

Linda Lingle
GOVERNOR



ORLANDO "DAN" DAVIDSON
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
Orlando "Dan" Davidson
Hawaii Housing Finance and Development Corporation
Before the

**HOUSE COMMITTEE ON WATER, LAND, OCEAN RESOURCES
& HAWAIIAN AFFAIRS**

February 20, 2008, 10:00 a.m.
Room 312, State Capitol

In consideration of
H.B. 2598, H.D. 1
RELATING TO AFFORDABLE HOUSING.

The HHFDC opposes H.B. 2598, H.D. 1. The HHFDC agrees with smart growth principles which include, but are not limited to, creating a range of housing opportunities and choices, creating walkable neighborhoods, providing a variety of transportation choices, and strengthening and directing development towards existing communities. We have funded numerous in-fill housing projects in the Oahu urban core including the "Vista" projects which total 451 affordable rental units in areas such as Makiki, Moiliili, and Waikiki.

We have also assisted many housing projects located in other urbanized areas outside of the urban core. For example, the 30-unit Senior Residence at Kaneohe, Palehua Terrace, Phases I and II totaling 148 family rentals in Makakilo, and the Courtyards at Mililani Mauka, a 48-unit family rental in Central Oahu are located in Oahu's urban fringe. Other housing projects are located in areas designated by the counties for urban expansion (such as the Villages of Kapolei located in Oahu's "Second City" or the Villages of La'i'opua in West Hawaii and the Villages of Leiali'i in West Maui).

We are concerned that the H.D. 1 will limit our ability to support affordable housing development outside of the areas cited in the bill (i.e., the Ewa Development Plan area, the City and County Primary Urban Center Development Plan and land in the urban core in the Counties of Kauai, Maui and Hawaii) even though the counties have determined that there is a significant need for affordable housing.

The bill also requires HHFDC to use its resources and funds to assist development of targeted areas, including addressing infrastructure and other planning needs. The upgrading and expansion of public infrastructure is a major undertaking which HHFDC cannot address without a substantial infusion of capital improvement funds from the State Legislature.

For these reasons, we cannot support the passage of H.B. 2598, H.D. 1. Thank you for the opportunity to testify.

Bryan J. Baptiste
Mayor

Gary K. Heu
Administrative Assistant



Housing Director

Kenneth N. Rainforth
Executive on Housing

KAUA'I COUNTY HOUSING AGENCY
Pi'ikoi Building 4444 Rice Street Suite 330
Lihu'e, Hawaii 96766

February 19, 2008

The Honorable Ken Ito, Chair
The Honorable Jon Riki Karamatsu, Vice Chair
And Committee Members
Committee on Water, Land, Ocean resources & Hawaiian Affairs

Twenty-Fourth Legislature
Regular Session of 2008

SUBJECT: Opposition to House Bill 2598 HD1
Relating to Affordable Housing
Committee: WLH
Hearing Date: February 20, 2008 10:00 AM
Conference Room 312

The Kaua'i County Housing Agency (KCHA) opposes House Bill 2598 HD1. The KCHA believes that the HHFDC should not be constrained to prioritizing affordable housing development in urban core areas on the neighbor islands, particularly on Kaua'i.

The Kaua'i General Plan designates only six (6) areas island wide as Urban Center: primarily the harbor areas of Port Allen and Nāwiliwili, the Puhi and Lihu'e communities, the coastal strip of Kapa'a town and the Kapa'a Highlands area. There are no lands designated urban by the General Plan north of Kapa'a Town, on the South Shore, or west of 'Ele'ele. However, the north, south and west areas contain large resort and military employment generators. While we understand the concern of reduced infrastructure costs with development in urban cores, wherever development occurs and jobs are created, there exists the need for workforce housing development. The language of House Bill 2598 HD1 as currently proposed would be exclusionary for Kaua'i, and would require increased commuting time for large sectors of our workforce in the future.

As proposed, the subject bill would require Kaua'i County to amend the intent of its General Plan Urban Center designation substantially, or to designate urban cores where they may be inappropriate and contrary to the intent of the Kaua'i General Plan as resolved with the community in 2000. The Kaua'i General Plan does designate large areas of land island wide as "Residential Communities". The bill is contrary to the recently adopted Housing Policy for Kaua'i, which sets parameters for development of workforce housing through inclusionary zoning.

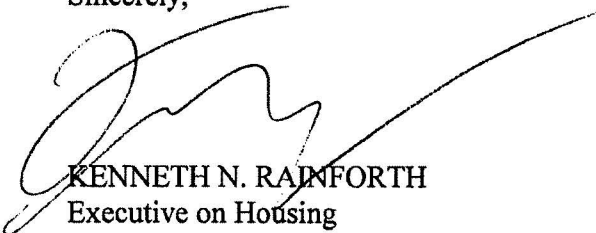


February 19, 2008
Page 2

The KCHA believes it is important for both the State and the Counties to remain committed to providing affordable housing in rural, residential, and urban communities alike.

Thank you for the opportunity to provide testimony.

Sincerely,



KENNETH N. RAINFORTH
Executive on Housing