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GOVERNOR

LEO R. ASUNCION
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Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
SENATE COMMITTEE ON WAYS AND MEANS
Tuesday, March 29, 2016
9:35 AM
State Capitol, Conference Room 211

in consideration of
HB 2293, HD 1
**RELATING TO THE HAWAII HOUSING FINANCE AND
DEVELOPMENT CORPORATION.**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Senate Committees on Ways and Means.

The Office of Planning (OP) strongly supports HB 2293, HD 1, an Administration Bill, which enables the Hawaii Housing Finance and Development Corporation (HHFDC) to develop mixed-use developments in partnership with State and county departments and agencies.

OP is coordinating with HHFDC and the various State agencies with land holdings and jurisdictions to promote development and redevelopment in the transit-oriented development (TOD) corridor of the Honolulu Rail Transit Project. The TOD areas surrounding rail stations along this corridor hold the greatest opportunity for addressing the needs of future growth, development and affordable housing for Oahu.

HB 2293, HD 1, will enable HHFDC to extend the reach of their housing and financial programs to engage in joint development efforts with other agencies and the private sector to develop residential, commercial, office and public facilities in a mixed use context which is integral to developing compact, walkable, and more livable communities.

Thank you for the opportunity to testify on this measure.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

March 29, 2016 at 9:35 a.m.
State Capitol, Room 211

In consideration of
H.B. 2293, H.D. 1
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

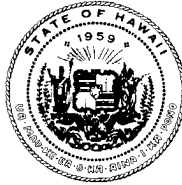
Chair Tokuda, Vice Chair Dela Cruz, and members of the Senate Committee on
Ways and Means.

DBEDT **supports** H.B. 2293, H.D. 1, an Administration bill.

H.B. 2293, H.D. 1, enables the Hawaii Housing Finance and Development Corporation (HHFDC) to engage in mixed-use developments. DBEDT believes that this modest expansion of HHFDC's development powers can help ensure that affordable housing, particularly, affordable rental housing, is a component of transit-oriented development projects.

Thank you for the opportunity to provide written comments in support of this bill.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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Honolulu, Hawaii 96813
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IN REPLY REFER TO:

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

SENATE COMMITTEE ON WAYS AND MEANS

March 29, 2016 at 9:35 a.m.
State Capitol, Room 211

In consideration of
H.B. 2293, H.D. 1
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

The HHFDC **strongly supports** H.B. 2293, H.D. 1, an Administration bill.

H.B. 2293, H.D. 1, would broaden HHFDC's development powers to allow us to pursue mixed- use developments, as well as partnerships with other state and county departments and agencies to take advantage of mixed-use zoning, and encourage the development of communities that promote walking and active areas by locating affordable housing, jobs, shops, and governmental services within close proximity on state and county lands. It will also allow HHFDC to develop commercial, industrial, and other uses to enhance the lifestyles of homeowners and renters in mixed-use communities.

For these reasons, HHFDC respectfully requests that the Committee support this bill. Thank you for the opportunity to provide written comments in support of this bill.



**Testimony to the Senate Committee on Ways and Means
Tuesday, March 29, 2016 at 9:35 A.M.
Conference Room 211, State Capitol**

**RE: HOUSE BILL 2293 HD 1 RELATING TO THE HAWAII HOUSING FINANCE
AND DEVELOPMENT CORPORATION**

Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 2293 HD1, which proposes to allow the Hawaii Housing Finance and Development Corporation (HHFDC) to develop mixed-use developments in partnership with state and county departments and agencies.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The Building Industry Association of Hawaii and the Hawaii Chamber of Commerce convened a conference (Houseless in Honolulu) in November of 2015 to raise awareness of one of Hawaii's most pressing issues - home affordability. With the median home price in the Islands now \$730,000, the repercussions are having a major impact on Honolulu's economy.

Without a solution to the State's shortage of residences, the number will soon surpass a million dollars. Every uptick in prices has increasing economic impact. Housing at all price points is desperately needed if we are to maintain the State's economic equilibrium. If potential employees cannot find affordable homes they will choose not to move to Hawaii and current residents affected by stratospheric home prices will leave. Employers across all spectrum of enterprises are already feeling the pinch. Mid-level employees are especially hard hit. Educators, medical professionals, and small businesses are especially hard hit.

The Department of Business, Economic Development and Tourism forecasted demand for additional housing units by county is 25,847 units for Honolulu, 19,610 for Hawaii, 13,949 for Maui, and 5,287 for Kauai during the 2015-2025 period (DBEDT Report—Measuring Housing Demand in Hawaii, 2015-2025).

We believe that in order to address the current "Housing Crisis," there needs to be a shift in the focus of how government views housing development and move from our current "Regulatory" stance to a more "Production Oriented" stance. For example, this shift would have the City and County of Honolulu adopt a goal of approving an average of 2,500 new residential units each year over the next 10 year period to address the project 25,847 unit demand.



