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DEPARTMENT OF BUDGET AND FINANCE

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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON WATER AND LAND
ON
HOUSE BILL NO. 2678

February 12, 2016
9:30 a.m.

RELATING TO URBAN RENEWAL

House Bill No. 2678 proposes to authorize the Director of Finance to issue general obligation bonds to the counties for infrastructure construction related to urban renewal projects. This measure also allows the counties to have multiple local redevelopment agencies, requires that all members of a redevelopment agency reside within the boundaries of an area defined by the county, and states that these local redevelopment projects are considered public works.

The Department of Budget and Finance has concerns with this bill.

We are concerned that State projects will now be competing with these county projects for the State's limited general obligation bond funds. The counties have the authority to issue their own general obligation bonds.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Water & Land
Friday, February 12, 2016 at 9:30 A.M.
Conference Room 325, State Capitol**

RE: HOUSE BILL 2678 RELATING TO URBAN RENEWAL

Chair Yamane, Vice Chair Cullen, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent of HB 2678**, which authorizes the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects. Allows each county to have more than one local redevelopment agency. Repeals the specific naming requirement for local redevelopment agencies. Requires all five members of the local redevelopment agency to reside within the boundaries of an area defined by the county via resolution. States that redevelopment projects carried out by the local redevelopment agency are public works.

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.

We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There is a pressing need to address infrastructure capacity building along the entire transit corridor if we are to realize any of the increased density at the transit stations.

However, we question the need to create another layer of government through the proposed local redevelopment agency. We strongly believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effect approach than what is being proposed in the bill.

We understand that there are other bills which would give HCDA authority to plan and redevelop areas around the transit stations.

Thank you for the opportunity to testify.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the House Committee on Water & Land

Friday, February 12, 2016

9:30 a.m.

State Capitol - Conference Room 325

LATE

RE: HB 2678: Relating to Urban Renewal.

Dear Chair Yamane, Vice-Chair Cullen, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-HAWAII supports the intent of H.B. 2678, which would authorize the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects. It would also allow each county to have more than one local redevelopment agency, and repeals the specific naming requirement for local redevelopment agencies. It would require all five members of the local redevelopment agency to reside within the boundaries of an area defined by the county via resolution. It clarifies that redevelopment projects carried out by the local redevelopment agency are public works.

We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There is a pressing need to address infrastructure capacity building along the entire transit corridor if we are to realize any of the increased density at the transit stations.

However, we question the need to create another layer of government through the proposed local redevelopment agency. We strongly believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effect approach than what is being proposed in the bill.

We understand that there are other bills which would give HCDA authority to plan and redevelop areas around the transit stations.

Thank you for the opportunity to express our views on this matter.

Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
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February 11, 2016

The Honorable Ryan I. Yamane, Chair
The Honorable Ty J.K. Cullen, Vice Chair
and members
House Committee on Water and Land
Hawai'i State Legislature
Honolulu, Hawai'i 96813



RE: Support for HB2678, Relating to Urban Renewal

Dear Chair Yamane, Vice Chair Cullen, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We **support HB2678, Relating to Urban Development**. The bill would authorize the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects, allow each county to have more than one local redevelopment agency, and allow those redevelopment agencies to pursue redevelopment projects that will create high-quality construction jobs.

This bill would empower the counties to more actively use existing provisions of HRS Chapter 53 to pursue redevelopment projects in "blighted areas," as they did throughout the 1950s, 1960s, and 1970s to pursue projects like Queen Emma Gardens, Kukui Plaza, and the Chinese Cultural Plaza on Oahu, the Hilo Waterfront area on the Big Island, the projects in the Wailuku area on Maui.

Specifically for the island of Oahu, this bill would allow the county to more actively pursue transit-oriented development ("TOD") projects under the auspices of Chapter 53 redevelopment agencies, with clear rules regarding what the agencies are allowed to do, and opportunities for the projects to be overseen by a board of residents from the areas where the projects are to be located.

Our unions have been strong advocates for TOD over the past several years, and we see the Chapter 53 redevelopment agencies as a way to carry out the full vision of TOD: jobs for our members, more housing opportunities at all levels of the price spectrum, and public amenities for residents and visitors to enjoy.

Therefore, we respectfully request your committee's favorable action on HB2678, relating to urban development.

Mahalo,

Tyler Dos Santos-Tam
Executive Director
Hawai'i Construction Alliance
execdir@hawaiiiconstructionalliance.org

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 11, 2016 8:07 PM
To: waltestimony
Cc: darakawa@lurf.org
Subject: Submitted testimony for HB2678 on Feb 12, 2016 09:30AM

HB2678

Submitted on: 2/11/2016

Testimony for WAL on Feb 12, 2016 09:30AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	No

Comments: The Land Use Research Foundation of Hawaii SUPPORTS HB 2678, which proposes to authorize the Director of Finance to issue General obligation bonds to the counties for infrastructure construction related to urban renewal projects; allows each county to have more than one local redevelopment agency; repeals the specific naming requirement for local redevelopment agencies; requires all five members of the local redevelopment agency to reside within the boundaries of an area defined by the county via resolution; and states that redevelopment projects carried out by the local redevelopment agency are public works projects. LURF understands that the former Honolulu Redevelopment Agency was created in 1950, and completed notable projects such as the Queen Emma Gardens, Kukui Plaza, and the Chinese Cultural Plaza, before the Agency's duties were transferred in 1975 to the then newly created City Department of Housing and Community Development. Statewide, there are areas which could benefit from urban renewal and redevelopment like the former Honolulu Redevelopment Agency. LURF understands that there have been a number of planning studies, but despite preparation of these studies and the efforts of residents, many of the recommendations have yet to be implemented. For the above reasons, LURF SUPPORTS HB 2300, and respectfully urges favorable consideration by this Committee. Thank you for the opportunity to provide comments in support of this matter.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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