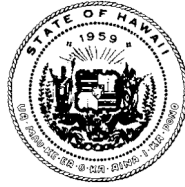


DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON WATER & LAND

February 9, 2015 at 10:00 a.m.
State Capitol, Room 325

In consideration of
H.B. 829, H.D. 1
RELATING TO AFFORDABLE HOUSING.

HHFDC **supports the intent of** H.B. 829, H.D. 1, provided that its passage does not replace or adversely impact priorities set forth in the Executive Biennium budget. H.B. 829, H.D. 1 authorizes HHFDC to work with county permitting agencies to encourage affordable housing in transit-oriented developments, and to encourage timely processing of county permits.

The bill also asks HHFDC to provide grants-in-aid to counties to fund third-party review of permit applications for affordable housing projects of 30 units or more, and that meet certain specified affordability criteria. It also appropriates \$500,000 in General Funds for this purpose.

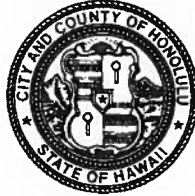
We support affordable housing in transit-oriented developments, and are willing to work with the counties in implementing this measure.

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
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KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

February 9, 2015

The Honorable Ryan I. Yamane, Chair
and Members of the Committee on Water & Land
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Yamane and Members:

SUBJECT: House Bill No. 829, HD 1
Relating to Third Party Grants for Affordable Housing

The Department of Planning and Permitting (DPP) **strongly supports** House Bill No. 829, HD 1, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to make grants to the counties to expedite the delivery of affordable housing in the transit corridor. The counties would award the funds to qualifying projects to cover the cost of using Third Party Review agents.

For more than 10 years, the DPP has had a successful Third Party Review program. This is an optional program that building permit applicants can use to expedite the review and approval of building permits. Under this program, an applicant can hire an individual or company that has been pre-approved by the DPP as qualified to review building permit drawings against the DPP building codes, on behalf of the DPP. These Third Party Review agents review the construction drawings and certify to the department that they comply with applicable regulations. This hastens the entitlement process, as City staff does not review the plans. While this optional program shortens the review time, especially when construction activity is high, Third Party Review agents do charge a fee for their services. By providing funds to pay for these charges, affordable housing project costs are reduced, and permit review time is shortened, allowing the delivery of affordable housing faster, and with lower cost.

As you know, the City is committed to the delivery of more affordable housing, particularly in the transit corridor, from East Kapolei to Ala Moana. We believe the optimal way to encourage more production is to enter into public-private partnerships. These partnerships may involve a variety of incentives offered by government. We believe this grant to affordable housing projects is one type of public participation in these partnerships.

The Honorable Ryan I. Yamane, Chair
and Members of the Committee on Water & Land
Hawaii House of Representatives
Hawaii State Capitol
RE: House Bill No. 829, HD 1
February 9, 2015
Page 2

In summary, the Department of Planning and Permitting strongly supports House Bill No. 829, HD 1, and ask that the Bill be passed out of committee. However, we ask that the effective date be changed to July 1, 2015, so we can proceed with this program as soon as this measure is enacted.

Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in blue ink that reads "George I. Atta". The signature is written in a cursive style with a long, sweeping underline.

George I. Atta, FAICP
Director

GIA:ks

BIA-HAWAII

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THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the House Committee on Water and Land Monday, February 9, 2015 10:00 a.m. State Capitol - Conference Room 325

RE: HOUSE BILL 829, HD 1, RELATING TO AFFORDABLE HOUSING

Chair Yamane, Vice-Chair Cullen, and members of the committee:

My name is Gladys Marrone, Chief Executive Officer 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 **supports** H.B. 829, HD 1, which proposes to authorize the Hawaii Housing Finance and Development Corporation (HHFDC) to facilitate the development of affordable housing as part of transit-oriented development (TOD) by making grants-in-aid to counties to expedite permit processing by using third party review programs and appropriates funds.

BIA-Hawaii actively participates in conversations between the City and State and, as a result, has learned that one of the limiting factors to the development of TOD for stations located east of Red Hill is the lack of adequate capacity in the City's sewer collection/transmission lines. There is adequate planned capacity for treatment at the Sand Island Waste Water Treatment Plant; however, without developing more capacity in the transmission lines, development in and around the TOD's will be severely restricted.

We respectfully urge this Committee's approval of H.B. 829, HD 1, and to also consider ways to increase the capacity of the sewer collection/transmission lines, particularly in areas where State-owned lands are being developed.

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



**Testimony to the House Committee on Water and Land
Monday, February 9, 2015 at 10:00 A.M.
Conference Room 325, State Capitol**

RE: HOUSE BILL 829, HD1 RELATING TO AFFORDABLE HOUSING

Chair Yamane, Vice Chair Cullen, and Members of the Committee:

The Chamber **supports** H.B. 829, HD 1, which proposed to authorize the Hawaii Housing Finance and Development Corporation to facilitate the development of affordable housing as part of transit-oriented development (TOD) by making grants-in-aid to counties to expedite permit processing by using third party review programs and appropriate funds.

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.

We understand that one of the limiting factors to the development of transit oriented development for stations located east of Red Hill is the lack of adequate capacity in the City’s sewer collection/transmission lines. There is adequate planned capacity for treatment at the Sand Island Waste Water Treatment Plant; however, without developing more capacity in the transmission lines, development in and around the TOD’s will be severely restricted.

We encourage the Legislature to approve H.B. 829, HD 1, and also consider ways to increase the capacity of the sewer collection/transmission lines especially in situations where State-owned lands are being developed.

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