

# OFFICE OF PLANNING STATE OF HAWAII

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DAVID Y. IGE  
GOVERNOR

LEO R. ASUNCION  
DIRECTOR  
OFFICE OF PLANNING

Statement of  
**LEO R. ASUNCION**  
Director, Office of Planning  
before the  
**HOUSE COMMITTEE ON FINANCE**

Friday, April 1, 2016  
11:00 AM  
State Capitol, Conference Room 308

in consideration of  
**SB 3077, SD 1, HD 1**  
**RELATING TO STATEWIDE COMMUNITY PLANNING**

Chair Luke, Vice Chair Nishimoto, and Members of the House Committee on Finance.

The Office of Planning (OP) strongly supports SB 3077, SD 1, HD 1 which establishes the Hawaii Interagency Council for Transit-Oriented Development to institutionalize intergovernmental and interagency coordination on transit-oriented development (TOD) planning statewide, and designates OP as the lead State agency for smart growth and TOD coordination.

In his State of the State Address, Governor Ige aptly stated that “[p]erhaps the greatest opportunities for housing on Oahu rest with transit-oriented development.” Governor Ige has since established TOD as a priority of his Administration, stating that rail can help sensibly direct growth, protect open space and agriculture, stimulate business, reinvigorate older neighborhoods, and build affordable homes.

In late 2014, State legislators, led by Senator Suzanne Chun Oakland, convened the State TOD Task Force to coordinate State agency projects and activities for TOD. Although the Task Force has met monthly since January 2015 for this purpose, it has been on a voluntary and informal basis.

With the assistance of Task Force members, OP prepared a "Status Report on the State Transit-Oriented Development Task Force," which summarizes the efforts of the Task Force in 2015. One of the Report's goals for 2016 is to formally constitute the State TOD Task Force to promote more effective and efficient TOD planning and coordination among the State, county, and federal governments as well as the private and non-profit sectors.

Furthermore, in 2012, OP and Smart Growth America convened a Project Stakeholders Group to develop a TOD implementation strategy for State agencies, recommending that TOD be identified as a priority for implementing smart growth in the State, and that a lead State agency, such as OP, be identified to advance TOD. As such, we support HD 1 revisions that designate OP as the lead agency to coordinate and advance smart growth and TOD planning within the State. We note that on the Neighbor Islands, where the population centers are not sufficiently large enough to support rail transit systems, bus transit needs and smart growth principles are still relevant.

Because OP prefers to function as a coordinating agency rather than an approval agency, we recommend that subsection (H) on page 18, lines 3-4, be amended to read as follows:

"Coordinate state agency development planning for state-controlled parcels within transit-oriented development areas."

If, however, this provision remains as it is currently written, OP would interpret "development plans" to mean conceptual land use plans, which identify the location and planned uses within a defined area.

SB 3077, SD 1, HD 1 is well-aligned with the activities initiated by the State TOD Task Force and OP, and will ensure continued coordination and support for project planning and

implementation of TOD projects on State lands, not just in Honolulu, but also in our Neighbor Island counties.

Thank you for the opportunity to testify on this measure.



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

DAVID Y. IGE  
GOVERNOR

LUIS P. SALAVERIA  
DIRECTOR

MARY ALICE EVANS  
DEPUTY DIRECTOR

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Statement of  
**LUIS P. SALAVERIA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Friday, April 1, 2016  
11:00 AM  
State Capitol, Conference Room 308

in consideration of  
**SB 3077, SD 1, HD 1**  
**RELATING TO STATEWIDE COMMUNITY PLANNING.**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee.

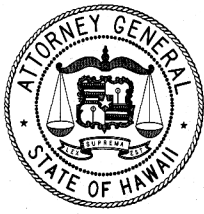
The Department of Business, Economic Development, and Tourism (DBEDT) **strongly supports** SB 3077, SD 1, HD 1, which establishes the Hawaii Interagency Council for Transit-Oriented Development within DBEDT to formalize intergovernmental and interagency coordination on transit-oriented development (TOD) planning statewide, and designates the Office of Planning (OP) as the lead State agency for smart growth and TOD coordination.

In late 2014, State legislators, led by Senator Suzanne Chun Oakland, convened the State TOD Task Force to coordinate State agency projects and activities for TOD. The Task Force has met monthly since January 2015 for this purpose, and to prioritize their planned projects. Although the Task Force has been actively coordinating TOD activities, it has been on a voluntary and informal basis.

With the assistance of Task Force members, the Office of Planning (OP) prepared a “Status Report on the State Transit-Oriented Development Task Force,” which summarizes the efforts of the Task Force in 2015 and which identifies priority sites and projects that should be considered for State TOD master planning and development. One of the Report’s goals for 2016 is to formally constitute the State TOD Task Force to promote more effective and efficient TOD planning and coordination among the State, county, and federal governments as well as the private and non-profit sectors.

SB 3077, SD 1, HD 1, with the amendments proposed by OP and HHFDC are consistent with the activities of the State TOD Task Force and will ensure continued coordination and support for project planning and implementation of successful TOD projects on State lands, not just in Honolulu, but also in our Neighbor Island counties.

Thank you for the opportunity to testify on this measure.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-EIGHTH LEGISLATURE, 2016**

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**ON THE FOLLOWING MEASURE:**

S.B. NO. 3077, S.D. 1, H.D. 1, RELATING TO STATEWIDE COMMUNITY PLANNING.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Friday, April 1, 2016

**TIME:** 11:00 a.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Douglas S. Chin, Attorney General, or  
Bryan C. Yee, Deputy Attorney General

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Chair Luke and Members of the Committee:

The Department of the Attorney General offers the following comments regarding concerns over this bill's compliance with article III, section 14, of the Hawaii State Constitution.

The purpose of this bill is to address statewide transit-oriented development issues through a single coordinating agency. This bill was also amended for the purpose of authorizing the Department of Education to use school impact fees collected from transit-oriented development projects to be used for existing schools in the transit-oriented development areas.

We have two legal concerns: First, the amendments on page 19, lines 11 through 14, to allow the use of school impact fees may not be covered by the title of this bill, "relating to statewide community planning." If so interpreted, this portion of the bill would be better placed in a different legislative vehicle with a more appropriate title.

Second, if the Committee decides not to use a different legislative vehicle, the wording on page 19, lines 11 through 14, is inconsistent with the stated subject expressed in the title of the bill. If unchanged, the bill might be viewed as embracing more than one subject. This concern can be remedied if the wording on page 19, lines 11 through 14, were made consistent with the stated title of the bill.

Article III, section 14, of the Hawaii State Constitution requires that "Each law shall embrace but one subject, which shall be expressed in its title." In Schwab v. Ariyoshi, 58 Haw. 25, 564 P.2d 135 (1977), the Hawaii Supreme Court noted that laws are presumptively valid and should not be nullified on subject-title grounds unless the violation is "plain, clear, manifest, and unmistakable." Id. at 31.

