



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
February 5, 2015 at 2:10 p.m.

by
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HB 1367 – RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

Chair Choy, Vice Chair Ichiyama, and Members of the Committee:

Thank you for the opportunity to present testimony on HB 1367 – Relating to the Hawaii Housing Finance and Development Corporation. The University of Hawai'i respectfully opposes this bill, which seeks to allocate and transfer titles of certain parcels of land located at the University of Hawai'i - West O'ahu's (UHWO) Kapolei campus from the University of Hawai'i (University) to the Hawai'i Housing Finance and Development Corporation (HHFDC). While the University fully supports the coordination and development of beneficial partnerships amongst State agencies, especially in regards to opportunities presented by transit oriented development (TOD), the University strongly believes that this bill will not be in the best interests of the University, HHFDC, and the State of Hawai'i.

In 2002, Campbell Estates conveyed a 500-acre parcel to the University through the State Department of Land and Natural Resources. The land was granted with the understanding that the University would build a 4-year baccalaureate campus to serve the growing west side community and that non-campus lands would be leveraged to provide revenues to offset development costs and generate funds to ensure partial financial sustainability for the campus.

The University recently completed a strategic review of the overall land plan for UHWO, which was approved by the Board of Regents (BOR). This plan differs from the original conceptual land use plan, as referred to in HB 1367, as it envisions the establishment of a 20,000-student campus within the next 30 years together with the development of a vibrant, interactive University village district. Based on this future vision, the BOR approved 300 acres of the makai parcel to be designated for University campus and campus-related uses, with the remainder of 168 acres designated for Community Business Mixed-Use (BMX-3) zoning. BMX-3 is the current zoning for the majority of the 168-acre property. The intent of BMX-3 districts is to provide areas for both commercial and residential uses.

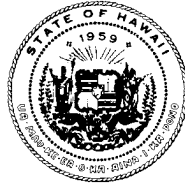
In light of the current plans for the UHWO campus, HB 1367 raises several key concerns:

- The University is in the process of seeking a private-sector master developer to provide the planning, development, infrastructure, and financing expertise that will ensure a thoughtful, phased approach to the development of non-campus lands that will provide an ongoing revenue stream to support the operations, maintenance and growth of the UHWO campus. The master developer would have a track record of successful project implementations in commercial, retail, and residential developments. The developer would also bring expertise and experience in creating University communities that attract diverse and stimulating demographics.
- HHFDC is the State's premier affordable housing developer and state-sponsored homeownership initiatives. While affordable housing will be an important component of the University's non-campus lands, it is not the focal point of the vision for development in this area. Instead, it is the mix of retail and commercial businesses together with the residential aspect that will encourage synergistic activities and create an energetic, livable community that is key to the University district concept – which is not the core of HHFDC's mission and specialization.
- HB 1367 identifies the transfer of several properties to HHFDC that the BOR has approved for future campus use. It is critical that these properties remain under the University's control in order to accommodate the higher education needs and demands of the State as its population and demographics change over time.

In the alternative, the University welcomes the opportunity to coordinate, collaborate, and partner, as appropriate, with HHFDC and other government agencies to ensure a comprehensive and integrated approach to development in the area with regards to infrastructure, core facilities, and shared benefits.

Thank you for the opportunity to provide testimony on HB 1367. The University looks forward to open and ongoing dialogue with HHFDC and other government agencies that have interests and projects in the area.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

STATE OF HAWAII

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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HIGHER EDUCATION

February 5, 2015 at 2:10 p.m.
State Capitol, Room 309

In consideration of
H.B. 1367
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

HHFDC ***takes no position*** on H.B. 1367, which would transfer title to four parcels currently owned by the University of Hawaii to the HHFDC to develop affordable housing and generate revenue for the University of Hawaii-West Oahu. The parcels of land are located near to the University's West Oahu campus, and the planned rail transit station.

The Governor's Affordable Housing Plan includes an action to "identify and develop vacant and underutilized State lands for affordable housing near Oahu rail stations, public transportation and employment centers...." We believe that a comprehensive and integrated approach to such development is necessary to address the constraints and opportunities faced by the State.

The Hawaii State Plan sets forth goals and policies to guide the development of the State. It establishes an integrated planning and implementation system regarding those goals and policies. We are supportive of bills like H.B. 905, which call for the review and update of the Hawaii State Plan in response to current State needs.

Thank you for the opportunity to testify.

ichiyama2-Brandon

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 04, 2015 12:33 AM
To: HEDtestimony
Cc: makahababy@aol.com
Subject: Submitted testimony for HB1367 on Feb 5, 2015 14:10PM

HB1367

Submitted on: 2/4/2015

Testimony for HED on Feb 5, 2015 14:10PM in Conference Room 309

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Sara Perry | UH Student Caucus | Oppose | No |

Comments: The UH Student Caucus strongly and vehemently opposes the premises and intent of this proposed bill. We find that with the current growth rates at the UH West Oahu campus that it is neither prudent nor beneficial to parcel off land in trade to developers to fill the Legislative coffers or to potentially overdevelop already crowded residential areas. Despite the low-income housing shortage, this is not the answer or solution to such a problem. This land must remain under the UHWO purview to be used for future campus growth and institutional expansion in coming years. Any sale or trade of deeded UHWO lands puts the future growth of this campus in jeopardy. With hopes by many, including the residents of the Leeward coast, that this University location one day be the flagship campus of the UH System, selling and trading off our deeded lands will hinder and cripple the possibility of future expansion. It is for these reasons that our UH Student Caucus cannot support any sort of loss of University lands which will be detrimental to future campus growth. Mahalo for your consideration of this testimony, Sara E. Perry UH Student Caucus, Chair

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