

TESTIMONY
SB 2111, SD1

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
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IN REPLY REFER TO

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

**SENATE COMMITTEE ON WATER, LAND, AGRICULTURE,
AND HAWAIIAN AFFAIRS**

February 17, 2010, 2:45 p.m.
Room 229, State Capitol

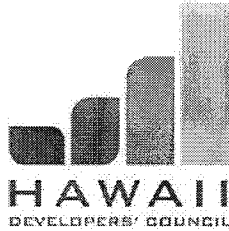
In consideration of
S.B. 2111, S.D. 1
RELATING TO AFFORDABLE HOUSING.

The HHFDC ***supports the intent*** of S.B. 2111, S.D. 1, but prefers the language of the bill as originally introduced. 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 regulatory barriers to affordable housing development in Hawaii and to recommend appropriate solutions.

The Task Force discovered that in some cases counties do not act to affirmatively accept public infrastructure that has been developed as part of an affordable housing project. When infrastructure dedication is delayed, project financing may be jeopardized.

Accordingly, this bill, as originally introduced, clarified the timeframe established in Act 142, Session Laws of Hawaii 2009, for counties to accept public infrastructure that is part of an affordable housing development within 60 days when the infrastructure is built in accordance with county standards. This would ensure that affordable housing projects progress within reasonable lengths of time and the housing needs of the state continue to be met.

Thank you for the opportunity to testify.



February 17, 2010

The Honorable Clayton Hee, Chair
Committee on Water, Land, Agriculture and Hawaiian Affairs
State Senate
State Capitol, Room 229
Honolulu, Hawaii 96813

Dear Chair Hee and Members:

Subject: Senate Bill No. SB 2111 SD 1, Relating to Affordable Housing

My name is Lance Wilhelm, President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications. It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

HDC supports S.B. No. 2111 SD 1.

The bill proposes to amend Chapter 46 and require the Counties to accept or reject a dedication request from an affordable, workforce, mixed use, or rental housing project constructed under chapter 201H to connect its infrastructure to the county's infrastructure. If not accepted within 60 days, of receipt of a complete application for dedication request by the appropriate county council, the infrastructure automatically is dedicated to the County.

The underlying problem in the State and all of its counties is the continuing critical shortage of affordable housing. As a matter of policy, the Legislature should recognize that the cyclical housing problems in the State are a function of the overall lack of supply of housing in general.

For many years, government has attempted to address the need for housing by imposing affordable housing requirements on private developers seeking zone changes to permit large residential developments. These requirements have been contained in Unilateral Agreements executed and recorded by the developer/landowner and made a part of zone changes.

However, the Legislature realized that there are segments of the housing market that cannot be accommodated by the private sector developers. What is needed is a comprehensive approach to address the existing and future housing needs for the residents of the State.

The purpose of this policy is to establish clear and comprehensive housing program to address Oahu's pressing needs for housing.

The overall goal of the proposed legislation should be to increase the supply of housing for all income levels. This can be done by stimulating the market in certain areas to provide more incentives to build targeted housing product types. This approach allows the policy makers to focus on increasing unit counts in the various product types as opposed to trying to "regulate" the market.

It provides a different approach to increasing the supply of housing in Hawaii by reducing the uncertainty in the development of the targeted product types and allow for a variety of delivery options depending on market conditions. It also allows the market conditions to dictate supply of product type.

We appreciate the opportunity to express our views on this matter.

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 17, 2010

The Honorable Clayton Hee, Chair
Committee on Water, Land, Agriculture and Hawaiian Affairs
State Senate
State Capitol, Room 229
Honolulu, Hawaii 96813

Dear Chair Hee and Members:

Subject: Senate Bill No. SB 2111 SD 1, 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. 2111 SD 1.

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A handwritten signature in black ink that reads "Karen Y. Nakamura". The signature is written in a cursive, flowing style.

Chief Executive Officer
BIA-Hawaii



Housing Hawaii Inc., 841 Bishop Street, Suite 228 – Honolulu, HI 96813 – 808-523-8826

February 16, 2010

Committee on Water, Land, Agriculture, and Hawaiian Affairs
Senator Clayton Hee, Chair
Senator Jill Tokuda, Vice Chair

Hearing: Wednesday, February 17, 2010 at 2:55 P.M.
Hawaii State Capitol, Room 229

Re: SB2111, SD1 – Relating to Affordable Housing

Testimony in Support

Chair Hee, Vice Chair Tokuda and members of the committee. Thank you for the opportunity to offer testimony in support of SB2111, SD1, which would **Shortens the time period within which counties may accept or reject requests for dedication of infrastructure for affordable housing to sixty days, commencing upon receipt by the appropriate county council of a complete application for dedication request, and subject to certain conditions.**

Housing Hawaii Inc. is a non-profit 501(c)(3) corporation that advocates for the development of affordable housing statewide. HUD's Regulatory Barriers Clearinghouse has identified administrative processes & streamlining as the number primary barriers to affordable housing construction.

We would point out that Hawaii has a severe shortage of affordable housing. Establishing timeframes that addresses infrastructure dedications will help move projects along. We would also point out that most affordable housing developers work on a very tight budget. Approving dedications early will certainly help developers in planning for infrastructure expenses.

SB2111, SD1, is a very balanced measure that should if implemented properly, not only shorten the time to approve or reject and dedication request, it will also assist developers in estimating their infrastructure cost early on in the project.

Respectfully,
George Massengale, J.D.
Member, Board of Directors



**Testimony to the Senate Committee on Water, Land, Agriculture, and
Hawaiian Affairs
Wednesday, February 17, 2010; 2:45 p.m.
Conference Room 229**

Subject: Senate Bill No. SB 2111 SD1 Relating to Affordable Housing

Dear Chair Hee, Vice Chair Tokuda and Members of the Committee:

My name is Jim Tollefson and I am the President and CEO of The Chamber of Commerce of Hawaii ("The Chamber"). I am here to state The Chamber's support to Senate Bill No. 2111 SD1, relating to Affordable Housing.

The Chamber is the largest business organization in Hawaii, representing more than 1,100 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

The bill proposes to amend Chapter 46 and require the Counties to accept or reject a dedication request from an affordable, workforce, mixed use, or rental housing project constructed under chapter 201H to connect its infrastructure to the county's infrastructure. If not accepted within 60 days, of receipt of a complete application for dedication request by the appropriate county council, the infrastructure automatically is dedicated to the County.

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(END)