

**HB 2515
RELATING TO RESIDENTIAL DEVELOPMENT**

**PAUL OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 3, 2014

Chair Hashem and Members of the House Committee on Housing:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on HB 2515, “A BILL FOR AN ACT RELATING TO RESIDENTIAL DEVELOPMENT.” We respectfully ~~oppose~~ this bill.

The purpose of this bill is to require certification that all State and County highways contiguous to a residential development have been completed or are under construction prior to the issuance of grubbing, grading, or building permits. We believe that traffic impacts and mitigation measures are presently addressed through the land use regulatory approval process. Following a comprehensive review and assessment of potential traffic related impacts, the regulating State or County entity has the authority to impose appropriate conditions and requirements to address and implement traffic mitigation and other related measures as a condition of their regulatory approvals. We believe that the regulating State or County entities should retain the discretion to craft appropriate traffic mitigation requirements to address the individual project under consideration and the surrounding community.

Based on the aforementioned, we respectfully request that this bill be held in Committee. Thank you for the opportunity to testify.



Testimony of Cindy McMillan
The Pacific Resource Partnership

COMMITTEE ON HOUSING
Rep. Mark M. Nakashima, Chair
Rep. Kyle T. Yamashita, Vice Chair

Testimony Opposing HB 2515 – RELATING TO RESIDENTIAL DEVELOPMENT
Monday, February 3, 2014
9:00 a.m.
State Capitol – Conference Room 329

Aloha Chair Nakashima, Vice Chair Yamashita and Members of the Committee:

The Pacific Resource Partnership (PRP) is a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters.

PRP ~~strongly opposes~~ HB 2515 which would require certification that all county and state highways that are or will be contiguous to the residential development are under construction as a condition to the issuance of certain permits.

If enacted, this bill will halt any new development. Why? Because this bill shifts the burden of paying for needed infrastructure projects from the state and county governments (funded by all taxpayers) to only developers and those taxpayers who are buying a new home. Zero growth might at first sound attractive to some, consider the consequences:

- Local people will find very little housing available, and households will have to double- and triple-up as young people start their own families because there is so little housing inventory.
- The limited number of homes that do come online will be too expensive and out of reach for the average family. It is a simple matter of supply and demand.
- Meanwhile, people who can afford a home here, whether it's a primary residence, second or even third home, regardless of price, will continue to buy, putting even more pressure on the price of homes for local people.

This scenario doesn't have a happy ending. The eroding quality of life and increasing cost of living will drive kids whose families have been in the islands for generations, some of whom are descendants of

the original Polynesian settlers, to leave the islands. In addition, the lack of housing reduces job opportunities and curbs property tax revenue.

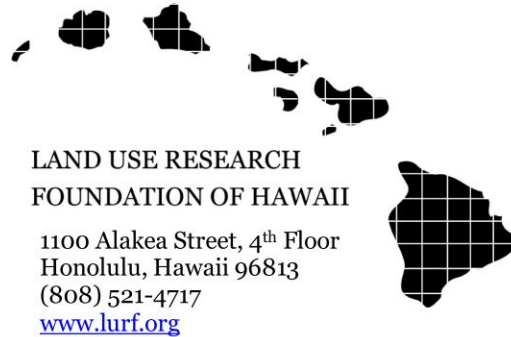
The need to make housing accessible by providing alternatives that local residents can afford has never been greater. For example, on Oahu, official state and city/county projections for population growth through 2050 anticipate the need for about 104,500 additional homes to accommodate its resident population.

PRP recognizes that Hawaii residents have been very clear about the need to find a balance between permitted growth and the preservation of the natural environment, culture, local identity and quality of life. We believe that the unmet housing needs of people living in the Islands can be met while being sensitive to these priorities.

We are advocates for building integrated communities that allow residents of the community to live, work and play in their neighborhood. We are advocates for housing that people can afford close to good-paying jobs, local parks, restaurants and other services. We are advocates for housing that is near public transit (bus or rail) in communities designed for walking, biking and transit to reduce automobile use and traffic. While not everyone will want to live in this type of a community, many will, especially when we consider the tradeoffs. This development pattern will consume less land overall, lead to fewer vehicle miles traveled, and produce environmental benefits to the community as a whole.