Nevertheless, there is a concern that the provision for school impact fees is “neither suggested by the title, nor germane to the subject expressed therein.” Id. at 34, quoting Territory v. Dondero, 21 Haw. 19, 29 (1912). The title of the bill is “relating to statewide community planning.” The school impact fees discussed in this bill are not used for planning. This provision might be allowable if the school impact fees were used as a result of statewide community planning. At this time, however, that appears to be speculative and there is no suggestion of this connection anywhere in the bill or committee reports. If this or some other connection cannot be made, we recommend that another legislative vehicle be found with a more appropriate title.

In addition, the different parts of the bill must have some relationship with each other. As currently worded, the school impact fees provision has no clear relationship to the transit-oriented development issues addressed in the remainder of the bill. This concern may be remedied if the language on page 19, lines 11 through 14, conformed to the stated purpose of the bill on page 2, line 20, through page 3, line 3, as follows:

Notwithstanding [~~section,~~] any other law to the contrary, fee in lieu funds from projects within a county-designated transit oriented development zone may also be used to purchase completed construction, construct new school facilities in new or existing school sites, improve or renovate existing structures for school use, or lease land or facilities for school use within a county-designated transit oriented development zone.

With this amendment, this bill would then conform better with the subject expressed in the title of the bill.

Thank you for this opportunity to testify.



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

**Date:** 04/01/2016  
**Time:** 11:00 AM  
**Location:** 308  
**Committee:** House Finance

**Department:** Education

**Person Testifying:** Kathryn S. Matayoshi, Superintendent of Education

**Title of Bill:** SB 3077, SD1, HD1 RELATING TO STATEWIDE COMMUNITY PLANNING.

**Purpose of Bill:** Designates the Office of Planning as the lead state agency for transit-oriented development coordination. Establishes the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinated effective and efficient transit-oriented development planning on a statewide level. Appropriates moneys. Allows the Department of Education to use school impact fees for schools statewide. (SB3077 HD1)

**Department's Position:**

The Department of Education (DOE) supports SB3077, HD1. Section 4 of the bill will enable DOE to use school impact fees more effectively.

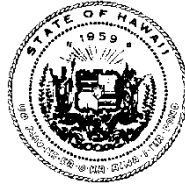
The Legislature designed the impact fee law in 2007 with an emphasis on collecting land for future schools. The current law is designed to collect almost 100% of the school land that would be needed by the additional students generated by new residential development. In dense, transit oriented areas, many small parcels would be developed for housing towers that cannot spare acreage for new schools. In such cases we would collect a fee in lieu of land.

As DOE begins to focus on collecting fees in transit oriented development areas, we need to be able to apply land fees to more than just land. Fees will need to be spent to expand existing schools or develop new schools in high rise buildings, old shopping centers, and public housing projects. SB3077, HD1 allows the DOE to do more than just acquire land on the ground; it would allow DOE to buy space above the ground. This is not the conventional, mostly suburban pattern of establishing new schools. DOE needs to be able to use impact fees in new ways to adapt to an urban pattern that is constrained by expensive land in small parcels, existing schools on small campuses, and a large wave of unprecedented urban development.

Thank you for this opportunity to testify.



DAVID Y. IGE  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

Statement of  
**Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**HOUSE COMMITTEE ON FINANCE**

April 1, 2016 11:00 A.M.  
Room 308, Hawaii State Capitol

In consideration of  
**SB 3077, SD1, HD1**  
**RELATING TO STATEWIDE COMMUNITY PLANNING.**

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide testimony in support of the intent of Senate Bill (SB) 3077, Senate Draft (SD) 1, House Draft (HD) 1, relating to statewide community planning, the purposes of which are to designate the Office of Planning as the lead state agency for transit-oriented development coordination; establish the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinate effective and efficient transit-oriented development planning on a statewide level; appropriate moneys; and allows the Department of Education to use school impact fees for schools statewide.

The Hawaii Public Housing Authority (HPHA) is finalizing a public-private partnership to redevelop Mayor Wright Homes, which is located within a quarter mile of the proposed Iwilei Honolulu Rail station. This redevelopment project will include public housing units as well as affordable and market rate units and commercial uses. The HPHA is endeavoring to redevelop several of its other properties within the TOD zones of the Honolulu Rail line, envisioning the creation of vibrant, walkable, accessible and diverse communities, and a substantial increase in the number of housing units for each project. As a member of the State TOD Task Force that was initiated in late 2014 and led by Senator Suzanne Oakland, we welcome the opportunity to continue to coordinate with other State stakeholders through a formal TOD advisory group to ensure that all resources are efficiently and effectively used for TOD for the benefit of the community, HPHA tenants and taxpayers.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the HPHA's testimony regarding SB 3077, SD 1, HD 1.

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

### HOUSE COMMITTEE ON FINANCE

April 1, 2016 at 11:00 a.m.  
State Capitol, Room 308

In consideration of  
**S.B. 3077, S.D. 1, H.D. 1**  
**RELATING TO STATEWIDE COMMUNITY PLANNING.**

The HHFDC ***supports*** S.B. 3077, S.D. 1, H.D. 1. This measure, among other things, creates an Interagency Council for Transit-Oriented Development, placed in DBEDT for administrative purposes, and jointly chaired by the Office of Planning and HHFDC. Council members include representatives of federal, state, and county government to create an effective and efficient statewide transit-oriented development plan. We defer to the appropriate departments or agencies as to the remainder of the H.D. 1.

Transit-oriented development presents a unique opportunity to address simultaneously the issues of economic stimulation and affordable housing shortages. An increased supply of workforce units on state lands in transit-oriented development zones can provide low-income and moderate-income families with the opportunity to reside in vibrant communities and growing micro-economies. The development of workforce housing units on state lands around transit-centered communities will also encourage families to utilize public transportation, providing the transit system with increased ridership.

Thank you for the opportunity to testify.



**SB3077 SD1 HD1**  
**RELATING TO STATEWIDE COMMUNITY PLANNING**  
House Committee on Finance

April 1, 2016

11:00 a.m.

Room 308

The Office of Hawaiian Affairs (OHA) submits the following **COMMENTS** on SB3077 SD1 HD1, which would establish the Hawai'i Interagency Council for Transit-Oriented Development, to coordinate effective and efficient transit-oriented development planning statewide.

OHA's strategic plan seeks to ho'okahua waiwai (build economic self-sufficiency) for Native Hawaiians, including through greater stability in housing, and to promote maui ola (health) for a better quality and longevity of life for its beneficiaries. Unfortunately, data continues to indicate that Native Hawaiian families are more likely to earn less than the state median income, face challenges related to the high cost of housing and transportation, and suffer from poor health outcomes.

Transit-oriented development presents a unique opportunity for integrated planning to address the economic, housing, and health needs of many of Hawai'i's residents, including Native Hawaiians. Mixed-use residential and commercial developments can facilitate the establishment of safe, walkable communities that limit sprawl, reduce transportation costs, encourage sustainable building design, and promote a healthy environment. OHA recognizes that physical solutions by themselves will not solve social and economic problems, but neither can economic vitality, community stability, and environmental health be sustained without coherent and supportive physical frameworks. With community collaboration and buy-in, transit-oriented development may have the potential to provide physical frameworks that significantly benefit many of Hawai'i's residents.

