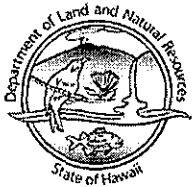


SB2705

Measure Title: RELATING TO ADMINISTRATIVE PROCEDURE.
Report Title: Permit Approval; Business; Housing; Administrative Procedure
Description: For agency failure to act within established time periods on applications for business and development-related permits and licenses, repeals provisions that require automatic application approval or require an application to be deemed complete.
Companion: [HB1699](#)
Package: None
Current Referral: CPN, JDL
Introducer(s): GALUTERIA

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

Testimony of
WILLIAM J. AILA, Jr.
Chairperson

Before the Senate Committee on
COMMERCE AND CONSUMER PROTECTION

Wednesday, January 29, 2014
9:00 AM
State Capitol, Conference Room 229

In consideration of
SENATE BILL 2705
RELATING TO ADMINISTRATIVE PROCEDURE

Senate Bill 2705 proposes to amend Section 91-13-5, Hawaii Revised Statutes by deleting language that provides for automatic approval of a permit, license or approval if an agency fails to take official action within set time limits. **The Department of Land and Natural Resources (Department) strongly supports this measure.**

Senate Bill 2705 repeals automatic approval for permits not issued within a defined time period. The Department always strives to act expeditiously on permits, etc. within established deadlines. The vast majority of permits, etc. are approved within them. The Department believes that automatic approvals are bad public policy.

- Automatic approvals diminishes the State's ability to exercise due diligence in the review process, to balance all interests, and to fully consider all impacts resulting from an approval.
- Automatic approval undermines the State's duty to exercise its decision making authority.
- Automatic approvals reduces or eliminates the State and its citizens' ability to provide thorough and thoughtful consideration of applications and of the power to approve an action with appropriate conditions.
- Automatic approvals may authorize actions that potentially impact the rights of third parties and in ways that may violate the law.

The Department appreciates the opportunity to testify on this measure.

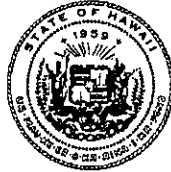
WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAIHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

NEIL ABERCROMBIE
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

SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

January 29, 2014 at 9:00 a.m.
State Capitol, Room 229

In consideration of
S.B. 2705

RELATING TO ADMINISTRATIVE PROCEDURE.

The HHFDC **offers the following comments** on S.B. 2705.

Act 196, SLH 2005 established a Joint Legislative Housing and Homeless Task Force to identify near-term solutions to Hawaii's affordable housing and homeless problem. In its report to the Legislature, the Task Force made a number of recommendations, including streamlining government approvals and permitting of affordable housing projects. Act 217, SLH 2006 amended Section 91-13.5, HRS, by adding a provision which was intended to improve and further streamline the fast-track permitting process for affordable housing projects. Specifically, the Act added a new sub-section (d) which required any agency that reviews and comments upon an application for a business or development-related permit, license, or approval for a housing project under section 201G-118 (now 201H-38) to respond within 45 days of receipt of the application, **or the application is deemed acceptable as submitted** (emphasis added).

SB 2705 proposes to remove the "stick" that provides for the automatic acceptance of an application for an affordable housing project if an agency does not respond within 45 days of receipt of application. Because HHFDC tries to work cooperatively with reviewing agencies, we believe that the proposed amendment would not substantially impact the permitting process for affordable housing projects.

Thank you for the opportunity to testify.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Ryan Engle

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Stephen Hanson

simplicityHR by ALTRES

Testimony to the Senate Committee on Commerce and Consumer Protection

Wednesday, January 29, 2014

9:00 a.m.

State Capitol - Conference Room 229

RE: S.B. 2705, RELATING TO ADMINISTRATIVE PROCEDURES

Chair Baker, Vice-Chair Taniguchi, 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 **opposes** S.B. 2705, which would amend Chapter 91, HRS, and would repeal provisions that require automatic application approval, or require an application to be deemed complete, if an agency fails to act within established time periods on applications for business and development-related permits and licenses.

Currently, agencies are held accountable to process permits on a timely basis. The land use entitlement process in Hawaii is a costly and lengthy process, which is a major contributor to the median cost of a single family residence on Oahu being \$688,000.00. Removing the automatic approval process will not improve the entitlement process and will continue to increase the cost of housing in Hawaii.

Reforms to the land use entitlement process are seriously needed to insure a consistent and sustainable supply of new construction (i.e. residential, commercial, industrial, resort, etc.) in our economy. Without additional hotel rooms, the visitor industry cannot expand and airline seats also become limited, driving the costs up for everyone. Without new residential construction, demand outstrips supply and drives prices beyond what is deemed affordable to middle class families in Hawaii, reducing the quality of life for everyone.

If we cannot support tourism and construction, two of the major drivers of our economy, what, then, do policy makers believe will fill that void?

For the foregoing reasons, BIA-Hawaii **opposes** S.B. 2705.

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