These types of communities cannot be built if HB 2515 is passed. In fact, it will not be economically feasible to build new homes and communities at all, leading to the scenario described above.

For these reasons, we oppose HB 2515. Thank you for the opportunity to share our comments on this important issue with you.



January 31, 2014

Representative Mark J. Hashem, Chair
Representative Justin H. Woodson, Vice Chair
House Committee on Housing

Testimony in Opposition to HB 2515, Relating to Residential Development (Requires Certification that all County and State Highways Contiguous to the Development are Under Construction as a Condition to the Issuance of Certain Permits).

Monday, February 3, 2014, 9:00 a.m., in Conference Room 329

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission 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 ~~comments in opposition~~ to this bill.

HB 2515. This bill proposes that as a condition precedent to the issuance of any grubbing, grading, or building permit for any portion or phase of a residential development, the county official responsible for issuing the permit shall certify that all county and state highways contiguous to the residential development have been completed, or are under construction at the time of issuance of the permit.

LURF's Position. Consistent with objections and concerns made in the past relating to similar, proposed legislation imposing what are essentially moratoriums on development (such as arbitrarily imposed mandates or assessed impact fees), which are often groundlessly prompted in response to any new and upcoming housing project, LURF maintains the position that the proponents of this bill are once again unreasonably targeting private developers and unfairly requiring them to assume the government's role and responsibility of planning, and constructing infrastructure, including roadways and traffic, as mandated under the current statewide planning and land use system .

- **Existing government approvals required for development/residential projects already take into account necessary infrastructure improvements, including roadways and traffic.**

Traffic impacts and mitigation, including roadway plans, are already thoroughly addressed through the governmental land use approval process, including the preparation of

Environmental Assessments and Environmental Impact Statements; the preparation of various traffic consultant reports and required Traffic Impact Analysis Reports; and the conditions and requirements imposed in connection with land use approvals, including, but not limited to, State Land Use Commission district boundary amendments, county zoning and subdivision.

- **The proposed bill constitutes an unfunded mandate; the counties should not be designated as the party responsible for certifying the completion or construction of highways/roadways contiguous to any given residential development.**

From a budgetary perspective, it would be difficult for the counties to issue the certifications required by the proposed measure given that considerable time, money and manpower would be required to meet such directive, which would involve coordination and collaboration between various county departments, as well as with other government agencies. As HB 2515 fails to include appropriations to cover the costs and expenses to be incurred by the counties in connection with its implementation, the measure would constitute an **unfunded mandate**. No funds are being made available by the proposed bill to pay county officials to make such certifications and/or to update them continuously as would be required.

- **The proposed bill is impractical and fraught with implementation problems.**

In addition to the lack of funding to cover implementation costs of the proposed mandate, HB 2515 is fraught with implementation issues, including determinations as to the definition of the term “contiguous”; whether a highway is “completed”; and to what extent highways and roadways planned far into the future would be required to come within the purview of the measure.

- **Since planned highway improvements are developed over an extended period of time, the installation of infrastructure improvements and the timing thereof should be based on government priorities, necessity, and as the demand arises.**

With this bill, focus is irrationally placed on the completion or ongoing construction of highways/roadways planned in given areas regardless of whether the residential projects being developed currently contribute, or will ever in any way contribute to highway/roadway traffic in that area.

Pursuant to HB 2515, highway/roadway improvements may also be improperly tied (i.e., have no nexus) to residential development in given areas as completion or construction of said roadways must be certified as a condition precedent to the issuance of building permits regardless of whether said improvements would ever be used by residents in the anticipated development (e.g., roadways which may never service the development project such as those which use is reserved exclusively for agricultural purposes).

- **New and future developments which include alternate forms and routes of transportation may likely not even require or involve development and construction of the highways/roadways required under this proposed measure.**

The fact that proponents of this bill attempt, through this measure, to impose at least a portion of the government’s infrastructure planning responsibilities onto private developers – the very parties which are working to plan and build projects which will employ Transit

Oriented Development (“TOD”) and employ multiple transportations modes (rail, bikeways, pedestrian walkways, etc.), which minimize infrastructure costs, is an indication of the proponents’ failure to identify, understand, and address current and future transportation planning concepts and needs.