By establishing a Hawai'i Interagency Council for Transit-Oriented Development, the state can move forward with a unique opportunity to coordinate the development of an effective statewide transit-oriented development plan.

To more appropriately reflect the administrative structure of the OHA, OHA requests that the language found on lines 11-12 of page 7 be replaced with the following:

(10) One member shall be the administrator of the office of Hawaiian affairs, or the administrator's designee;

Mahalo for the opportunity to testify on this measure.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
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KIRK CALDWELL  
MAYOR



GEORGE I. ATTA, FAICP  
DIRECTOR

ARTHUR D. CHALLACOMBE  
DEPUTY DIRECTOR

April 1, 2016

The Honorable Sylvia Luke, Chair  
and Members of the Committee on Finance  
Hawaii House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Luke and Committee Members:

Subject: Senate Bill No. 3077, SD 1, HD 1  
Relating to Statewide Community Planning

The Department of Planning and Permitting (DPP) **supports** Senate Bill No. 3077, SD 1, HD 1, which would establish the Hawaii Interagency Council for Transit-Oriented Development (TOD) within the Department of Business, Economic Development and Tourism (DBEDT). The Council would coordinate State TOD planning.

Under the City's TOD initiative, the DPP has long believed that State participation is essential to developing mixed-use, mixed-income projects in the TOD areas because of the amount of State lands in close proximity to the rail stations. The State is able to provide land and funding to develop more affordable and workforce housing, provide required infrastructure to support development of State-owned parcels, and contribute to increasing the regional capacity of major infrastructure systems to accelerate development. It is also critical to designate an agency or working group to coordinate TOD and smart-growth planning efforts of the many different agencies that own State lands or have a role in development and finance.

We are deeply grateful for the interest, support and commitment that many State agencies have already shown towards TOD. Senate Bill No. 3077, SD 1, HD 1, will formalize a comprehensive coordination strategy at the State level, and acknowledge the work that has already been accomplished by the City and State agencies. We are pleased that the HD 1 version of the Bill acknowledges the county's adopted TOD boundaries, which are based on careful analyses of where development will be influenced and enhanced by rail ridership.

The Honorable Sylvia Luke, Chair  
and Members of the Committee on Finance  
Hawaii House of Representatives  
Hawaii State Capitol  
Re: Senate Bill No. 3077, SD 1, HD 1  
April 1, 2016  
Page 2

We believe it is critical for the State to coordinate planning and prioritize its investments in TOD infrastructure and projects on State lands. The City looks forward to continued TOD collaboration with the State under Senate Bill No. 3077, SD 1, HD 1.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in blue ink that reads "George I. Atta". The signature is written in a cursive, flowing style.

George I. Atta, FAICP  
Director

March 11, 2016

David Y. Ige, Governor,  
State of Hawaii  
Executive Chambers, State Capitol  
Honolulu, Hawaii 96813

Kirk Caldwell, Mayor  
City and County of Honolulu  
530 South King Street, Room 300  
Honolulu, Hawaii 96813

Honolulu City Council  
530 South King Street  
Honolulu, Hawaii 96813

John Roth, Inspector General  
US Department of Homeland Security  
245 Murray Dr.; Building 410  
Washington, DC 20528

Robert J. Fenton, Jr.  
Regional Administrator FEMA Region IX  
1111 Broadway, Suite 1200  
Oakland, CA 94607-4052

Arthur A. Elkins, Jr., Inspector General  
Environmental Protection Agency  
1200 Pennsylvania Ave., NW Mail Code: 2410T  
Washington, D.C. 20460-0001

Office of Inspector General  
U.S. Department of Commerce  
1401 Constitution Avenue N.W.  
Washington, DC 20230

US Army Corps of Engineers  
ATTN: CEIG-A, Kingman Building  
7701 Telegraph Road  
Alexandria, VA

Aloha,

Based upon a huge amount of scientific evidence, reports and studies, there really appears to be a need to revisit the HART Rail EIS in light of updated FEMA flood maps, recent White House Executive Orders and Federal infrastructure funding policy. HART is not complying. Reopening the EIS is an option according to the January 2015 HART Rail Consulting Parties meeting.

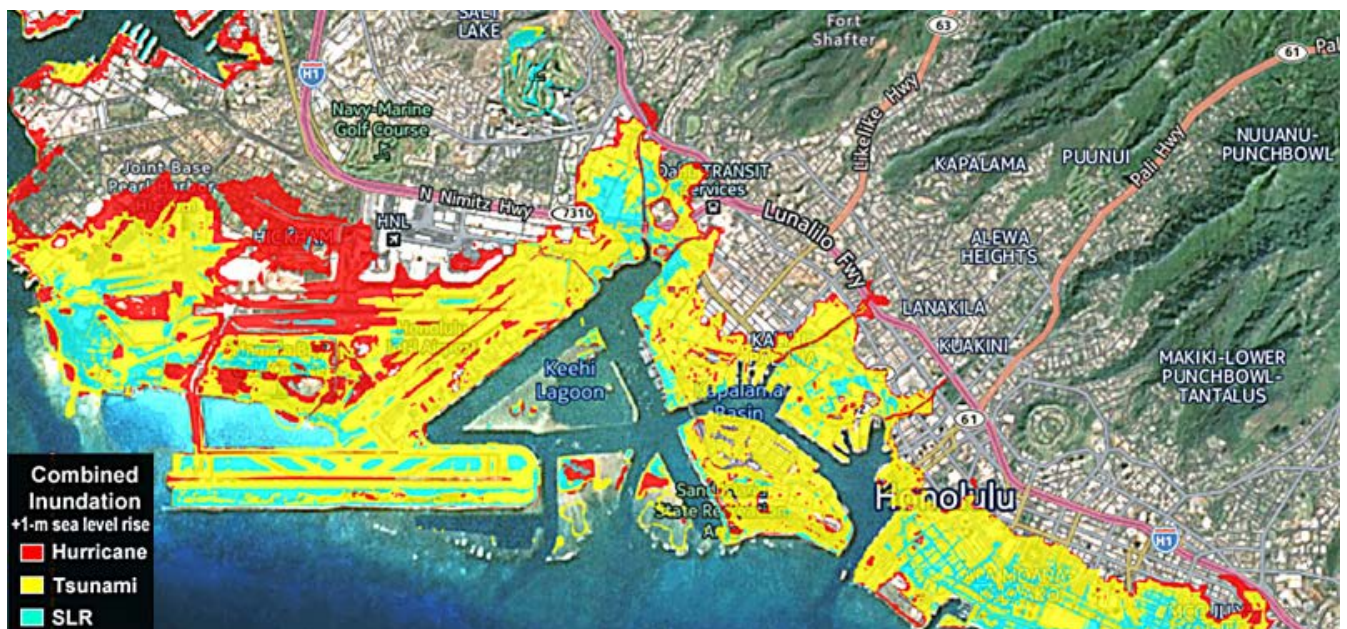
[https://www.fema.gov/pdf/floodplain/nfip\\_sg\\_unit\\_5.pdf](https://www.fema.gov/pdf/floodplain/nfip_sg_unit_5.pdf)

A community must adopt and enforce floodplain management regulations based on data provided by FEMA (44 CFR 60.2(h)). This includes the floodplain boundaries, base flood elevations, FIRM zones and floodway boundaries shown on your current Flood Insurance Rate Map, Flood Boundary Floodway Map and/or Flood Insurance Study.

