



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

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

Before the
HOUSE COMMITTEE ON HOUSING
and
HOUSE COMMITTEE ON WATER, LAND, & NATURAL RESOURCES

Wednesday, March 17, 2010, 9:15 AM
State Capitol, Room 325

SB 2111 SD2 RELATING TO AFFORDABLE HOUSING

Chairs Cabanilla and Ito, Vice Chairs Chong and Har, and members of the Committees:

The Administration supports the intent of SB 2110 SD2 and recommends that it be amended to the original bill language, which is similar to an Administration-sponsored measure, SB 2681.

In 2009 the Legislature passed Act 142 which established a ninety day timeframe for counties to affirmatively accept or reject infrastructure that is directly tied to an affordable housing development. This law was intended to mitigate problems experienced by affordable housing developers who encountered inconsistencies in the counties' response time to infrastructure dedication requests. This made it difficult for affordable housing developers to project and plan for how long they would have to carry the costs of running the infrastructure. Affordable housing developers also discovered that delays could jeopardize their project financing or prevent them from closing out the surety bond that most of them carry for their projects.

First, the Administration strongly supports the provision in the SD2 that shortens the timeframe for counties to accept a dedication of infrastructure request for an affordable housing project from ninety to sixty days. The sixty day timeframe was proposed by the Affordable Housing Regulatory Barriers Task Force, which was established under the auspices of the U.S. Department of Housing & Urban Development and was made up of key stakeholders who met over an eighteen month period to develop proposals to expedite affordable housing development.

Secondly, to improve the current law we recommend the reinsertion of an amendment, that was in the in the original bill but removed from the SD1, to repeal subsection 46-15.25 (a)(3), Hawaii Revised Statutes. This provision allows the counties to only act on an affordable housing infrastructure dedication request if "the completion of the improvements comprising a dedicated infrastructure is granted approval by the county". The purpose of the timeframe is to expedite and guide the processing of the dedication request leading up to approval, and not after. If the county has already approved of the request, the need for a standard timeframe is mitigated.

The current law already provides the county with the ability to ensure the approval of safe infrastructure by preserving the counties ability to reject the dedication request, as well as applying the standard timeframe only to dedication requests that meet county standards and whose fees have been paid by the developer.

Lastly, we oppose the SD2 amendment that changes the time in which the clock starts for the counties to respond to an infrastructure dedication request. The current law grants counties ninety days to act to affirmatively accept or reject a dedication request starting when the dedication request is filed, whereas the SD2 starts the clock upon the county council's receipt of a completed application. This amendment would provide the counties with additional time and therefore runs counter to the intent of the law, which is to establish an expedited timeframe.

Accordingly, we propose that Section 2 of the bill be amended to read:

"SECTION 2. Section 46-15.25, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Infrastructure for affordable housing shall be deemed dedicated to the county if the county does not accept or reject the request for dedication of infrastructure within [~~ninety~~] sixty days of the filing of the dedication request; provided that:

- (1) Applicable meter and connection fees and utility costs relating to the dedicated infrastructure have been paid; and
- (2) The dedicated infrastructure conforms to applicable county standards in effect at the time of construction[~~and~~
- ~~(3) The completion of the improvements comprising a dedicated infrastructure is granted approval by the county]."~~

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

HOUSE COMMITTEE ON HOUSING
HOUSE COMMITTEE ON WATER, LAND, & OCEAN RESOURCES

March 17, 2010, 9:15 a.m.
Room 325, State Capitol

In consideration of
S.B. 2111, S.D. 2
RELATING TO AFFORDABLE HOUSING.

The HHFDC supports S.B. 2111, S.D. 2. 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 clarifies 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 and that 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.

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.honoluluapp.org • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
MAYOR



DAVID K. TANOUE
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

March 17, 2010

The Honorable Rida Cabanilla, Chair
and Members of the Committee on Housing
The Honorable Ken Ito, Chair
and Members of the Committee on Water,
Land & Ocean Resources
State House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Cabanilla, Ito and Members:

**Subject: Senate Bill No. 2111, SD2
Relating to Affordable Housing**

The Department of Planning and Permitting has **no objections** to Senate Bill No. 2111, SD2. In its current form, this version of the bill addresses our concerns, as stated in previous testimonies on earlier versions of the bill regarding negative impacts on public health and safety should the county be forced to accept infrastructure that has not been approved for completion and compliance with county standards.

Further, although the reason for shortening the deadline from 90 to 60 days is still not justified, the SD2 version of the bill retains clarification of its applicability to the appropriate county council and will have no apparent effect on the existing county safeguards for acceptance of dedication of infrastructure for affordable housing projects.

We would like to thank the legislature for heeding our concerns regarding this bill. Accordingly, we do not have any further objections concerning Senate Bill No. 2111, SD2 and ask that it be passed in its current form.

Thank you for the 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:
sb2111SD2-ms.doc



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO
Gentry Pacific Design Center, Suite 215A * 560 N. Nimitz Highway, #50 * Honolulu, Hawaii 96817
(808) 524-2249 - FAX (808) 524-6893

NOLAN MORIWAKI

President
Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers/Cement Masons
Local 630

JOSEPH O'DONNELL

Vice President
Iron Workers Local 625

DAMIEN T.K. KIM

Financial Secretary
International Brotherhood of
Electrical Workers Local 1186

ART TOLENTINO

Treasurer
Sheet Metal Workers I.A. Local 293

MALCOLM K. AHLGREN

Sergeant At Arms
Carpet, Linoleum, & Soft Tile
Local 1296

REGINALD CASTANARES

Trustee
Plumbers & Fitters Local 675

THADDEUS TOMEI

Elevator Constructors Local 126

JOSEPH BAZEMORE

Drywall, Tapers, & Finishers
Local 1944

RICHARD TAGGERE

Glaziers, Architectural Metal &
Glassworkers Local 1944

GARY AYCOCK

Boilermakers, Ironship Builders
Local 627

LYNN KINNEY

District Council 50
Painters & Allied Trades Local 1791

EUGENE SOQUENA

Operating Engineers Local 3

DOUGLAS FULP

International Assoc. of Heat & Frost
Insulators & Allied Workers Local 132

RONAN KOZUMA

Hawaii Teamsters & Allied
Workers Local 996

PETER GANABAN

Laborers' International Union of
North America Local 388

VAUGHN CHONG

Roofers, Waterproofers & Allied
Workers United Union of Roofer
Local 221

March 15, 2010

Honorable Rep. Ken Ito, Chair
Honorable Rep. Sharon E. Har, Vice Chair
Members of the House Cmte. on Water, Land, and Ocean Resources
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT OF SB 2111**
RELATING TO AFFORDABLE HOUSING.
Hearing: Wed., March 17, 2010, 9:15 a.m., Room 325

Dear Chair Ito, Vice Chair Har, and the House Committee on Water,
Land, and Ocean Resources:

For the Record my name is Buzz Hong the Executive Director for the
Hawaii Building & Construction Trades Council, AFL-CIO. Our Council
is comprised of 16-construction unions and a membership of 26,000
statewide.

The Council **SUPPORTS SB2111**, which would set a 60 day time limit
for the dedication of infrastructure for affordable housing units,
commencing upon the receipt by the appropriate county council of a
complete application for the dedication request, subject to certain
conditions.

Thank you for the opportunity to submit this testimony in support of
SB2111.

Sincerely,

William "Buzz" Hong
Executive Director

WBH/hm