

Linda Lingle  
GOVERNOR



KAREN SEDDON  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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IN REPLY REFER TO

Statement of  
**Karen Seddon**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON TRANSPORTATION**

March 16, 2009 9:00 a.m.  
Room 309, State Capitol

In consideration of  
**S.B. 442, SD2**  
**RELATING TO TRANSIT ORIENTED DEVELOPMENT.**

HHFDC supports the intent of facilitating third-party reviews for affordable housing projects. We also support the concept of facilitating mixed-income and affordable housing by better coordinating transportation and housing planning. We think, however, that provisions for affordable housing must extend beyond transit-oriented development.

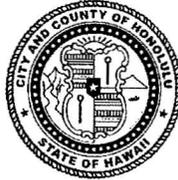
This measure also appropriates general funds for third-party reviews and for the operations of the proposed Commission on Transit Oriented Development. Given the current fiscal difficulties, we cannot support these appropriations.

Thank you for the opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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MUFI HANNEMANN  
MAYOR



DAVID K. TANOUÉ  
DIRECTOR  
ROBERT M. SUMITOMO  
DEPUTY DIRECTOR

March 16, 2009

The Honorable Joseph M. Souki, Chair  
and Members of the Committee on Transportation  
State House of Representatives  
State Capitol  
Honolulu, Hawaii 96813

Dear Chair Souki and Members:

**Subject: Senate Bill No. 442, SD2  
Related to Transit-Oriented Development**

The department has **comments** on Senate Bill No. 442, SD2, which would authorize third party review grants and establish an advisory commission on transit-oriented development (TOD).

**We support the grants program.** It would authorize the Hawaii housing finance and development corporation to assist developers of affordable housing which is part of a transit-oriented development (TOD). The funds would help reduce the cost of construction by expediting the processing of building permits using authorized third party individuals or companies. For your information, under our county program, we do not set the price for third party reviews; this is set by each third party entity. We understand that for a multi-story residential development, the cost for third-party review averages \$800 - \$1,000 per unit.

With respect to the proposed commission, we welcome a forum to discuss incentives for TOD projects, especially those that include affordable housing. We also appreciate the clear provision that the commission does not supersede the functions and responsibilities of state and county agencies. We would have preferred an entity that becomes a "one stop shop" for the granting of state incentives for TOD, as this is a way of streamlining state entitlements. The proposed commission, as an advisory group, seems similar (and possibly duplicative in some respects) to the Mass Transit Economic Zone Task Force proposed under House Bill No. 617 HD2.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue", is written over a horizontal line.

David K. Tanoue, Director  
Department of Planning and Permitting

DKT: jmf  
sb442sd2-kst.doc