[http://www.floods.org/ace-files/documentlibrary/FloodRiskMngmtStandard/EO\\_and\\_FRMS\\_for\\_News\\_Views.pdf](http://www.floods.org/ace-files/documentlibrary/FloodRiskMngmtStandard/EO_and_FRMS_for_News_Views.pdf)

Hawai'i's Changing Climate

[http://www.soest.hawaii.edu/coasts/publications/ClimateBrief\\_low.pdf](http://www.soest.hawaii.edu/coasts/publications/ClimateBrief_low.pdf)



## Sea Level Rise Inundation Risk

The Pacific Islands Ocean Observing System (PacIOOS) believes that ocean data and information can help save lives and resources.

<http://oos.soest.hawaii.edu/pacioos/projects/slr/>

<http://static.pdc.org/tsunami/#oahu>



***City of Honolulu Tsunami and Extreme Tsunami Evacuation areas – this the entire downtown Honolulu HART planned rail route, stations and transit oriented developments***

[https://www.honolulu.gov/rep/site/dem/dem\\_docs/tsunami\\_evac/etez\\_final/Index.pdf](https://www.honolulu.gov/rep/site/dem/dem_docs/tsunami_evac/etez_final/Index.pdf)

***Sea Level Rise and Storm Waves are gradually destroying coastal roadways planned and built decades before there was any thought about future sea levels rising and climatic changes.***

### Agency Comments Received on the Final EIS and FTA Responses

- U.S. Department of Homeland Security, Federal Emergency Management Agency (FEMA) – this agency reminded the City that it is a participant in the National Flood Insurance Program (NFIP) and, as such, must comply with NFIP floodplain management building requirements as described in 44 C.F.R. §§ 59 through 65. Compliance with Executive Order 11988, *Floodplain Management*, is addressed in Section 4.14 of the Final EIS. The City will comply with the NFIP requirements in final design.

**However the City is NOT complying with NFIP floodplain management and EO 11988**



Honolulu transit consultant Parsons Brinckerhoff wrote in the 2003 Final EIS:

*"...extreme disruption of existing underground utilities and constant dewatering made necessary by a high water table and poor soils would drive (rail) construction costs to unacceptable levels." -2003 FEIS*

Approximately 14 HART Rail Stations and 70% of the Rail route are subject to extreme floods, tsunami, hurricane storm surge and sea level rise.



*Boxed in RED show the HART rail route sections most affected by floods, tsunami, hurricane storm surge and sea level rise.*

There have been some significant changes and updates in 2015 that the HART Rail FEIS did not address. New FEMA Flood Plain maps have been released and President Obama issued EO 13690. Since HART Rail is being built in sections, HART has not adequately addressed the new maps, EO 11988 and EO 13690 in their route and station plans. Especially the DOT requirements Order 5650.2 and FEMA Code of Federal Regulations (CFR) for the National Flood Insurance Program: 44 CFR Parts 59, 60, 65, and 70.

<https://www.fema.gov/national-flood-insurance-program-laws-regulations>

[https://www.fema.gov/pdf/floodplain/nfip\\_sg\\_appendix\\_e.pdf](https://www.fema.gov/pdf/floodplain/nfip_sg_appendix_e.pdf)

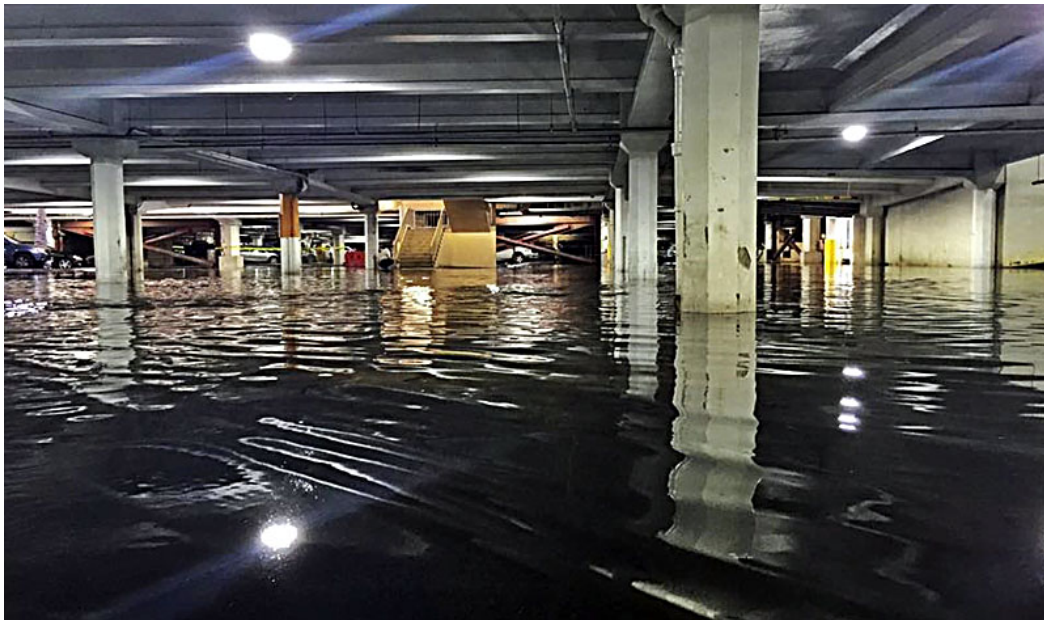
The Floodplains Compliance Process according to all of the online Federal documents can

grandfather already built facilities BUT NOT those not yet built. HART Rail is being built in sections and the final construction design plans for most of the flood plain sections have not been issued. There is still time to correct the very badly planned and highly vulnerable rail route.

**Elevated Rail Guideway does NOT protect vulnerable station access, parking, utilities support**

***While the HART rail is on elevated pylons, planned sections 2, 3 and 4 station access are near sea level and in FEMA mapped flood zones. The measured subsurface groundwater level in many areas of downtown Honolulu is just 3-4 feet and steadily rising. Most of the entire HART rail construction geology is in very porous ancient coral limestone reef karst with known subsurface voids, caves and waterways.***

***Approximately 14 HART Rail Stations and 70% of the Rail route are subject to extreme floods, tsunami, hurricane storm surge and sea level rise.***



***HART Rail stations, access stairs, elevators and escalators and parking facilities will be flooded while sewer, water and power service vaults will be in corrosive salt water.***

The December 2015 HART rail Project Management report shows that contractors are having continuous problems with drilled column cement pours. A flood event by either heavy rains, hurricane storm surge or tsunami will create standing salty water far inland. Encroaching sea level rise is also driving the ground water level up further inland.

