

SB2110



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

Written Testimony of
Linda L. Smith
Senior Policy Advisor to the Governor

Before the
SENATE COMMITTEE ON EDUCATION & HOUSING
**SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL &
INTERGOVERNMENTAL AFFAIRS**

Monday, February 8, 2010, 1:15 PM
State Capitol, Room 225

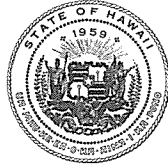
S.B. 2110 RELATING TO AFFORDABLE HOUSING

Chairs Sakamoto and English, Vice Chairs Kidani and Gabbard, and members of the Committees:

The Administration **strongly supports** S.B. 2110, which expedites the construction of affordable housing by creating a standard timeframe for the issuance of non-discretionary ministerial permits for approved affordable housing projects. This bill is similar to an Administration-sponsored bill, S.B. 2679, which is based on recommendations from the Affordable Housing Regulatory Barriers Task Force.

Although there is a currently process in place that allows government agencies to approve affordable housing project proposals through an expedite track, ministerial permits that are issued subsequent to project approval may take significant amounts of time before they are issued. This bill creates a standard timeframe to guide government agencies in order to minimize this delay.

Thank you for the opportunity to provide testimony in strong support of this bill.



STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF KAULANA H. R. PARK, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEES ON EDUCATION AND HOUSING &
TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS
ON **SB 2110 RELATING TO AFFORDABLE HOUSING**

February 8, 2010

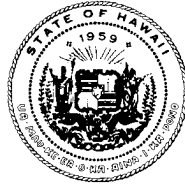
Chair Sakamoto, Chair English and Members of the Committees:

The Hawaiian Homes Commission and Department of Hawaiian Home Lands support SB 2110 which helps expedite permitting processes to support affordable housing projects.

DHHL is the state's largest housing developer and our agency has observed firsthand how the permitting process can delay construction of affordable homes and, in turn, delay a family's home ownership opportunity. I respectfully urge your committees to pass legislation like this that assists in the construction of much needed affordable units in Hawai'i. SB 2110 will support projects on Hawaiian home lands as well as other affordable housing projects throughout the state.

Thank you for the opportunity to testify on this measure.

Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO

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

SENATE COMMITTEE ON EDUCATION AND HOUSING SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

February 8, 2010, 9:00 a.m.
Room 225, State Capitol

In consideration of
S.B. 2110
RELATING TO AFFORDABLE HOUSING.

The HHFDC **supports** S.B. 2110, which is similar to S.B. 2679, an Administration bill. In 2007, Governor Lingle convened the Affordable Housing Regulatory Barriers Task Force in response to the U.S. Department of Housing and Urban Development's National Call to Action. The Task Force's main objective is to identify barriers to affordable housing development in Hawaii and to recommend appropriate solutions. This bill would implement part of the Task Force's recommendations.

One of the regulatory barriers identified by the Task Force is that non-discretionary, ministerial permits that are issued subsequent to approval of an affordable housing project take a significant amount of time to issue. To remedy this, the Task Force recommended the establishment of standard timeframes that govern permit issuances for affordable housing projects.

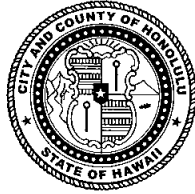
This bill requires state and county agencies to issue any ministerial permits associated with an approved affordable housing project within 45 days from the time of acceptance of the permit application for the project. The bill also creates a cap on the number of reviews allowed.

Thank you for the opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
MAYOR



DAVID K. TANOUÉ
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

February 8, 2010

The Honorable Norman Sakamoto, Chair
and Members of the Committee on Education
and Housing
The Honorable J. Kalani English, Chair
and Members of the Committee on Transportation,
International and Intergovernmental Affairs
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Sakamoto, English, and Members:

**Subject: Senate Bill No. 2110
Relating to Affordable Housing**

The Department of Planning and Permitting **opposes** Senate Bill No. 2110 because it imposes unrealistic deadlines and unreasonable restrictions on the counties' review of ministerial permits for affordable housing projects under Section 201H, Hawaii Revised Statutes.

