



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

February 29, 2016 at 9:15 a.m.
State Capitol, Room 211

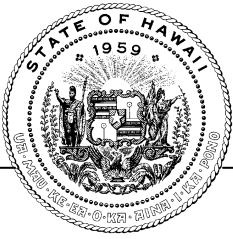
In consideration of
S.B. 2822, S.D. 1
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

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

DBEDT **supports** S.B. 2822, S.D. 1, an Administration bill.

S.B. 2822, S.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.



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
SENATE COMMITTEE ON WAYS AND MEANS
Monday, February 29, 2016
9:15 AM
State Capitol, Conference Room 211

in consideration of
SB 2822, SD 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.

The Office of Planning (OP) strongly supports SB 2822, SD 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.

SB 2822, SD 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.

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
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

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

SENATE COMMITTEE ON WAYS AND MEANS

February 29, 2016 at 9:15 a.m.
State Capitol, Room 211

In consideration of
S.B. 2822, S.D. 1
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

The HHFDC ***strongly supports*** S.B. 2822, S.D. 1, an Administration bill. S.B. 2822, S.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.

S.B. 2822, S.D. 1, will allow HHFDC 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 affordable rental housing 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 & Means
Monday, February 29, 2016 at 9:15 A.M.
Conference Room 211, State Capitol**

**RE: SENATE BILL 2822 SD 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") **supports** SB 2822 SD 1 which enables the Hawaii Housing Finance and Development Corporation to develop mixed-use developments in partnership with state and county departments and agencies. Repeals the limitation on the Hawaii Housing Finance and Development Corporation's determination of the price of the sale or lease of commercial, industrial, or other facilities displaced by the Corporation.

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 Hawaii Chamber of Commerce of Hawaii and the Building Industry Association of Hawaii 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



Chamber of Commerce HAWAII

The Voice of Business

“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 projected 25,847 unit demand.

The most significant barrier to increasing the supply of housing at all price points is the lack of infrastructure capacity. The proposed bill will allow HHFDC to assist in developing infrastructure needed to support future growth especially along the 20 mile transit corridor on Oahu.

We are in strong support of SB 2822 and appreciate the opportunity to express our views on this matter.

February 29, 2016

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

RE: S.B. 2820, S.D.1, Relating to the Housing Finance Development Corporation

HEARING: Tuesday, February 29, 2016 at 9:15 a.m.

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

I am Myoung Oh, Government Affairs Director, submitting 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** S.B. 2820, S.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.

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. It is clear that not only is there a dire need for both affordable housing and rentals, but 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 testimony.