There MUST be an analysis showing **why** there is **NO OTHER ALTERNATIVE** than the low sea level flood plain route HART Rail is planning into downtown Honolulu. In fact there ARE

reasonable alternative routes but they have never been discussed in light of the 2015 FEMA Flood plain maps and the POTUS Executive Order.

**Manoa professor Fletcher studies coastal hazards and says 70 percent of beaches on Kauai, Maui, and Oahu are eroding.**

<http://khon2.com/2016/03/03/expert-urges-action-as-stronger-el-nino-years-further-coastal-erosion-predicted/>

University of Hawaii at Manoa professor Chip Fletcher predicts stronger El Nino years in the future, which means more beach erosion.

“We’re overdue,” he said. “We need to start making things happen now. We need to catch up.”



Low level water inundation by hurricane storm surge and tsunamis will cause massive electrical, sewer and water damage flooding underground vaults. Powerful sea water forces will knock down structures, slam cars and trucks into structures. *The useful capacity of HART rail to provide operational service in low land flooded areas will be reduced to ZERO.*

**The costs to repair and rebuilt will take many years and many billions of dollars. Honolulu cannot expect Federal bailouts as these environmental conditions will be happening all over the United States. Hurricane Sandy, a classic storm surge case, has greatly depleted available FEMA disaster recovery funds. Honolulu will have to expect FEMA recovery fund delays and relatively little funds to rebuilt transportation infrastructure.**

The State of Hawaii and the Federal Emergency Management Administration (FEMA) flood maps clearly show major sections of the rail route are in floodplains. The many additional Federal studies on Sea Level Rise, tsunamis and hurricane storm surge all show the same areas - and MUCH MORE - will inundate with rain and sea water the low level Honolulu ground infrastructure of planned HART Rail stations and Transit Oriented Developments. ***There will be Billions in damage and huge costs to rebuild away from the vulnerable low shoreline.***

***HART Rail stations, access stairs, elevators and escalators and parking facilities will be flooded while sewer, water and power service vaults will be in corrosive salt water. Power will be shut off, sewage will spill into the downtown areas and repair costs will be in the billions.***

<http://www.soest.hawaii.edu/coasts/sealevel/>

*The University of Hawaii SOEST program has provided very extensive details, 3D graphics and animations showing how vulnerable Honolulu low lands are to flooding from sea level rise, hurricane storm surge and tsunamis. Updated new City tsunami maps all show a much greater inland evacuation area than previous maps.*

<http://seagrant.soest.hawaii.edu/csp/benefits>

All City, State and Federal data ALL SHOW that building new Federally funded infrastructure in extremely low areas is a MAJOR RISK and alternatives need to be planned as soon as possible.

[https://www.honolulu.gov/rep/site/dem/dem\\_docs/tsunami\\_evac/etez\\_final/Index.pdf](https://www.honolulu.gov/rep/site/dem/dem_docs/tsunami_evac/etez_final/Index.pdf)

**The Honolulu project study illustrates the effect of three feet of sea-level rise on the coastal inundation zones (hurricane and tsunami) and showed that 80 percent of the area's economy, nearly half of the population, and much of the infrastructure and land area at risk of coastal inundation.**

### **US DOT Flood Zones**

Protection of floodplains and floodways is required by Presidential Executive Order 11988, US DOT Order 5650.2, the Federal Aid Highway Program Manual (FHWA 1992b); and 23 CFR 650 (CFR 1999). **These regulations place special importance on floodplains and floodways and require Federal agencies to avoid conducting, allowing, or supporting actions on a floodplain or within a floodway. If a project is located within a floodplain or floodway, results from sufficient analysis must be included in the project's Final EIS, as specified in USDOT Order 5650.2.**

[http://www.fta.dot.gov/printer\\_friendly/12347\\_2237.html](http://www.fta.dot.gov/printer_friendly/12347_2237.html)

**"Floodplain Management," places special importance on floodplains and directs federal agencies to avoid conducting, allowing or supporting actions on a floodplain. When contemplating a mass transportation project, maps of the Federal Insurance Administration should be consulted to determine if the proposed project site is located within the 100-year floodplain. [Executive Order 11988 \(PDF\)](#).**

FEMA Flood Insurance Rate Maps (FIRMs) are available for review here:

<https://msc.fema.gov/portal/search> (Hawaii or Honolulu)

<http://gis.hawaiifip.org/FHAT/> (This Hawaii site is somewhat easier to use)



In Mapunapuna small fish including baby Hammerhead sharks have been seen coming up through the storm drains which are directly connected to the ocean.

***The Environmental Impact Statement (EIS) document must identify why the Proposed Action is the only practicable alternative, and provide supporting documentation reflecting the consideration of alternatives to avoid or reduce adverse impacts on the floodplain.***

THE WHITE HOUSE  
January 30, 2015.

On January 30th, President Obama issued Executive Order (EO) 13690 that revises Executive Order 11988 and proposes a new Federal Flood Risk Management Standard (FFRMS).

<https://www.whitehouse.gov/the-press-office/2015/01/30/executive-order-establishing-federal-flood-risk-management-standard-and->

The Federal Government must take action, informed by the best-available and actionable science, to improve the Nation's preparedness and resilience against flooding. Executive Order 11988 of May 24, 1977 (Floodplain Management), *requires executive departments and agencies to avoid, to the extent possible, the long- and short-term adverse impacts associated with the occupancy and modification of floodplains and to avoid direct or indirect support of floodplain development wherever there is a practicable alternative.*

As part of a national policy on resilience and risk reduction consistent with my Climate Action Plan, the **National Security Council staff coordinated an interagency effort to create a new flood risk reduction standard for federally funded projects.** The views of Governors, mayors, and other stakeholders were solicited and considered as efforts were made to establish a new flood risk reduction standard for federally funded projects.

Aloha,

John Bond  
Kanehili Hui  
P.O. Box 75578  
Kapolei, Hi. 96707

**LATE**



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

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**TESTIMONY FOR SENATE BILL 3077, SENATE DRAFT 1, HOUSE DRAFT  
1, RELATING TO STATEWIDE COMMUNITY PLANNING**

**House Committee on Finance  
Hon. Sylvia Luke, Chair  
Hon. Scott Y. Nishimoto, Vice Chair**

**Friday, April 1, 2016, 11:00 AM  
State Capitol, Conference Room 308**

Honorable Chair Luke and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in strong support of, with proposed amendments for Senate Bill 3077, SD1, HD1, relating to statewide community planning.

In comparison to school districts of similar size and demographic composition, Hawai'i, ranks 227th in per-pupil funding *before* adjusting for cost of living, at \$11,823 per child. Washington D.C., New York City, Boston, Pittsburgh, and Cincinnati school districts, for example, spend nearly twice as much as Hawai'i per pupil, at well over \$22,000 to over \$26,000 per student. Similarly, local private schools, discounting Catholic institutions, spend nearly \$19,173 dollars per student, with Punahou President Jim Scott revealing, in 2014, "The real cost of our education per student is \$26,000," owing to the school's then-total endowment of \$235 million and fundraising operations of \$12-\$15 million annually.