The purpose of ministerial permits for building, grading, construction in county roadways, etc., is to ensure public health and safety, to safeguard life and limb and to protect both private and public property.

Projects, whether affordable or not, that are not properly reviewed and approved would create financial, legal, and other related impacts. It is vital that persons in the county with expertise have the opportunity and time to properly review and approve permits to ensure the public's health and safety is accounted for. A rushed review, or insufficient review, could result in safety issues, negative environmental impacts, code violations, etc.

Dictating a rigid forty-five day time limit for the review and issuance of any ministerial permits and limiting the counties to performing no more than two comprehensive reviews on the permits would unreasonably limit county compliance with the laws and regulations that must be enforced to ensure public health and safety. The county needs to maintain the ability to perform necessary reviews to ensure that a project satisfies all the applicable statutory requirements and receives a properly issued permit.

The Honorable Norman Sakamoto, Chair
and Members of the Committee on Education
and Housing

The Honorable J. Kalani English, Chair
and Members of the Committee on Transportation,
International and Intergovernmental Affairs

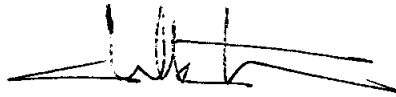
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In our experience, the main reason that a permit needs to be reviewed more than once is because the application and plans are incomplete or the applicant fails to address the reviewer's comments and/or provide the requested documentation. This bill does not place any responsibility on the project's developer and consultants to ensure that their permit applications are complete, that timely responses to our comments are provided, and requested documentation or corrections are made.

Accordingly, we respectfully request that Senate Bill No. 2110 be amended or filed.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read 'David K. Tanoue', with a long horizontal flourish extending to the right.

David K. Tanoue, Director
Department of Planning and Permitting

DKT: jmf
sb2110-ms.doc

sakamoto2 - Erin

From: Kevin Carney [kcarney@eahhousing.org]
Sent: Tuesday, February 02, 2010 11:02 AM
To: EDH Testimony
Subject: SB 2110 Hearing on February 8, 2010 at 1:15PM, Room 225 - Testimony in Support

Dear Chair Sakamoto, Vice Chair Kidani, Chair English, Vice Chair Gabbard and Members of the Senate Committees on Education and Housing and on Transportation, International and Intergovernmental Affairs:

Thank you for this opportunity to submit testimony in strong support of SB 2110 which provides for expedited processing of ministerial permits for the construction of affordable housing units. EAH Housing is an affordable rental housing developer and manager with over 8,000 units in its inventory. We have preserved 960 units in Hawaii through acquisition and rehabilitation and we currently serve nearly 30,000 residents in California and Hawaii.

Hawaii has a severe shortage of affordable rental housing that serves those at 50% and below of the area median income (AMI). We have long waiting lists at existing properties to prove it. The 2009 HUD AMI for a family of four in Honolulu is \$79,300. The 2010 figures will not be distributed until late February or early March. This housing serves our hotel service industry, our first responders, our service technicians, our medical assistants, our teachers and many others who strive to make a living in Hawaii. As you well know, time is money! SB2110 will save developers such as ourselves money and that money can be put toward creating a better product that will be delivered faster to a waiting clientele.

Please give SB2110 your full support. Thank you.

Sincerely,
Kevin

Kevin R. Carney, (PB)
Vice President, Hawaii
EAH Housing
841 Bishop Street, Suite 2208
Honolulu, Hawaii 96813

Phone: 808-523-8826

Webpage: <http://www.eahhousing.org>



February 8, 2010

The Honorable Norman Sakamoto, Chair
Committee on Education and Housing
The Honorable Kalani English, Chair
Committee on Transportation, International and Intergovernmental Affairs
State Senate
State Capitol, Room 225
Honolulu, Hawaii 96813

Dear Chairs Sakamoto and English, and Members:

Subject: Senate Bill No. SB 2110 Relating to Affordable Housing

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII supports S.B. No. 2110.

