

SCR88

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MAYOR



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DEPUTY DIRECTOR

March 30, 2009

The Honorable Norman Sakamoto, Chair
and Members of the Committee on Education
and Housing
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair Sakamoto and Members:

**Subject: Senate Concurrent Resolution 88
Relating to a Transit-Oriented
Development Task Force**

The Department of Planning and Permitting has **no objections** to SCR 88, which urges the Hawaii housing finance and development corporation (HHFDC) to establish a task force to facilitate mixed-income and affordable housing in transit oriented developments (TOD) and improve coordination between transportation and housing planning.

We welcome the opportunity to formally discuss TOD issues with state agencies. However, the emphasis of the task force should be to develop state initiatives that complement those of the city. The city is already evaluating incentives and mandates with respect to affordable housing in TOD, new mixed use zoning districts, and new financing incentives. We are concerned that as currently drafted, the resolution defines the discussion too broadly, and as a result, few state proposals, if any, will be offered.

Lastly, task force membership should include private sector representatives and the Hawaii community development authority.

Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue".

David K. Tanoue, Director
Department of Planning and Permitting

DKT: jmf
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**Senate Committees on Education and Housing and Transportation, International
and Intergovernmental Affairs
March 30, 2009
State Capitol, Room 225**

Subject: Senate Concurrent Resolution No. 88, urging the Hawaii Housing Finance and Development Corporation to establish a Transit Oriented Development Task Force to facilitate mixed-income and affordable housing in transit oriented developments by better coordinating transportation and housing planning and programs

Senators Sakamoto and English and members of the committees:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The resolution correctly identifies the historic nature of the City's High Capacity Rapid Transit project for the future of Honolulu. It also recognizes that transit oriented development has the potential to improve the quality of life for Hawaii households by creating livable communities in proximity to transit.

What has not been said is that transit is used as a "growth management" tool by the counties. The State's role should be to coordinate, from a regional perspective, the State's involvement in the patterns and volumes of traffic flow on the state highways-road system, and how best to redevelop existing schools or build new schools that compliment a dense, urban lifestyle typical of successful transit oriented developments throughout the world.

Growth management is a "home-rule" issue and the counties have the responsibility for urban and municipal planning. As an alternative to a State Task Force on Transit Oriented Development, perhaps the legislature should assist the County in its planning efforts by directing the various Departments and agencies to embrace the City's High Capacity Transit Project, by adjusting and coordinating their programs/projects to accommodate the transit project. Or provide funding to assist the County in its effort to plan and construct the transit project. Allowing the City to collect 100% of the half percent G.E.T. dedicated for the transit system would go a long way to showing support from the legislature for this project.

We appreciate the opportunity to provide our comments on this matter.

March 28, 2009

The Honorable Norman Sakamoto, Chair
Senate Committee on Education and Housing

The Honorable J. Kalani English, Chair
Senate Committee on Transportation,
International and Intergovernmental Affairs
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: S.C.R. 88 URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO ESTABLISH A TRANSIT ORIENTED DEVELOPMENT TASK FORCE TO FACILITATE MIXED-INCOME AND AFFORDABLE HOUSING IN TRANSIT ORIENTED DEVELOPMENTS BY BETTER COORDINATING TRANSPORTATION AND HOUSING PLANNING AND PROGRAMS.

HEARING DATE: Monday, March 30, 2009 at 1:15 p.m.

Aloha Chair Sakamoto, Chair English, and Members of the Joint Committees:

I am Myoung Oh, here to testify on behalf of the Hawai'i Association of REALTORS® (HAR) and its 9,600 members. HAR **supports** S.C.R. 88, which urges the Hawaii Housing Finance and Development Corporation to establish a Transit-Oriented Development Task Force.

The January 2008 Final Report of the Hawaii State Legislature House of Representatives Interim Task Force on Smart Growth sets forth the following ten principles of smart growth:

- (1) Create a range of housing opportunities and choices;
- (2) Create walkable neighborhoods;
- (3) Encourage community and stakeholder collaboration;
- (4) Foster distinctive, attractive communities with a strong sense of place;
- (5) Make development decisions predictable, fair, and cost effective;
- (6) Mix land uses;
- (7) Preserve open space, farmland, natural beauty, and critical environmental areas;
- (8) Provide a variety of transportation choices;
- (9) Strengthen and direct development toward existing communities; and
- (10) Take advantage of compact building design.

In April 2007, an Executive Summary (the "Executive Summary") was prepared of a report titled Realizing the Potential: Expanding Housing Opportunities Near Transit, which was written by Reconnecting America's Center for Transit-Oriented Development and funded by the U.S. Department of Transportation Federal Transit Administration ("FTA") and the U.S. Department of Housing and Urban Development ("HUD"). FTA and HUD also more recently published a follow up joint report titled Better Coordination of Transportation and Housing Programs to Promote Affordable Housing Near Transit. This report outlines further strategies on continuing to expand coordination of transit and mixed-income housing and affordable housing.

The Executive Summary states that one of the strategies that can be used to create and preserve mixed-income housing near transit is to provide incentives that help catalyze the market for mixed-income transit oriented development ("TOD"). The Executive Summary further explains some of the obstacles to building mixed-income TOD housing, which include:

- Land prices around stations are high or increase due to speculation, once a new transit line is announced;
- Affordable housing developers lack adequate capital to acquire and hold land before prices go up and until the land is ready to be developed;
- Funding for building affordable housing is limited;
- Mixed-income and mixed-use projects require complex financing structures;
- TOD project sites often require land assembly and rezoning, which can lead to lengthy acquisition and permitting processes, which in turn increase development costs;
- TOD parking requirements are unnecessarily high, which drives up costs; and
- Community opposition to density and affordable housing is hard to overcome.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.