Our state must consider all possible ways to plug our education funding deficit, including the expansion of school impact fees, which could finance new or existing public school facilities as demand for such facilities increases, including through new residential properties spurred by transit oriented development (TOD). Pursuant to HRS §302A-1601 through HRS §302A-1612, the Board of Education may establish districts in which impact fees are to be applied, with new developers of residential properties in those districts then required to contribute toward the construction public schools that serve the ensuing influx of families.

There are two types of fees established in state law: construction cost component impact fees and land component impact fees. Put simply, the former are fees paid for the construction of new schools, while the latter involve fees paid (fees in lieu) or actual acreage given to the Department of Education to offset the cost of vacant land suitable for a school site. Since new residential developments within identified school impact districts create additional demand for public school facilities, they are required to contribute toward the construction of new or expansion of existing public school facilities through both the aforementioned means.

Both the land and construction requirements are based on a proportionate share of the need to provide additional public school facilities, consistent with fair-share principles. New residential developments are not charged for higher levels of service than existing developments, which is borne out by the DOE imposing fees based on averages taken from recently built and comparable developments. Notably, construction cost component impact fees, per state law, involve ten percent of the share of the construction cost for a required new school, expansion of existing school facilities that is attributable to a specific new residential development, or both, with the cost per student meaning the average of actual school construction costs divided by the respective design enrollments (maximum number of students a school facility is designed to accommodate), for schools constructed within approximately the last ten years. Using data from 1997-2007, state law further codifies the construction cost component impact fee averages for different school types as follows:

- (1) Elementary schools: \$35,357 per student;
- (2) Middle and intermediate schools: \$36,097 per student; and
- (3) High schools: \$64,780 per student.

Ergo, the average contribution per student to a developer ranges from \$3,535.70 to \$6,478, depending on the type of school(s) being built to accommodate relocating families.

Yet, the state's school impact fee law has not been fully enforced since it was enacted in 2007. Kaka'ako, an area with which this and related proposals appear to be concerned, is filled with proposed and freshly built high-rise projects. Nearly 5,000 new condominium units are scheduled to be built by 2018 in Kaka'ako, with the population of the district expected to double to 30,000 people in the next fifteen years, according to the Honolulu Community Development Authority. DOE officials are considering all possible answers to school capacity questions posed by new



developments, including mixed use schools that cater to grades K-12 and rededicating unused space at schools operating below their design enrollment—McKinley High School's maximum capacity is 2,100 students, for example, but enrollment is just over 1,600, leaving room for an additional 400 students. As the Hawaii State Teachers Association has noted during session, however, these strategies are not demographically sustainable, escalating the urgency of creating alternative financial instruments to subsidize new schools. TOD, as previously stated, only exacerbates likely school capacity problems.

Therefore, we support this bill's expansion of school impact fees, as well as its allowing the DOE to use fee in lieu funds to purchase completed construction, construct new school facilities, improve or renovate existing structures, or lease land or facilities for school use. That said, if it is the intent of policymakers to allow the department to proactively use impact fees generated by TOD for schools throughout all affected geographic areas, we believe that the bill should explicitly authorize the use of all generated impact fees statewide—fees derived from one district should be usable in any district at which capacity is a problem. We suggest amending this measure by deleting the second sentence of section §302A-1608(a), contained on page 18, lines 9-11 of the bill. Page 18, lines 7-11 would then read: “**§302A-1608 Accounting and expenditure requirements.** (a) Each designated school impact district shall be a separate benefit district. [~~Fees collected within each school impact district shall be spent only within the same school impact district for the purposes collected.~~]” We further suggest deleting proposed subsection (f) on page 19, lines 11-14 of the measure and, instead, revising the preceding subsection (e) on page 19, lines 5-10 to read: “(e) Fee in lieu funds may be used for school site land acquisition and related expenses, [~~including surveying, appraisals, and legal fees~~] constructing new school facilities, purchasing completed construction for school use, improving or renovating existing structures for school use, or leasing land or facilities for school use. Fee in lieu funds shall not be used for [~~the maintenance or operation of existing schools in the district, construction costs, including architectural, permitting, or financing costs, or for~~] administrative expenses.”

Mahalo for the opportunity to testify in strong support of this bill.

Sincerely,  
Kris Coffield  
*Executive Director*  
IMUAlliance

**LATE**

From: mailinglist@capitol.hawaii.gov  
Sent: Thursday, March 31, 2016 9:52 PM  
To: FINTestimony  
Cc: darakawa@lurf.org  
Subject: Submitted testimony for SB3077 on Apr 1, 2016 11:00AM

**SB3077**

Submitted on: 3/31/2016

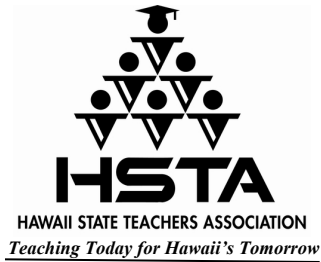
Testimony for FIN on Apr 1, 2016 11:00AM in Conference Room 308

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

Comments: Please see attached COMMENTS and PROPOSED AMENDMENTS in support of the intent of SB 3077, SD1, HD1, Relating to Statewide Community Planning: •Proposed amendment: Expand the membership of the Interagency Council to add a member with housing and real estate development experience and to add a member who is a major land owner in a Transit-Oriented Development (TOD) area; and •Proposed amendment: Expand the flexibility of the Department of Education (DOE) to use the proceeds of any lease or sale of DOE lands, to purchase completed construction, construct new school facilities, improve or renovate existing structures for school use, or lease land or facilities for school use in the same school impact district.

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.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



**LATE**

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Corey Rosenlee  
President  
Justin Hughey  
Vice President  
Amy Perruso  
Secretary-Treasurer  
Wilbert Holck  
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON  
FINANCE

RE: SB 3077, SD1, HD1 - RELATING TO SCHOOLS.

FRIDAY, APRIL 1, 2016

COREY ROSENLEE, PRESIDENT  
HAWAII STATE TEACHERS ASSOCIATION

Chair Luke and Members of the Committee:

The Hawaii State Teachers Association **strongly supports SB 3077, SD1, HD1** relating to schools, **with suggested amendments.**

School impact fees are a method of financing new or expanding existing Department of Education facilities, in partnership with developers of new residential areas. Residential developments create demand for public school facilities. In turn, pursuant to HRS §302A-1601, once school impact districts are identified, new residential developments are required to contribute toward the construction of new or expansion of existing public schools that serve their communities. Costs borne by developers and property purchasers are consistent with proportionate fair-share principles, meaning that residential developments within designated school impact districts pay construction cost proportionate to their impact.

Yet, the state's school impact fee law has not been full effectuated since it was enacted in 2007, despite shifting developmental and population patterns. Kaka'ako, for instance, is rife with extant and proposed high-rise projects that will bring families into the area, increasing demand for public school facilities. Approximately 5,000 new condominium units are scheduled to be built by 2018 in Kaka'ako, with the population of the district expected to double to 30,000 people in the next fifteen years, according to the Honolulu Community Development Authority. We understand that the department is using available housing data—specifically, the number and size of new units—to make projections about needed school accommodations and considering all possible solutions, including creating mixed use schools encompassing all grades K-12 and utilizing empty space at nearby

schools operating below capacity (McKinley High School's maximum capacity is 2,100 students, for example, but enrollment is just over 1,600, leaving room for an additional 400 students). These strategies are not likely to be demographically sustainable for the long-term, however, necessitating the use of alternative financial instruments to subsidize new schools.

