

SB 442



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



Via Capitol Website

February 27, 2009

**Senate Committee on Ways and Means
 Hearing Date: Friday, February 27, 2009, 9:00 a.m. in CR 211**

**Testimony in Support of SB 442, SD1 – Relating to Transit Oriented
 Development**

(Allows HHFDC to contract for 3rd party review of affordable housing project that is part of transit oriented development)

The Honorable Chair Donna Mercado Kim, Vice-Chair Shan Tsutsui
 and Members of the Committee on Ways and Means:

My name is Dave Arakawa, and I am 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 support** of SB 442, SD1, which would authorize the Hawaii Housing Finance and Development corporation (HHFDC) to grant funds to affordable housing developers to contract for third-party review and certification to expedite the process and issuance of building permits for an affordable housing project that is part of a transit oriented development.

Background of Transit Oriented Development. 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 (LPA) alignment route for the project under Ordinance 07-01. Appropriate transit-oriented development (TOD) land use regulations along the alignment and around the rapid transit stations will be crucial.

SB 442, SD1. The purpose of this bill is to encourage the delivery of affordable housing as part of transit oriented development by offering faster permit processing through third-party review and certification of affordable housing projects. This measure will

authorize and appropriate funds for the HHFDC to grant funds to affordable housing developers to contract for third-party review and certification to expedite the processing and issuance of building permits for an affordable housing project that is part of a transit oriented development.

On February 9, 2009, the Senate Committee on Education and Housing amended this measure by:

- (1) Designating the majority of the existing provisions contained in the measure as received by your Committee as part I, and adding definitions for "code", "third-party certification", third-party review", and "transit oriented development";
- (2) Designating a part II, which would add a new chapter in the Hawaii Revised Statutes, establishing a Commission on Transit Oriented Development and Commission membership and functions; and
- (3) Amending the purpose section to reflect the above changes

LURF's Position. One way to encourage more affordable housing development is by ensuring that projects are not delayed due to the permitting process. There are processes in place at the state and counties to provide expedited reviews of affordable housing projects; however, there is usually a shortage of staff to do such reviews. Since 2005, the City and County of Honolulu has utilized third party professionals to assist in electrical and mechanical reviews of permits. This experience has proven that third party review can significantly shorten the review process time from months to weeks. These expedited reviews allow the timely development of housing projects, have a favorable effect on project entitlement and financing costs, and result in the production of more affordable residential units.

Therefore, it is important that transit oriented development be encouraged to provide new affordable housing and retain existing affordable housing. Additionally, a faster, yet efficient, permitting process through third-party reviews will ensure development of more affordable housing units in Hawaii.

Based on the above, we respectfully request your **favorable consideration of SB 442, SD1.**

Thank you for the opportunity to express our **support for SB 442, SD1.**