

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**

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

In consideration of  
**H.B. 864**  
**RELATING TO ESTABLISHING A LOAN GUARANTY PROGRAM**  
**FOR TRANSIT ORIENTED DEVELOPMENT.**

The HHFDC has the following comments on H.B. 864. The HHFDC cannot implement the loan guaranty program contemplated in this bill without an appropriation of funds. Furthermore, even if this bill were amended to add the necessary appropriation of funds, given the current fiscal difficulties, it would not be prudent to pursue enactment at this time.

Thank you for the opportunity to provide written comments on this bill.

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

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MUFI HANNEMANN  
MAYOR



DAVID K. TANOUE  
ACTING DIRECTOR

ROBERT M. SUMITOMO  
DEPUTY DIRECTOR

February 9, 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: House Bill No. 864  
Related to Establishing a Loan Guaranty  
Program for Transit Oriented Development**

The Department of Planning and Permitting **strongly supports** House Bill No. 864 which would amend Section 201H, HRS, to encourage the development of transit-oriented development (TOD) which includes affordable housing by offering a loan guaranty to developers of qualifying projects.

Transit-oriented development offers many benefits to the State of Hawaii. TOD promotes pedestrian friendly communities; it reduces traffic congestion, air pollution, and dependence on imported oil; it increases transit ridership, making public transportation more economically viable and ensuring greater transportation equity; it can minimize future sprawl, preserving valuable agricultural and conservation lands; and it can be a magnet for preferred developments that can stimulate the State's economy.

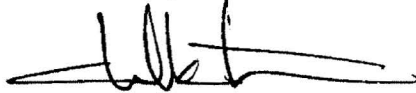
In reviewing literature and discussions with people associated with transit-oriented development, it is typical that TOD projects require a complex packaging of financial sources to be able to construct a variety of uses in one building or property. A loan guaranty will help reduce risk to the commercial lenders.

The Department of Planning and Permitting believes the loan guaranty program specified in the bill would help expedite the development of valuable TOD projects in the State of Hawaii.

The Honorable Joseph M. Souki, Chair  
and Members of the Committee on Transportation  
State House of Representatives  
Re: HB 864  
February 9, 2009  
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Please pass House Bill 864. Thank you for the opportunity to testify.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'D. Tanoue', with a long horizontal flourish extending to the right.

David K. Tanoue, Acting Director  
Department of Planning and Permitting

DKT: jmf  
hb864-kst.doc



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January 7, 2009

**The Honorable Joseph M. Souki, Chair**  
House Committee on Transportation  
State Capitol, Room 309  
Honolulu, Hawaii 96813

**RE: H.B. 864 Relating to Establishing a Loan Guaranty Program for Transit Oriented Development**

**HEARING DATE: February 9, 2009 @ 9:00 p.m.**

Dear Chair Souki and Members of the Committee on Transportation:

I am Myoung Oh, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR") and its 9,600 members in Hawai'i. HAR **supports the intent** of H.B. 864 which authorizes HHFDC to guarantee loans made by commercial lenders to developers for the financing of transit-oriented development projects that include affordable housing.

The lack of affordable housing remains a significant problem in Hawai'i. Policies that address the development, creation and production of affordable rentals and for-sale units in the state need to be adopted. HAR believes that a state-backed loan guarantee will help encourage and support the development of more housing for Hawai'i's people.

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.