Chamber *of* Commerce HAWAII

The Voice of Business

The bill would allow HHFDC to assist other agencies in redeveloping its properties located within the urban core. Many of these agencies lack the experience and expertise necessary to assess and redevelop their real estate assets. Rather than have each agency develop its own “in-house” capabilities, we believe allowing HHFDC to assist on redevelopment efforts is a more practical and efficient means to address this problem.

We are in strong support of H.B. 2293 HD 1, and appreciate the opportunity to express our views on this matter.

March 29, 2016

The Honorable Jill N. Tokuda, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: H.B. 2293, H.D. 1, Relating to the Hawaii Housing Finance and Development Corporation

HEARING: Tuesday, March 29, 2016 at 9:35 a.m.

Aloha Chair Tokuda, Vice Chair Dela Cruz, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, submitting written testimony on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,900 members. HAR **supports** H.B. 2293, H.D.1 which enables the Hawaii Housing Finance and Development Corporation to develop mixed-use developments in partnership with State and County Departments and agencies.

Hawai'i is in a dire need for housing. According to the Department of Business and Economic Development and Tourism, nearly 66,000 housing units are needed to meet long-term demand over the next 10 years. We need to work together on creative solutions to address housing and homelessness.

As such, HAR believes this measure is an important step in addressing our housing crisis through partnership and collaboration between various agencies and departments. Mixed-use developments integrate housing, jobs, shops and services within a close proximity to transportation. This will help to facilitate walkable, sustainable communities where people have housing and transportation choices for all income levels and housing needs.

We need to meet today's housing needs of our working individuals and families, but also think about having a place where our keiki can call home in the future.

Mahalo for the opportunity to submit written testimony.



March 24, 2016

Senator Jill N. Tokuda, Chair
Senator Donovan M. Dela Cruz, Vice Chair
Senate Committee on Ways and Means

Testimony in Support of HB 2293, HD1 Relating to the Hawaii Housing Finance and Development Corporation. (Enables the Hawaii Housing Finance and Development Corporation to develop mixed-use developments in partnership with state and county departments and agencies.)

WAM Hearing: Tuesday, March 29, 2016, 9:35 a.m., in Conf. Rm. 211

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission 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 **strongly supports HB 2293, HD1**, which would enable the Hawaii Housing Finance and Development Corporation (HHFDC) to develop mixed-use developments in partnership with other state and county departments and agencies.

HB 2293, HD1. This purpose of this bill is to enable the HHFDC to develop mixed-use developments in partnership with other state and county departments and agencies, as well as to further the objective of encouraging walking and active areas by locating affordable housing, jobs, shops, and services within close proximity. This bill defines "Mixed-use development" as a development that contains affordable residential dwelling units that may be combined with governmental, educational, commercial, cultural, institutional, or industrial uses; is approved by the county in which the project is located.

LURF's Position. LURF is in **strong support of HB 2293, HD1**, which would expand HHFDC's opportunities to partner with other state and county agencies; and broaden HHFDC's authority to develop "mixed use" projects which could include much-needed affordable housing and rentals in compact, higher-density communities and transit-oriented development. LURF supports HB 2293, HD1, based on the following:

- Expands HHFDC's opportunities to partner with other state and county agencies. Under current law, the HHFDC is authorized to develop certain types of housing and facilities in partnership with only two government agencies: the Department of Education and the Department of Accounting and General Services. This measure would expand this authority to partner with other state and county governmental agencies, and would enable HHFDC to use its development powers in partnership with any governmental agency that holds developable land.
- Broadens HHFDC's authority to include "mixed use" developments. Currently, Section 201H-44, Hawaii Revised Statutes, limits HHFDC to develop commercial, industrial, and other properties in connection with the development of any dwelling units if it determines that the uses can be "an integral part of the development and can help to preserve the lifestyles of the purchasers of dwelling units in the development." This bill proposes to broaden and "update" HHFDC's authority to include "mixed use developments," which encourages smart growth; transit-oriented development; and the development of other compact, higher-density communities consisting of active and walkable areas with housing, jobs, shops, and services located within close proximity. Mixed-use developments are especially beneficial for low- and moderate-income households because they reduce transportation costs, traffic congestion, and the number of vehicle miles traveled by community residents. This measure will broaden HHFDC's authority to include development of multifamily rental housing would further enable the corporation to facilitate the development of affordable dwelling units in areas with mixed-use zoning and transit-oriented development.

For the reasons set forth above, LURF is **in strong support of HB 2293, HD1**, and respectfully urges your favorable consideration of this bill.

Thank you for the opportunity to present testimony regarding this measure.