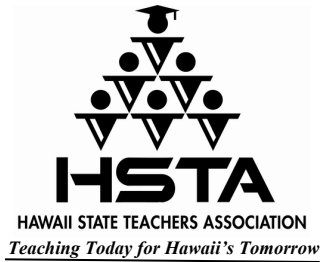
School impact fees have failed to be fully implemented, in part, because they are sometimes condemned as a property tax increase. Big Island Mayor Billy Kenoi has refused to collect the fees, calling them discriminatory. In a March 13, 2013 article entitled "School impact fees delayed," the *Hawaii Tribune Herald* reported:

Kenoi, who opposes the fee, has blocked its collection. He's said large developers already contribute as part of land use reclassifications before the state Land Use Commission, meaning the burden would fall on small lot owners. He has also noted the county was not represented in the working group establishing the districts, and he added the DOE's own lists don't show West Hawaii schools in the top 15 most needed facilities.

"This is just a fundamentally unfair bill," Kenoi told Stephens Media after the meeting. "Why does a person who builds a home here pay a penalty and nobody else does?"

What Kenoi believes to be principled opposition a burdensome financial encumbrance on real property owners is, to the contrary, obstruction of public education progress. According to a study released in 2015 by the Lincoln Institute of Land, Hawai'i has the lowest or next-to-lowest industrial, commercial, and apartment property taxes in the nation, for both urban and rural communities. Similarly, a WalletHub.com analysis revealed, last year, that the islands have the cheapest residential property taxes in the country, yet only 57 percent of state residents live in homes they own.

While some people believe that a low property tax bill makes local housing more affordable, this belief is vitiated by the fact that islanders compete heavily with people from all corners of the world for home ownership. More importantly to HSTA, Hawai'i's public schools are not funded through property taxes, which are constitutionally directed to the counties. Since property taxes are not used to finance local schools, we lack a dedicated funding stream for public education, which is instead paid for, primarily, through the state's general fund. This setup was as intentional as it is problematic. Big Five landowners and religious



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**Corey Rosenlee**  
President

**Justin Hughey**  
Vice President

**Amy Perruso**  
Secretary-Treasurer

**Wilbert Holck**  
Executive Director

missionaries crafted a segregated school system to perpetuate class inequality and boost plantation profits. As Corey Rosenlee wrote in the Star-Advertiser last April:

The Big Five wanted poorly educated workers to keep wages low and plantation profits high. Since land was owned by the wealthy few, Hawai'i, unlike its mainland counterparts, doesn't fund education through property taxes. Since property taxes are not used, there is no dedicated source of income for schools, and instead public school funding comes from the general fund and has been perpetually underfunded. Today, Hawaii leads the nation in the percent of students attending private school. The cost of educating a student at Punahou School is about \$26,000 per year, compared to \$8,000 per year for a regular education student at a public school.

Rectifying the economic disparities evinced and propounded by our schools is a moral imperative. To do so, we must invest in classroom cooling, facilities repair and maintenance, vocational education, arts and cultural learning, lower class sizes, public preschool, and professional pay for teachers—all of which requires increasing education funding. All options for generating revenue must be on the table, in our view, including the escalation and expansion of school impact fees.

To date, little has been collected for our schools by way of impact fees. That must change. Ideally, we would like to see impact fees expanded to the entire state and made to include commercial properties, with the exclusion of low-income and affordable housing developments. Thus, while we support this measure's allowance of the use of school impact fees in the urban Honolulu core for uses other than new school construction, we humbly request that this bill be amended by deleting the phrase "construction costs" from page 19, line 9 of the bill. Our proposed amendment would prevent confusion in determining what kinds of construction projects could be funded through fee in lieu funds, since the intent of the bill appears to be to make their use as a financing mechanism as broad as possible.

A quality education is priceless. To move our state toward more equitable public school funding, the Hawaii State Teachers Association asks your committee to support this bill.

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Testimony to the House Committee on Finance

Friday, April 1, 2016

11:00 a.m.

State Capitol - Conference Room 308

**LATE**

**RE: S.B. 3077 S.D. 1 H.D. 1, Relating to Community Planning.**

Dear Chair Luke, Vice-Chair Nishimoto, 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 provides the following **comments** on S.B. 3077 SD 1 HD 1, which:

- Designates the Office of Planning as the lead state agency for transit-oriented development coordination;
- Establishes the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinated effective and efficient transit-oriented development planning on a statewide level.
- Allows the Department of Education to use school impact fees for schools statewide.

We understand that all future growth within Oahu's urban core will be focused along the transit corridor, especially at the transit stations. We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There has been and continues to be an overall lack of coordination between the land use planning/zoning and the need to increase infrastructure capacity along the entire transit corridor. The effort should be done through a "redevelopment authority," if we are to realize any of the increased density at the transit stations.

This redevelopment authority needs to have both the responsibility for planning for the redevelopment of the areas around the transit stations including the authority to build the infrastructure required to support the planned density at each of the stations.

There needs to be a connection between the "Planning" for Transit Oriented Development (TOD) and "Implementation" of exactly how the redevelopment will occur. Right now, there is too much "Planning" and not enough recognition on how the plans will be implemented.

Essentially, the transit redevelopment authority could be modeled after HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. The statutory authority provided to HCDA recognized the need to plan and implement any redevelopment efforts.

In order for the redevelopment effort to be a success, we believe that the legislature should creating a transit redevelopment authority, with powers similar to HCDA to oversee planning and redevelopment along the entire transit corridor. As one of the largest landowners in the Hawaii, the State has an interest to insure that the investments in infrastructure are done in a prudent manner that will insure the State owned lands are used in a manner that benefits the public.

We are also concerned that the proposed Hawaii interagency council for transit-oriented development would be comprised of predominately government agencies (19 of the 23 members of the council would be from government agencies). We believe that in order for the state to realize the full potential of its real estate assets along the transit corridor, the oversight of this redevelopment effort must include professionals with real estate development experience.

We are opposed to the section allowing the DOE to use existing impact fee funds for urban in-fill schools.

Act 245, Session Laws of Hawaii 2007, established the law regarding school impact fees. Act 245 implemented a new method for financing, in part, new or expanding existing department of education educational facilities in partnership with developers of new residential developments. At the time, the focus of the impact fee was on "greenfield" developments. It was not intended to be applied to "in-fill" projects.

The preamble language of Act 245 states: "It also recognizes the need for more detailed planning for implementation of this Act by the department of education, and recognition of how the methodology will be applied in new residential projects involving rezoned properties or parcels, current zoned parcels with or without buildings, and redevelopment projects."

Generally, impact fees are charges imposed upon private land developers by a governmental entity to fund the additional service capacity required by the development for which it is collected. Developers can also opt to donate land and/or build public infrastructure in lieu of cash payments.