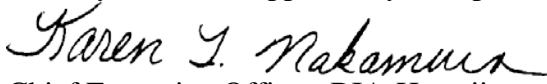
The bill proposes to amend Chapter 201H HRS by requiring all state and county ministerial permits for a "government assisted housing program" be issued within 45 days of the application.

The subject bill is the result of a United States Department of Housing and Urban Development program initiated in 2007 called the National Call to Action for Affordable Housing Thru Regulatory Reform. The Call to Action presented an opportunity for Hawaii to receive technical assistance from the federal government and collaborate with other states, counties, municipalities, and organizations to knock down the barriers imposed by governments in hopes of building more affordable housing.

The subject bill is intended to address this specific area and expedite the issuance of ministerial permits for government assisted housing projects.

We strongly support SB 2110.

Thank you for this opportunity to express our views.


Chief Executive Officer, BIA-Hawaii



February 8, 2010

The Honorable Norman Sakamoto, Chair
Committee on Education and Housing
The Honorable Kalani English, Chair
Committee on Transportation, International and Intergovernmental Affairs
State Senate
State Capitol, Room 225
Honolulu, Hawaii 96813

Dear Chairs Sakamoto and English, and Members:

Subject: Senate Bill No. SB 2110 Relating to Affordable Housing

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber supports S.B. No. 2110.

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The subject bill is intended to address this specific area and expedite the issuance of ministerial permits for government assisted housing projects.

We strongly support SB 2110.

Thank you for this opportunity to express our views.



Sierra Club Hawai'i Chapter

PO Box 2577, Honolulu, HI 96803
808.538.6616 hawaii.chapter@sierraclub.org

SENATE COMMITTEE ON EDUCATION AND HOUSING SENATE COMMITTEE ON TRANSPORTATION TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS

February 8, 2010, 1:15 P.M.

(Testimony is 2 pages long)

TESTIMONY IN OPPOSITION SB 2110

Aloha Chair Sakamoto, Chair English, and Members of the Committees:

The Hawai'i Chapter of the Sierra Club is in opposition to SB 2110, which automatically approves ministerial permits for affordable housing after 45 days. While we strongly support the intent of encouraging affordable housing, we are concerned that the incentives in the measure may undermine the desired goals of the policy and run counter to the concept of a democratically administered society. Our comments and concerns are as follows:

First, the simplest way to increase affordable housing in Hawai'i is to follow the lead of the County of Maui, which recently required fifty percent of all proposed housing projects to meet affordability requirements. See, e.g., SB 758. This solution, assuming it was enforced, would directly solve the needs of Hawai'i's homelessness without engaging in poor community planning.

Second, the "automatic approval" of any permit is simply poor policy. Permits should be granted on their merits, not by mistake or governmental inefficiency. ***No community should suffer because government failed to perform.*** Consider:

- What happens when a building is automatically approved that doesn't meet health and safety standards? Is the State liable for any resulting injuries?
- What happens when additional information is required by the department or agency and the deadline passes?
- What happen when a county, rightly or wrongly, construes complex issues like subdivision approval -- that directly impact traffic, public access, and smart growth -- as a ministerial action?
- What happens when there are complex environmental assessments and the like that need to be completed pursuant to Haw. Rev. Stat. Chapter 343 and the deadline passes?

- What happens when a contested case hearing is requested pursuant to chapter 91, HRS, and for any other period for administrative appeals and review and the deadline passes?
- Is it ever appropriate to automatically approve a permit that will irreparably damage the environment or native Hawaiian rights? Doesn't that violate protections provided by the State Constitution?

Again, we understand and appreciate the intent of SB 2110. If the legislature prefers not to require the environmental features in the measure be mandatory for all developments, perhaps other incentives besides “automatic approval” could be incorporated to make such developments more attractive to builders. For example, perhaps an ombudsman program could be developed to shepherd projects of this nature through the review process. Or an “expedited fee” could be charged to pay for additional review staff and resources that would automatically be refunded if the project is not approved within a set period of time?

Thank you for this opportunity to provide testimony.