

***LATE***

**HB 863**

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**Via WAM & Capitol Website**

**April 6, 2009**

**Senate Committee on Ways and Means  
Date: Monday, April 6, 2009, 9:30 a.m. in CR 211**

**Testimony in Support of HB 863 HD1, SD1 – Establishing a County Transit  
(Oriented Development Infrastructure Revolving Loan Fund)**

Honorable Chair Donna Mercado Kim, Vice Chair Shan S. Tsutsui  
and Members of the Senate Committee on Ways and Means:

I am Dave Arakawa, the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF appreciates the opportunity to provide our testimony **in strong support of HB 863 HD1, SD1**, which creates the county infrastructure development revolving loan fund within the Department of Budget and Finance (BFS) to provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of transit-oriented development (TOD), especially those involving affordable housing.

**Background of Transit Oriented Development in Honolulu.** The City Council and Administration of the City and County of Honolulu (City) have initiated a major mass transit project that has the potential to fundamentally reshape the form and character of Honolulu. The Council has selected a fixed guideway system and a Locally Preferred Alternative alignment route for the project. Appropriate TOD land use regulations along the alignment and around the rapid transit stations will be crucial. Rapid transit on Oahu will stimulate more compact development around transit stations, thereby reducing urban sprawl. The more intense use of land will produce community benefits, such as affordable housing, open plazas, and parks. However, TODs often require multiple sources of financing, and community benefits increase the development costs, thereby increasing project risk.

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**HB 863 HD1, SD1.** This bill would create a county infrastructure development revolving loan fund which will provide no-interest loans to the counties for the development, pre-development, or construction of infrastructure projects to expedite the building of TOD, especially those involving affordable housing.

The sources of the infrastructure fund could include: appropriations by the legislature, private contributions, loan payments, other returns; and moneys from the federal government and other sources.

The infrastructure, to be funded could include any utility, such as sewer, roads, drainage, bridges, and water, including conduits, pumps and water treatment plants, generally considered as county responsibilities and under county ownership. Permitted uses of the funds may include planning, design, land acquisition, costs of options, agreements of sale, or other infrastructure-related services or activities that may be provided in rules adopted by the department pursuant to chapter 91. In determining which projects to fund, the director shall give first priority to projects that increase infrastructure capacity on a regional or collector system level, as opposed to those that only support capacities for specific, limited number of properties.

The SD1 version of this bill changed the effective date to July 1, 2020 for further discussion regarding funding such a revolving loan fund.

**LURF Position.** The City's transit line will direct the location of growth on Oahu, encourage compact development, limit urban sprawl, preserve open space and protect watershed areas and agricultural lands. Compact TOD development will be planned near transit stations, however, TODs will also require upgrades to the capacities of existing infrastructure, at a time when the City is challenged just to maintain the infrastructure systems they already have, and there are concerns regarding the City's financial ability to upgrade these systems. HB 863 HD1, SD1 recognizes that the State has a role in supporting TOD and further recognizes the need for the State to support the counties by providing another financing resource without unduly draining the State budget. HB 863 HD1, SD1 also provides for a loan priority for projects that increase infrastructure capacity on a regional or collector system level, which would help provide increased infrastructure capacity for multiple projects within the TOD region. Such financial support of new regional TOD infrastructure projects is expected to reduce the costs of constructing and maintaining infrastructure systems.

LURF is in **strong support of HB 863 HD1, SD1** and we respectfully urge your favorable consideration.

We appreciate the opportunity to present our testimony regarding this matter.



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**HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO**  
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 (808) 524-2249 • FAX (808) 524-6893

April 6, 2009

Honorable Senator Donna Mercado Kim, Chair  
 Honorable Senator Shan S. Tsutsui, Vice Chair  
 Members of the Senate Committee on Ways and Means  
 415 South Beretania Street  
 Honolulu, HI 96813

RE: **IN SUPPORT OF HB 863, HD1, SD1**  
 Relating to establishing a County Transit Oriented  
 Development Infrastructure Revolving Fund.  
 Hearing: Monday, April 6, 2009, 9:30 a.m., Room 211

Dear Chair Mercado Kim, Vice Chair Tsutsui and the Senate Committee  
 on Ways and Means:

For the Record my name is Buzz Hong the Executive Director for  
 the Hawaii Building & Construction Trades Council, AFL-CIO. Our  
 Council is comprised of 16-construction unions and a membership  
 of 26,000 statewide.

The Council SUPPORTS the passage of HB 863, HD1, SD1 that  
 creates the county infrastructure development revolving loan fund  
 within department of budget and finance to provide no-interest  
 loans to the counties for the development, pre-development, or  
 construction of infrastructure projects to expedite the building of  
 transit-oriented development, especially those involving affordable  
 housing.

Thank you for the opportunity to submit this testimony in support  
 of HB 863, HD1, SD1.

Sincerely,

William "Buzz" Hong  
 Executive Director

**NOLAN MORIWAKI**  
 President  
 Bricklayers & Ceramic Tile Sellers  
 Local 1 & Plasterers/Cement  
 Masons Local 630

**JOSEPH O'DONNELL**  
 Vice President  
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**DAMIEN T. K. KIM**  
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**ARTHUR TOLENTINO**  
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 Trustee  
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**HADDEUS TOMEI**  
 Elevator Constructors Local 126

**JOSEPH BAZEMORE**  
 Drywall, Tapers, & Finishers  
 Local 1944

**RICHARD TACGERE**  
 Welders, Architectural Metal &  
 Ironworkers Local Union 1889

**AUGHN CHONG**  
 Roofers, Waterproofer & Allied  
 Workers United Union of Roofers  
 Local 221

**ARY AYCOCK**  
 Millwrights, Ironship Builders  
 Local 627

**ANN KINNEY**  
 District Council 50  
 Plumbers & Allied Trades  
 Local 1791

**ILANI MAHOE**  
 Consulting Engineers Local 3

**ONARD SEBRESOS**  
 International Assoc. of  
 Flat & Frost Insulators  
 Allied Workers Local 132