- **This bill conflicts with principles of Smart Growth already adopted by federal agencies and encompassed in statewide land use and planning policies.**

Ironically, the clear intent of this bill is to attempt to stop or obstruct new residential development projects which are intended to allow members of the community to live closer to their workplaces, or to provide jobs where they live, in order to lessen highway capacity. These new projects are also TOD-friendly, meaning that they are convenient to, and have access to rail or bus lines.

In short, the economic impacts of HB 2515 could be detrimental in on many levels. As a result of these types of measures, the supply of housing will not meet demand resulting in increased home prices which in turn, will affect the ability to purchase or rent a home. As a result, affordable housing, businesses (especially in growth areas), the construction industry, and unemployment may all be significantly affected.

Given the above, LURF must respectfully **oppose this bill** and requests that it be **held in Committee**.

Thank you for the opportunity to present testimony in opposition to this measure.

woodson1-Brina

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 31, 2014 3:36 PM
To: HSGtestimony
Cc: darakawa@lurf.org
Subject: *Submitted testimony for HB2515 on Feb 3, 2014 09:00AM*

HB2515

Submitted on: 1/31/2014

Testimony for HSG on Feb 3, 2014 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



**Testimony to the House Committee on Housing
Monday, February 3, 2014 at 9:00 a.m.
State Capitol - Conference Room 329**

RE: HOUSE BILL NO. 2515, RELATING TO RESIDENTIAL DEVELOPMENT

Chair Hashem and Vice Chair Woodson, and members of the committee:

The Chamber strongly **opposes** H.B. No. 2515 which proposes to require certification that all county and state highways that are or will be contiguous to the residential development are under construction as a condition to the issuance of certain permits.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

The land use entitlement process which includes government exactions is one of the major contributors as to why the median home price in Hawaii is \$685,000.00. Policy makers impose restrictions on the supply of housing without realizing that the government's inability to plan and budget for regional infrastructure improvements are the underlying reasons why developments are delayed, and in some cases, more costly due to adding regional infrastructure improvement costs to the individual development.

In the past, government at both the State and County levels developed land use plans which identify where future growth will occur. Using these plans, agencies are responsible for planning and constructing major back-bone or regional infrastructure to support the planned growth. Individual projects were then required to construct their own infrastructure tying into the regional back-bone infrastructure.

We are seeing a growing trend of requiring individual developments to now construct regional infrastructure improvements. The problem with this approach is that the individual development must now bear the cost of infrastructure that will provide regional benefits beyond their individual project. At a certain point it becomes uneconomical for an individual development to absorb the cost of regional infrastructure improvements.

The intent of the proposed bill is to ensure transportation infrastructure is in place before the development is initiated (i.e. concurrency). The problem with that is that the bill fails to recognize that the government agency is responsible to plan and construct the infrastructure in areas of planned growth. Is it rational to penalize new developments (i.e. new home buyers) for the government's inability to plan and construct infrastructure in a timely basis?

If public policy makers were truly interested in assisting Hawaii's residents achieve home ownership, there should be more of a focus on how to increase the overall supply of housing in

areas planned for growth or redevelopment. Providing a more predictable and certain process for permitting residential construction, especially in areas planned for growth or redevelopment will increase the overall supply of housing for Hawaii's residents.

Linking new home construction to government planned and funded infrastructure will only work if the infrastructure construction is required to be completed within a set timeframe once the areas of planned growth have been identified. Without this requirement, new home construction is penalized by the government's inability to construct regional infrastructure improvements on a timely basis.

Thank you for the opportunity to express our views on this matter.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Stephen Hanson

simplicityHR by ALTRES

Testimony to the House Committee on Housing

Monday, February 3, 2014

9:00 a.m.

State Capitol - Conference Room 329

RE: H.B. 2515, RELATING TO RESIDENTIAL DEVELOPMENT

Dear Chair Hashem, Vice-Chair Woodson, and members of the Committee:

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-HAWAII strongly opposes H.B. No. 2515. H.B. 2515 proposes to require certification that all county and state highways that are or will be contiguous to the residential development are under construction as a condition to the issuance of certain permits. This bill is anti-affordable housing.

The land use entitlement process, which includes government exactions, is one of the major contributors to why the median home price in Hawaii is \$685,000.00. Policy makers impose restrictions on the supply of housing without realizing that government's inability to plan and budget for regional infrastructure improvements are the underlying reasons why developments are delayed, and in some cases, more costly, due to adding regional infrastructure improvements costs to the individual development.

