

Testimony
Wednesday, March 23, 2009
Conference Room 325
9:45 am

To: Chair Cabanilla, Vice Chair Chong and Members of the House Committee on Housing

Chair Ito, Vice Chair Har and Members of the House Committee on Water, Land and Ocean Resources

From: Daniel Stringer

RE: **Senate Bill No. 442, SD2, HD1** Relating to establishing a County Transit Oriented Development Infrastructure Revolving Fund


My name is Daniel Stringer and I am a graduate student at the University of Hawai'i School of Social Work and an employee of the City and County of Honolulu where I provide job readiness training to low-income families receiving public assistance on the Leeward Coast. **I speak today in strong support of SB 442, SD2, HD1**, which creates a no-interest revolving fund to provide loans for infrastructure improvements that support transit-oriented development, especially those projects involving affordable housing.

As someone who interacts daily with low-income families facing a worsening affordable housing crisis as well as the exhausting effects of traffic congestion along Oahu's urban corridor, I regularly witness the struggle for three basic things: adequate housing, stable employment and a reliable way to commute from one to the other. Given these realities, I am greatly encouraged by the prospect of transit-oriented development (TOD), which, if implemented correctly, will offer the benefits of improved mobility, enhanced quality of life, environmental sustainability and economic growth for our residents.

However, if plans for TOD proceed without an eye on affordable housing, developers will undoubtedly price the units at rates that leave the average family behind. In order for TOD to truly benefit those who need it most, we must not neglect working families who run the risk of being "priced out" of mixed-use housing units along the transit line. By expediting the development of TOD's infrastructure and prioritizing affordable housing, this bill helps lay the groundwork for well-planned communities that efficiently utilize our limited space in ways that curb urban sprawl, preserve our agricultural lands and promote greener, cheaper transportation habits that are sustainable for the long term.

I ask for your favorable consideration of SB 442, SD2, HD1. Thank you for the opportunity to testify.

Respectfully submitted,


Daniel Stringer

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 24, 2009 3:51 PM
To: HSGtestimony
Cc: adler.kelly@gmail.com
Subject: Testimony for SB442 on 3/25/2009 9:45:00 AM

Testimony for HSG/WLO 3/25/2009 9:45:00 AM SB442

Conference room: 325
Testifier position: support
Testifier will be present: Yes
Submitted by: Kelly Adler
Organization: Individual
Address: 2471 Manoa Road Honolulu, Hawaii
Phone:
E-mail: adler.kelly@gmail.com
Submitted on: 3/24/2009

Comments:

Chair Cabanilla of the Committee on Housing & Chair Ito of the Committee on Water, Land, & Ocean Resources

In support of SB442 SD2 HD1

Wednesday March 25, 2009
9:45am, House Conference Room 325

Kelly Adler,
Masters of Social Work Student, University of Hawaii - Manoa

2471 Manoa Road
Honolulu, Hawaii 96822
(808)271-7114

I would like to state my strong support of SB422 SD2 HD1. My specific interest lays in section 2. part (C)- with funds being used to provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development, particularly those involving affordable housing. I support and encourage any funding that addresses the critical need for affordable housing here in Hawaii. This need is increasing at a rapid rate, and will continue to increase, considering the current economic and social struggles facing our island people today. Furthermore, I support any funding and infrastructure development plans that are based on preserving and protecting open space and watershed areas.

I strongly support SB442 SD2 HD1. Thank you for hearing my testimony.



SB 442, SD2, HD 1 Relating to Transit Oriented Development
House Committee on Housing
Committee on Water, Land, & Ocean Resources

March 25, 2009
325

9:45 a.m.

Room

The Office of Hawaiian Affairs supports the purpose and intent of SB 442.

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

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 768-8041
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 25, 2009

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 Resource
State House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chairs Cabanilla, Ito and Members:

**Subject: Senate Bill No. 442, SD2, HD1
Related to Transit Oriented Development**

The Department of Planning and Permitting **strongly supports** Senate Bill 442, SD2, HD1, which would add to Section 36, HRS, a new infrastructure revolving fund under the state director of budget and finance. It would support the development of transit-oriented development (TOD), with priority being given to those projects which increase infrastructural capacity on a regional or collector system basis.

Transit-oriented development offers many benefits to the State of Hawaii. TOD promotes pedestrian friendly communities; it reduces traffic congestion, air pollution, and dependence on imported oil; it increases transit ridership, making public transportation more economically viable and ensuring greater transportation equity; it can minimize future sprawl, preserving valuable agricultural and conservation lands; and it can be a magnet for preferred developments that can stimulate the State's economy.

Decades of lack of support for increasingly aging infrastructure systems (in particular, sewer, water and roadways), has become a major obstacle to implementing the counties' growth management policies and reintegration of older communities. With the opportunity for social and economic development

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 Resource
State House of Representatives
Re: Senate Bill 442, SD2, HD1
March 25, 2009
Page 2

opportunities posed by TOD, attention to basic infrastructure capacities is essential.

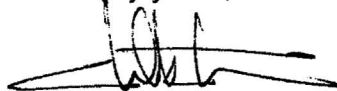
However counties cannot bear the costs of upgrades alone. Past estimates just to upgrade the City and County of Honolulu's sewer system will cost \$2 billion. The Department of Planning and Permitting believes that a revolving fund providing no-interest loans to counties for infrastructure projects would expedite the development of TOD projects and would benefit the State's economy and quality of life for its residents.

