

TESTIMONY
SB2111, SD1
LATE



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EXECUTIVE CHAMBERS HONOLULU

LINDA LINGLE
GOVERNOR

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

Before the
SENATE COMMITTEE ON WATER, LAND, AGRICULTURE, & HAWAIIAN AFFAIRS

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

S.B. 2111 SD1 RELATING TO AFFORDABLE HOUSING

Chair Hee, Vice Chair Tokuda, and members of the Committee:

The Administration supports the intent of S.B. 2111 SD1 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 SD1 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.

It's key to note that 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 SD1 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 SD1 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 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]."~~

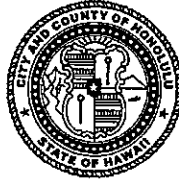
Thank you for the opportunity to testify on this measure.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



DAVID K. TANOUÉ
DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

February 17, 2010

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

Dear Chair Hee and Members:

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

The Department of Planning and Permitting has **no objections** to Senate Bill No. 2111, SD1, as the amendments address our concerns 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 as stated in our testimony on the original version of the bill.

Although the SD1 reason for shortening the deadline from 90 to 60 days is still not justified, the amendment clarifying its applicability to the appropriate county council will have no apparent effect on the existing county safeguards for acceptance of dedication of infrastructure for affordable housing projects.

Accordingly, we do not object should Senate Bill No. 2111, SD1 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", written over a horizontal line.

David K. Tanoue, Director
Department of Planning and Permitting

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