One of the basic principles of developing an impact fee is that the government entity must establish clearly defined "level of service standards" for the infrastructure and/or services to which the impact fee applied. The impact fee amount must be based upon a detailed analysis of existing and anticipated future conditions and capital improvements required in order to maintain the locally established standards. The fee cannot be used to support operational or maintenance improvements, or to correct deficiencies in the existing system. In addition, new development may not be held to a higher level of service than existing development unless there is a mechanism in place for the existing users to make improvements to the existing system to match the higher level of service.

The Department of Education must establish a standard level of service for urban in-fill schools. It is ridiculous to presume that the "recent school construction averages" defined in Act 245 would be applied to infill developments in urban Honolulu. Act 245 states that based on existing school construction data, the historical average design standards in 2007 were as follows:

<b>School</b>	<b>Acres</b>	<b>Enrollment</b>	<b>Acres/Student</b>
Elementary	12.5	800	.0156 acres
Middle	16.5	1,500	.0110 acres
High	49	1,600	.0306

If urban impact fees are based on the acquisition cost of acquiring new school sites based on the following acreages: 12.5 acres (Elementary); 16.5 acres (Middle); and 49 acres (High), no new residential projects will be built in urban Honolulu.

The methods used in developing the impact fees under Act 245 should be used to develop impact fees for urban in-fill. It starts with the Department establishing a new level of service of urban infill public schools.

As the City and County of Honolulu focuses all future development along the rail transit corridor, we believe it is critical to determine an urban "in-fill" school impact fee especially in light of the fact that there are only a handful of existing public schools in the ¼ to ½ mile radius of the 20 planned transit stations. The Department of Education must be pro-active in repositioning its assets along the rail transit corridor to accommodate the planned future growth areas on Oahu. It must also develop more compact, vertical schools that would be appropriate in a dense, urban setting.

We suggest that the legislature consider consolidating the "planning and implementation" of the redevelopment efforts along the transit corridor within one entity, and delete the section allowing DOE to use existing impact fee funds for urban in-fill schools.

Thank you for the opportunity to provide comments on this measure.

**LATE**



Chamber of Commerce HAWAII  
*The Voice of Business*

**Testimony to the House Committee on Finance  
Friday, April 1, 2016 at 11:00 A.M.  
Conference Room 308, State Capitol**

**RE: SENATE BILL 3077 SD1 HD1 RELATING TO STATEWIDE COMMUNITY  
PLANNING**

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The Chamber **provides the following comments** on S.B. 3077 SD 1 HD 1, which:

- Designates the Office of Planning as the lead state agency for transit-oriented development coordination;
- Establishes the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinated effective and efficient transit-oriented development planning on a statewide level.
- Allows the Department of Education to use school impact fees for schools statewide.

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 understand that all future growth within Oahu's urban core will be focused along the transit corridor, especially at the transit stations. We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There has been and continues to be an overall lack of coordination between the land use planning/zoning and the need to increase infrastructure capacity along the entire transit corridor. The effort should be done through a "redevelopment authority," if we are to realize any of the increased density at the transit stations.

This redevelopment authority needs to have both the responsibility for planning for the redevelopment of the areas around the transit stations including the authority to build the infrastructure required to support the planned density at each of the stations.

There needs to be a connection between the "Planning" for Transit Oriented Development (TOD) and "Implementation" of exactly how the redevelopment will occur. Right now, there is too much "Planning" and not enough recognition on how the plans will be implemented.





Essentially, the transit redevelopment authority could be modeled after HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. The statutory authority provided to HCDA recognized the need to plan and implement any redevelopment efforts.

In order for the redevelopment effort to be a success, we believe that the legislature should create a transit redevelopment authority, with powers similar to HCDA to oversee planning and redevelopment along the entire transit corridor. As one of the largest landowners in the Hawaii, the State has an interest to insure that the investments in infrastructure are done in a prudent manner that will insure the State owned lands are used in a manner that benefits the public.

We are also concerned that the proposed Hawaii interagency council for transit-oriented development would be comprised of predominately government agencies (19 of the 23 members of the council would be from government agencies). We believe that in order for the state to realize the full potential of its real estate assets along the transit corridor, the oversight of this redevelopment effort must include professionals with real estate development experience.

We are opposed to the section allowing the DOE to use existing impact fee funds for urban in-fill schools.

Act 245, Session Laws of Hawaii 2007, established the law regarding school impact fees. Act 245 implemented a new method for financing, in part, new or expanding existing department of education educational facilities in partnership with developers of new residential developments. At the time, the focus of the impact fee was on “greenfield” developments. It was not intended to be applied to “in-fill” projects.

The preamble language of Act 245 states: “It also recognizes the need for more detailed planning for implementation of this Act by the department of education, and recognition of how the methodology will be applied in new residential projects involving rezoned properties or parcels, current zoned parcels with or without buildings, and redevelopment projects.”

Generally, impact fees are charges imposed upon private land developers by a governmental entity to fund the additional service capacity required by the development for which it is collected. Developers can also opt to donate land and/or build public infrastructure in lieu of cash payments.

One of the basic principles of developing an impact fee is that the government entity must establish clearly defined “level of service standards” for the infrastructure and/or services to which the impact fee applied. The impact fee amount must be based upon a detailed analysis of existing and anticipated future conditions and capital improvements required in order to maintain the locally established standards. The fee cannot be used to support operational or maintenance improvements, or to correct deficiencies in the existing system. In addition, new development may not be held to a higher level of service than existing development unless there



# Chamber of Commerce HAWAII

*The Voice of Business*

is a mechanism in place for the existing users to make improvements to the existing system to match the higher level of service.

The Department of Education must establish a standard level of service for urban in-fill schools. It is ridiculous to presume that the “recent school construction averages” defined in Act 245 would be applied to infill developments in urban Honolulu. Act 245 states that based on existing school construction data, the historical average design standards in 2007 were as follows:

School	Acres	Enrollment	Acres/Student
Elementary	12.5	800	.0156 acres
Middle	16.5	1,500	.0110 acres
High	49	1,600	.0306

If urban impact fees are based on the acquisition cost of acquiring new school sites based on the following acreages: 12.5 acres (Elementary); 16.5 acres (Middle); and 49 acres (High), no new residential projects will be built in urban Honolulu.

The methods used in developing the impact fees under Act 245 should be used to develop impact fees for urban in-fill. It starts with the Department establishing a new level of service of urban infill public schools.

As the City and County of Honolulu focuses all future development along the rail transit corridor, we believe it is critical to determine an urban “in-fill” school impact fee especially in light of the fact that there are only a handful of existing public schools in the ¼ to ½ mile radius of the 20 planned transit stations. The Department of Education must be pro-active in repositioning its assets along the rail transit corridor to accommodate the planned future growth areas on Oahu. It must also develop more compact, vertical schools that would be appropriate in a dense, urban setting.

We suggest that the legislature consider consolidating the “planning and implementation” of the redevelopment efforts along the transit corridor within one entity, and delete the section allowing DOE to use existing impact fee funds for urban in-fill schools.

Thank you for the opportunity to provide comments on this measure.