Lastly, please note that no funds are being requested at this time. This is not meant to be an unfunded program, but instead, recognizes the current economic challenges faced by the state. At a future date, funds would be requested. Even without funding, we feel it is appropriate to establish the fund at this time. It becomes an indicator to the private sector of the state's willingness to support TOD.

In short, please pass Senate Bill 442, SD2, HD1, with an effective date of this year.

Thank you for the opportunity to testify.

Sincerely yours,



David K. Tanoue, Director
Department of Planning and Permitting

DKT: jmf
sb442sd2hd1-kst.doc

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

March 25, 2009

Representative Rida Cabanilla, Chair
Committee on Housing
Representative Ken Ito, Chair
Committee on Water, Land and Ocean Resources
State Capitol, Room 325
415 South Beretania Street
Honolulu, Hawaii 96813

Representatives Cabanilla and Ito and Members of the Joint Committees:

Subject: **Senate Bill No. SB 442, SD2, HD1 Relating to Transit Oriented
Development Infrastructure Revolving Fund**

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 is in strong support of SB 442, SD2, HD1.

The bill proposes to create a no-interest loan revolving fund to provide loans to the counties for infrastructure improvements that support transit-oriented development.

The City and County of Honolulu is about to embark on the largest Capital Improvement Project in the States' history. The Honolulu High Capacity Transit Project will reshape the landscape of Honolulu for the next century. The bill properly recognizes that the key to allowing for more compact and dense development in and around the transit corridor is to provide the necessary infrastructure capacity to accommodate the planned future growth in the area. More importantly, providing the infrastructure capacity at the same time the transit project is being constructed will minimize the impact on the public along the transit route as the construction activity will be done once, not twice.

We ask for your favorable consideration of SB 442, SD2, HD1.

Thank you for the opportunity to share our views with you.



Chief Executive Officer
BIA-Hawaii



LAND USE RESEARCH
FOUNDATION OF HAWAII
700 Bishop Street, Ste. 1928
Honolulu, Hawaii 96813
Phone 521-4717
Fax 536-0132

Via Capitol Website

March 25, 2009

**House Committees on Housing and
Water, Land and Ocean Resources**

Hearing Date: Wednesday, March 25, 2009, 9:45 a.m. in CR 325

**Testimony in Support of SB 442, SD2, HD1
(Establishing a County Transit Oriented Development Infrastructure
Revolving Loan Fund)**

Honorable Chair Rida Cabanilla, Vice Chair Pono Chong and Members of the House Committee on Housing, Honorable Chair Ken Ito, Vice-Chair Sharon E. Har, and members of the House Committee on Water, land and Ocean Resources:

I am Dave Arakawa, the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide our testimony **in strong support of SB 442, SD2, HD1**, which creates the county infrastructure development revolving loan fund within the Department of Budget and Finance (BFS) to provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development (TOD), especially those involving affordable housing.

Background of Transit Oriented Development in Honolulu. The City Council and Administration of the City and County of Honolulu (City) have initiated a major mass transit project that has the potential to fundamentally reshape the form and character of Honolulu. The Council has selected a fixed guideway system and a Locally Preferred Alternative alignment route for the project. Appropriate TOD land use regulations along the alignment and around the rapid transit stations will be crucial. Rapid transit on Oahu will stimulate more compact development around transit stations, thereby reducing urban sprawl. The more intense use of land will produce community benefits, such as affordable housing, open plazas, and parks. However, TODs often

require multiple sources of financing, and community benefits increase the development costs, thereby increasing project risk.

SB 442, SD2, HD1. This bill would create a county infrastructure development revolving loan fund which will provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of TOD, especially those involving affordable housing.

The sources of the infrastructure fund could include: appropriations by the legislature, private contributions, loan payments, other returns; and moneys from the federal government and other sources.

The infrastructure, to be funded could include any utility, such as sewer, roads, drainage, bridges, and water, including conduits, pumps and water treatment plants, generally considered as county responsibilities and under county ownership. Permitted uses of the funds may include planning, design, land acquisition, costs of options, agreements of sale, or other infrastructure-related services or activities that may be provided in rules adopted by the department pursuant to chapter 91. In determining which projects to fund, the director shall give first priority to projects that increase infrastructure capacity on a regional or collector system level, as opposed to those that only support capacities for specific, limited number of properties.

LURF Position. LURF **strongly supports SB 442, SD2, HD1.** The City's transit line will direct the location of growth on Oahu, encourage compact development, limit urban sprawl, preserve open space and protect watershed areas and agricultural lands. Compact TOD development will be planned near transit stations, however, TODs will also require upgrades to the capacities of existing infrastructure, at a time when the City is challenged just to maintain the infrastructure systems they already have, and there are concerns regarding the City's financial ability to upgrade these systems.

SB 442, SD2, HD1 recognizes that the State has a role in supporting TOD and further recognizes the need for the State to support the counties by providing another financing resource without unduly draining the State budget.

This measure also provides for a loan priority for projects that increase infrastructure capacity on a regional or collector system level, which would help provide increased infrastructure capacity for multiple projects within the TOD region. Such financial support of new regional TOD infrastructure projects is expected to reduce the costs of constructing and maintaining infrastructure systems.

LURF is in **strong support** of **SB 442, SD2, HD1**, and we respectfully urge your favorable consideration.

We appreciate the opportunity to present our testimony regarding this matter.