hawai'i's residents.

Third-party review and certification to expedite the process and issuance of building permits for an affordable housing project will assist to keep the cost down.

Mahalo for this opportunity to provide this testimony.

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

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 88 SD1
Relating to a Transit-Oriented
Development Task Force**

The Department of Planning and Permitting has **no objections** to SCR 88, which urges the Hawaii housing finance and development corporation (HHFDC) to establish a task force to facilitate mixed-income and affordable housing in transit oriented developments (TOD) and improve coordination between transportation and housing planning.

We welcome the opportunity to formally discuss TOD issues with state agencies. However, the emphasis of the task force should be to develop state initiatives that complement those of the city. The city is already evaluating incentives and mandates with respect to affordable housing in TOD, new mixed use zoning districts, and new financing incentives. We are concerned that as currently drafted, the resolution defines the discussion too broadly, and as a result, few state proposals, if any, will be offered.

Lastly, task force membership should include private sector representatives and the Hawaii community development authority.

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
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April, 21 2009

The Honorable Rida Cabanilla, Chair
House Committee on Housing
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: S.C.R. 88 S.D. 1 URGING THE HAWAI'I HOUSING FINANCE AND DEVELOPMENT CORPORATION TO ESTABLISH A TRANSIT ORIENTED DEVELOPMENT TASK FORCE TO FACILITATE MIXED-INCOME AND AFFORDABLE HOUSING IN TRANSIT ORIENTED DEVELOPMENTS BY BETTER COORDINATING TRANSPORTATION AND HOUSING PLANNING AND PROGRAMS.

HEARING DATE: Wednesday, April 22, 2009 at 10:00 a.m.

Aloha Chair Cabanilla and Members of the Committee:

I am Myoung Oh, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR") and its 9,600 members. HAR **supports the intent** of S.C.R. 88, S.D. 1, which urges the Hawaii Housing Finance and Development Corporation to establish a Transit-Oriented Development Task Force.

The January 2008 Final Report of the Hawai'i State Legislature House of Representatives Interim Task Force on Smart Growth sets forth the following ten principles of smart growth:

- (1) Create a range of housing opportunities and choices;
- (2) Create walkable neighborhoods;
- (3) Encourage community and stakeholder collaboration;
- (4) Foster distinctive, attractive communities with a strong sense of place;
- (5) Make development decisions predictable, fair, and cost effective;
- (6) Mix land uses;
- (7) Preserve open space, farmland, natural beauty, and critical environmental areas;
- (8) Provide a variety of transportation choices;
- (9) Strengthen and direct development toward existing communities; and
- (10) Take advantage of compact building design.

In April 2007, an Executive Summary (the "Executive Summary") was prepared of a report titled Realizing the Potential: Expanding Housing Opportunities Near Transit, which was written by Reconnecting America's Center for Transit-Oriented Development and funded by the U.S. Department of Transportation Federal Transit Administration ("FTA") and the U.S. Department of Housing and Urban Development ("HUD"). FTA and HUD also more recently published a follow up joint report titled Better Coordination of Transportation and Housing Programs to Promote Affordable Housing Near Transit. This report outlines further strategies on continuing to expand coordination of transit and mixed-income housing and affordable housing.



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The Executive Summary states that one of the strategies that can be used to create and preserve mixed-income housing near transit is to provide incentives that help catalyze the market for mixed-income transit oriented development ("TOD"). The Executive Summary further explains some of the obstacles to building mixed-income TOD housing, which include:

- Land prices around stations are high or increase due to speculation, once a new transit line is announced;
- Affordable housing developers lack adequate capital to acquire and hold land before prices go up and until the land is ready to be developed;
- Funding for building affordable housing is limited;
- Mixed-income and mixed-use projects require complex financing structures;
- TOD project sites often require land assembly and rezoning, which can lead to lengthy acquisition and permitting processes, which in turn increase development costs;
- TOD parking requirements are unnecessarily high, which drives up costs; and
- Community opposition to density and affordable housing is hard to overcome.

We further add that one of the critical means for coordination is a point of authority or board. We believe that the City and County of Honolulu will benefit with a coordinated transit authority that manages the rail stations with existing bus routes. This task force should review this additional responsibility as part of the TOD planning process.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.