

LATE TESTIMONY



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House Committee on Transportation
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**Testimony in Support of HB 864 – Establishing a Loan Guaranty Program
for Transit Oriented Development**

Honorable Chair Joseph M. Souki, Vice-Chair Karen Leilani Awana and
Members of the House Committee on Transportation:

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 864**, which would authorize Hawaii Housing Finance and Development Corporation to guarantee loans made by commercial lenders to developers for the financing of transit-oriented development projects (TOD) that include affordable housing.

Background of Transit Oriented Development. 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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LURF Position. Incentives are necessary in order to ensure that future affordable housing developments are on the transit line. Therefore, it is important that TOD be encouraged and financed, in order to provide new affordable housing and retain existing affordable housing. HB 864 assists TOD developers by authorizing HHFDC to guarantee loans made by commercial lenders to developers for the financing of TOD projects that include affordable housing. LURF is in **strong support of HB 864**, and we respectfully urge your favorable consideration.

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