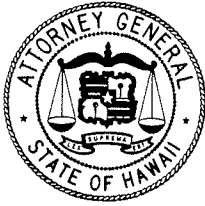


SB442



TESTIMONY OF THE STATE ATTORNEY GENERAL TWENTY-FIFTH LEGISLATURE, 2009

ON THE FOLLOWING MEASURE:

S.B. NO. 442, RELATING TO TRANSIT ORIENTED DEVELOPMENT.

BEFORE THE:

SENATE COMMITTEE ON EDUCATION AND HOUSING

DATE: Monday, February 9, 2009 **TIME:** 1:15 PM

LOCATION: State Capitol, Room 225

TESTIFIER(S): Mark J. Bennett, Attorney General
or Craig Y. Iha, Deputy Attorney General

Chair Sakamoto and Members of the Committee:

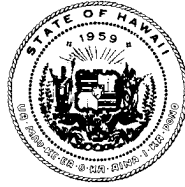
The Department of the Attorney General **has concerns** that this bill violates Article VII, section 4 of the Hawaii State Constitution, which requires standards to be established by law for any grant of public money.

Section 4 of Article VII of the State Constitution states that "[n]o grant of public money or property shall be made except pursuant to standards provided by law." The Legislature has, in the past, authorized grants to be made by executive branch agencies, but has specified the standards by law, such as part II of chapter 9, section 10-17, and section 383-128, Hawaii Revised Statutes. This bill does not appear to contain adequate standards.

In its present form, this bill appropriates funds for the Hawaii Housing Finance and Development Corporation to provide grants to affordable housing developers to conduct "third-party reviews" and "certification" in order to expedite the development of affordable housing projects. The bill, however, does not define "third-party review" or "certification". And by allowing funding for "[t]hird-party review . . . as allowed by the respective county," the bill is unclear but may leave open the possibility for counties to dictate the terms under which the appropriated funds are granted to eligible developers.

This concern would be lessened by including a definition of "third-party review" in the bill describing: (1) the kinds of reviews to be performed; and (2) the kinds of third-parties that qualify as reviewers.

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

February 9, 2009 1:15 p.m.
Room 225, State Capitol

In consideration of
S.B. 442
RELATING TO TRANSIT ORIENTED DEVELOPMENT.

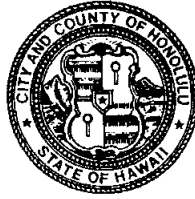
S.B. 442 authorizes the HHFDC to grant funds to affordable housing developers to cover expenses of contracting for third-party review and certification of affordable housing projects that are part of a transit oriented development, and appropriates \$500,000 for this purpose. The HHFDC acknowledges that this bill has merit; however, given the current fiscal difficulties, **it would not be prudent to pursue enactment** at this time.

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
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
MAYOR



DAVID K. TANOUE
ACTING DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

February 9, 2009

The Honorable Norman Sakamoto, Chair
and Members of the Committee on Education and Housing
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Sakamoto and Members:

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

The Department of Planning and Permitting **strongly supports** Senate Bill No. 442, which amends Section 201H to encourage transit-oriented development (TOD) including affordable housing projects by offering grants to cover the cost of processing building permits for qualifying TOD projects.

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 development that can stimulate the State's economy.

Due to these and other benefits, it is the opinion of The Department of Planning and Permitting that the State should do everything in its power to promote transit-oriented development in Hawaii.

However, in reviewing literature and discussion with people associate with transit-oriented development, it is typical that that TOD projects require a complex packaging of financial sources to be able to construct a variety of uses in one building or property. In addition, affordable housing is challenged by the high costs of production and permit processing time.

The Honorable Norman Sakamoto, Chair
and Members of the Committee on Education and Housing
State Senate
Re: SB 442
February 9, 2009
Page 2

Therefore, we believe that offering grants to reduce the permitting time and costs would be a significant incentive for developers to invest in smart-growth TOD projects in Hawaii.

Please pass Senate Bill 442. Thank you for the opportunity to testify.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'DKT', with a long horizontal line extending to the right.