In the past, government at both the State and County levels developed land use plans that identifies where future growth will occur. Using these plans, agencies are responsible for planning and constructing major back-bone or regional infrastructure to support the planned growth. Individual projects were then required to construct their own infrastructure tying into the regional back-bone infrastructure.

We are seeing a growing trend of requiring individual developments to now construct regional infrastructure improvements. The problem with this approach is that the individual development must now bear the cost of infrastructure that will provide regional benefits beyond their individual project. At a certain point, it becomes uneconomical for an individual development to absorb the cost of regional infrastructure improvements.

The intent of the proposed bill is to insure transportation infrastructure is in place before the development is initiated (i.e. concurrency). The problem with that is that the bill fails to recognize that the government agency is responsible to plan and construct the infrastructure in areas of planned growth. Is it rational to penalize new developments, and ultimately new home buyers, for government's inability to plan

and construct infrastructure in a timely basis? The traffic issues we see are not the fault of the development that has yet to be built, it is the responsibility of our government to keep up with the population growth.

If public policy makers were truly interested in assisting Hawaii's residents achieve home ownership, there should be more of a focus on how to increase the overall supply of housing in areas planned for growth or redevelopment. Providing a more predictable and certain process for permitting residential construction, especially in areas planned for growth or redevelopment will increase the overall supply of housing for Hawaii's residents.

Linking new home construction to government planned and funded infrastructure will only work if the infrastructure construction is required to be completed within a set timeframe once the areas of planned growth have been identified. Without this requirement, new home construction is penalized by governments inability to construct regional infrastructure improvements on a timely basis.

Based on the foregoing reasons, BIA-Hawaii is **strongly opposed** to H.B. 2515 and respectfully asks this bill be **held**.

woodson1-Brina

From: Michael Watanabe-J W Inc <michael@JWIncHawaii.com>
Sent: Monday, February 03, 2014 6:22 AM
To: HSGtestimony
Subject: ~~Opposition~~ to HB 2515

Dear Legislators

I oppose HB2515 on the following basis:

-Government exactions during the land use entitlement process is one of the major contributors to why the median home price in Hawaii is at \$685,000.

-Policy makers impose restrictions on the supply of housing without realizing that government's inability to plan and budget for regional infrastructure improvements are the underlying reasons why developments are delayed, and in some case, more costly due to adding regional infrastructure improvements costs to the individual development.

-The problem with this approach is that the individual development must now bear the cost of infrastructure that will provide regional benefits beyond their individual project. These costs ultimately gets factored into the price of a home.

-This bill is anti-affordable housing.

Thanks,

Michael Watanabe

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Office: (808) 841-5888

Fax: (808) 842-5941



Hawai'i Construction Alliance

LATE

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

February 3, 2014

The Honorable Mark J. Hashem, Chair
The Honorable Justin H. Woodson, Vice Chair
and members
Committee on Housing
Hawai'i State House of Representatives
Honolulu, Hawai'i 96813

RECEIVED
Date & Time
Feb 03, 2014, 9:10 am

Dear Chair Hashem, Vice Chair Woodson, and members:

The Hawai'i Construction Alliance ~~is opposed to~~ **HB2515**, relating to residential development.

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Hawai'i Masons Union, Local 1 and Local 630; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local 3. Together, the four member unions of the Hawai'i Construction Alliance represent over 15,000 working men and women in the four basic crafts of Hawai'i's construction industry.

HB2515 would require certification that all county and state highways that are or will be contiguous to residential developments are under construction as a condition to the issuance of certain permits. We are concerned that this bill would cause delays in proceeding with projects, as it would duplicate existing government approvals which already take into account necessary infrastructure improvements, including roadways and traffic.

Traffic impacts and mitigation, including roadway plans, are already thoroughly addressed through the governmental land use approval process, including the preparation of EA/EIS reports, the preparation of various traffic consultant reports and Traffic Impact Analysis Reports; and the conditions and requirements imposed in connection with land use approvals such as LUC district boundary amendments, county zoning and subdivision.

Mahalo for the opportunity to testify in opposition to HB2515.

Aloha,



Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiconstructionalliance.org