

SHOW ME THE MONEY

Testimony in support of Bills 318 and 319 by Bob Hunter
P.O. Box 2709, Kamuela, HI 96743
Tel: 885-4194 E-mail: bob@webpatent.com

The proposed two ordinances would add a concurrency requirement to the Hawaii County Code in a fairly straightforward way. Adoption would increase the likelihood that an acceptable level of service will be maintained in two of the county's critical infrastructure systems as we grow. The conceptual framework is to control concurrency at the time of subdivision (and condo regime creation) but to get a commitment to do so at the time of zone change. Only water (in existing service areas) and transportation facilities are addressed, to keep it simple. In essence, adequate infrastructure capacity has to be either in existence at the time of subdivision or a funded capital improvements program has to be in place to provide the capacity within a reasonable time. The County's Six Year CIP would be converted from its current status as an unconstrained "wish list" document to a "commitment to fund priority projects" document. If adopted, the ordinances could have the effect of focusing (prioritizing) infrastructure capacity improvement in areas that will need it as then-approved subdivisions are built out.

I am happy to see the council considering implementation of a concurrency management system for Hawaii County. The proposed two ordinances before you are modeled on a Washington state law that requires that cities and counties in that state to set up concurrency management systems that link approval of each new development project to plans for funding transportation capital improvements needed to accommodate the development.

The proposed two ordinances would add a concurrency requirement to the Hawaii County Code in a fairly straightforward way. The ordinances do not in any way interfere with the system of negotiated exactions from developers that is currently in use by the

county. Nor do they require that developers correct existing infrastructure deficiencies. All they do is to increase the likelihood that an acceptable level of service will be maintained in two of the county's critical infrastructure systems as we grow. The conceptual framework is to control concurrency at the time of subdivision (and condo regime creation) but to get a commitment to do so at the (assumed earlier) time of zone change, too. Only water (in existing service areas) and transportation facilities are addressed, to keep it simple, but effective.

The ordinances require that the cumulative impact of development (the proposed subdivision plus then-existing, approved subdivisions) be addressed. In essence, adequate infrastructure capacity has to be either in existence at the time of subdivision or a funded capital improvements program has to be in place to provide the capacity within a reasonable time (six years is proposed, but the term could be shorter or longer). If a developer wants to fund some or all of the required facilities, he could sign a bonded agreement to do so. Or he could convince the county council to commitment to the needed facilities in the Six Year Capital Improvements Program (CIP), for example, by committing a portion of reasonably expected impact fee collections, reasonably expected general obligation bond proceeds, reasonably expected income generated by a tax increment district and/or reasonably expected Federal highway funding, to a specific road project.

This converts the County Six Year CIP from its current status as an unconstrained "wish list" document to a "commitment to fund priority projects" document. An infrastructure capacity accounting system would be maintained by the county (not the developers) to account for commitments to supply transportation system capacity to particular new developments in a similar way that the department of water supply currently successfully accounts for commitments to supply water. The developers would pay for the traffic studies needed to document how much transportation system capacity would be needed, as they do now in the locale of the project. The county would still decide what improvements would need to be added to the system and when.

All county councils regularly commit future councils to the repayment of 25-year general obligation bond issues for infrastructure projects. They also regularly commit funds to specific transportation projects in the State Transportation Improvement Program (STIP) several years ahead of project initiation. These ordinances move the commitment (but not necessarily the acquisition of funds) forward to the time of subdivision approval, providing a direct link between the impacts of new developments and the funding needed to address those impacts.

The department of water supply already issues commitment letters and the ordinance would just require compliance with the conditions in the commitment letters at the time of subdivision. The proposed ordinances would make no changes in the current procedures or development approval processes of the department of water supply.

The transportation requirement would address road and public transportation facilities and would require that development not create unacceptable levels of service on those facilities. The ordinance could go into lots of detail about how the traffic studies would have to be performed, but any competent transportation engineer (to be hired by the developer) would know how to do them. The necessary transportation system models are already being developed by the transportation and community development plan consultants for the rapidly growing areas of Kona, Puna and South Kohala.

The “level of service” concept (from LOS A through LOS F) is widely used and documented in the manual these consultants all use, entitled Highway Capacity Manual by the Transportation Research Board, National Research Council. The County Department of Public Works (DPW) and State Department of Transportation (DOT) also use the manual in designing transportation facilities. The ordinances set an acceptable level of service at no lower than LOS D, but the criteria could go as low as LOS E if the public is willing to put up with pretty bad congestion, or it could be higher. Everyone agrees that LOS F is unacceptable by any measure. The rules that define each LOS for each kind of transportation facility (from highways, to urban streets, to sidewalks to mass transit) are laid out in agonizing detail in the manual cited above.

The drafts include a waiver from the requirement for affordable housing and workforce housing developments. It allows developments serving households making no more than some portion of the median household income off the hook. While only 100 percent affordable developments and a cutoff of 120 percent of the median household income are proposed, the council could decide that other percentages are appropriate.

Notice that the concurrency requirement does not apply at time of building permit, so there is no need to waive it for first-time home buyers or owner-builders or anyone else who wants to build on an existing lot. Building on the 60,000+ existing lots in the county would not be affected. The concurrency requirement does not apply to building on those existing lots, only to lots that are created after the effective date of the ordinances.

In summary, the idea is to get the county or the developer or both of them to commit to at least having a funded plan for providing the infrastructure improvements needed to accommodate the approved development that is on the books each time more development is approved. For those of you who believe that “money is not the problem” in infrastructure funding for our island, here is a chance to take a “show me the money” approach.

If adopted, the ordinances could have the effect of focusing (prioritizing) infrastructure capacity improvement in areas that will need it as then-approved subdivisions are built out (that means the areas that are rapidly growing right now). Development would also be encouraged to happen in areas that already have adequate infrastructure or where additional infrastructure can be provided at least cost, encouraging economic efficiency. For example, development near jobs would be encouraged because less commuting would be necessary (and less new road capacity would have to be funded).

Only if neither our county government nor developers were willing to fund the infrastructure needed to prevent our levels of water supply and transportation service from becoming (or continuing to be) unacceptable would a temporary growth moratorium

happen in parts of the county with inadequate infrastructure. Hard choices would then have to be made.

For background information on infrastructure funding techniques, go to:

<http://www.waimeaplan.org/issues/funding/index.html>

Thanks for your consideration of Bills 318 and 319.