David K. Tanoue, Acting Director
Department of Planning and Permitting

DKT: jmf
sb442-kst.doc

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7762 • FAX: 768-7792



MUFI HANNEMANN
MAYOR

DEBORAH KIM MORIKAWA
DIRECTOR

ERNEST Y. MARTIN
DEPUTY DIRECTOR

February 6, 2009

The Honorable Norman Sakamoto, Chair
and Members of the Committee on
Education and Housing
The Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Sakamoto and Members:

**Subject: Senate Bill 442
Relating to Transit Oriented Development**

The Department of Community Services **supports** Senate Bill 442's proposed appropriation of funds specifically for third-party permit reviews for affordable housing projects that are certified by the county as part of transit oriented development. This will help expedite development of sorely needed affordable housing units.

Thank you for the opportunity to provide this testimony.

Sincerely,

Deborah Kim Morikawa
Deborah Kim Morikawa, Director
Department of Community Services

DKM:gk
sb442



SB 442 Relating to Transit Oriented Development
Senate Committee on Education and Housing

February 9, 2009
225

1:15 pm

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.



KAMEHAMEHA SCHOOLS

February 6, 2009

Testimony to the Senate Committee on Education and Housing

By: Michael G. Dang, Director
Endowment / Planning & Development

Hearing Date: Monday, February 9, 2009
1:15 p.m. – Conference Room 225

To: Senator Norman Sakamoto, Chair
Senator Michelle Kidani, Vice Chair
Members of the Committee

Re: SB 442: Relating to Transit Oriented Development.

Kamehameha Schools **supports the purpose and intent of this bill.** We support policies that encourage and support the actual building of more housing for Hawaii's people.

Thank you for the opportunity to testify on this legislation.

567 South King Street • Honolulu, Hawai'i 96813-3036 • Phone 808-523-6200

Founded and Endowed by the Legacy of Princess Bernice Pauahi Bishop



Housing Hawaii
Advocating Creating Maintaining Affordable Housing

Board of Directors

President

Kevin Carney, EAH
Housing

Vice-President

Rene Berthiaume,
TransPacific Housing
Development
Corporation

Secretary – Denise

Boswell, Rural
Community
Assistance
Corporation

Treasurer - Chuck

Wathen, Wathen and
Associates, Ltd.

Director - Kyle

Chock, The Pacific
Resource Partnership

Director - Ralph

Mesick, Bank of
Hawaii

Director - Laree

Purdy, Abigail
Affordable Housing
and Facilitated Home
Ownership

Director – Gregg

Robertson, Robertson
& Company, LLC

Director – Brian

Takahashi, Architects
Hawaii

Director – Kirk

Caldwell, City and
County of Honolulu

Director – Kamaile

Sombelon, Lokahi
Pacific

Executive Director

Nani Medeiros

February 9, 2009

The Honorable Norman Sakamoto, Chair
Senate Committee on Education and Housing
Hawaii State Capitol, Room 230
Honolulu, HI 96813

Dear Chair Sakamoto and Members:

RE: SB 442, RELATING TO TRANSIT ORIENTED DEVELOPMENT

I am Nani Medeiros, Executive Director of Housing Hawaii, testifying on Senate Bill 442, Relating to Transit Oriented Development. This bill allows the Hawaii Housing Finance and Development Corporation to provide funding for third party reviews to qualifying affordable housing projects within a transit oriented development zone.

Housing Hawaii **supports the intent** of this bill as it relates to providing alternative review options for affordable housing projects as a means of expediting the construction of such homes. As to the details of the bill, Housing Hawaii **recommends deleting some of the language** that restricts the amount of funding that may be granted, the types of reviews that may be conducted, the project and unit restrictions with regard to income qualifications, and suggest clarification be provided on the timing/relationship between the HHFDC and county with regard to executing a third party review under this section.

Thank you for the opportunity to comment.

Nani Medeiros
Executive Director

Housing Hawaii, 841 Bishop Street, Suite 2208, Honolulu, HI 96813

Phone: 808-469-7774

Email: housinghawaii@hawaii.rr.com

www.housinghawaii.org