



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
**HOUSE COMMITTEE ON TRANSPORTATION
AND
HOUSE COMMITTEE ON WATER AND LAND**

Wednesday, March 23, 2016
10:00 AM
State Capitol, Conference Room 309

in consideration of
SB 3077, SD1
RELATING TO STATEWIDE COMMUNITY PLANNING.

Chairs Aquino and Yamane, Vice Chairs LoPresti and Cullen, and Members of the Committees.

The Department of Business, Economic Development, and Tourism (DBEDT) **strongly supports** SB 3077, SD1, 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.

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.

We understand the OP and the Hawaii Housing Finance and Development Corporation (HHFDC) have been working with the City and County of Honolulu's Department of Planning and Permitting (DPP) on amendments to HB 2302, HD1, the companion bill to SB 2831, to address concerns raised by the City. We support the amendments offered by OP, HHFDC and the City.

SB 3077, SD1, with the amendments proposed by OP, HHFDC and DPP is 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.

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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IN REPLY REFER TO:

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

**HOUSE COMMITTEE ON TRANSPORTATION
HOUSE COMMITTEE ON WATER & LAND**

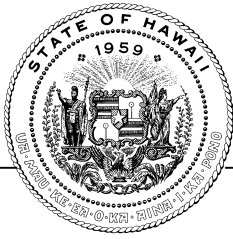
March 23, 2016 at 10:00 a.m.
State Capitol, Room 309

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

The HHFDC supports S.B. 3077, S.D. 1, which is similar to H.B. 2302, H.D. 1, previously heard by both committees. This measure creates an Interagency Council for Transit-Oriented Development with members from federal, state, and county government to create an effective and efficient statewide transit-oriented development plan.

The council would be placed in DBEDT for administrative purposes, and jointly chaired by the Office of Planning and HHFDC. 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.



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DAVID Y. IGE
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LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
**HOUSE COMMITTEE ON TRANSPORTATION
AND
HOUSE COMMITTEE ON WATER AND LAND**
Wednesday, March 23, 2016
10:00 AM
State Capitol, Conference Room 309

in consideration of
SB 3077 SD1
RELATING TO STATEWIDE COMMUNITY PLANNING

Chairs Aquino and Yamane, Vice Chairs LoPresti and Cullen, and Members of the House Committees on Transportation and Water and Land.

The Office of Planning (OP) strongly supports SB 3077, SD1, which establishes the Hawaii Interagency Council for Transit-Oriented Development within the Department of Business, Economic Development, and Tourism (DBEDT) to institutionalize intergovernmental and interagency coordination on transit-oriented development (TOD) planning statewide. 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. The Task Force has

met monthly since January 2015 for this purpose, and to prioritize their planned projects in consultation with the Task Force. 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, 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.

While we strongly support SB 3077, SD1, we have a number of concerns with the bill as written, as enumerated below:

- The bill would give the council the authority to coordinate transit-oriented development, review capital improvement project requests, and oversee TOD planning and policy development for all lands in the State. This could create conflicts with TOD planning and policy efforts currently underway at the county level.
- The bill does not address the City's need to inventory and prioritize public infrastructure investments required to support TOD, such as local roads, sewer, drainage, and water facilities.
- There are several language inconsistencies throughout the bill, and references to TOD on the Neighbor Islands are unclear.

In order to address these concerns, we prepared SB 3077, SD1, Proposed HD1, attached, which would allow the proposed Hawaii Interagency Council for Transit-Oriented Development to more effectively and efficiently accomplish its stated tasks.

SB 3077, SD1, Proposed HD1 also includes Section 3 from SB 3076, SD2, as a new section, designating the Office of Planning as the lead agency in order to ensure that the State has a unified vision and approach toward the development or redevelopment of its properties.

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. As such, the addition of this section is in accordance with the goals of the State regarding TOD and smart growth principles. 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.

SB 3077, SD1, Proposed HD1 makes one change to the last item in Section 3 of SB 3076, SD2, which has been amended to read as follows:

“(H) Coordinate state agency development planning for state-controlled parcels within transit-oriented development areas.”

SB 3077, SD1, Proposed HD1, therefore, is well-aligned with the activities initiated by 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.

A BILL FOR AN ACT

RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that with Honolulu's
2 construction of an elevated rail transit system, the State has
3 an opportunity to enhance Oahu's urban environment and increase
4 the quality of life for residents by utilizing sound smart
5 growth and transit-oriented development principles to revitalize
6 neighborhoods and increase affordable housing inventory, among
7 other public benefits. As the largest landowner of properties
8 along the transit line, with approximately two thousand acres
9 under the jurisdiction of various departments, the State must be
10 proactive and coordinate planning and development efforts among
11 State agencies to maximize the benefits of redevelopment of
12 state lands in areas served by public transit.

13 The legislature further finds that in 2015, the ad-hoc
14 state transit-oriented development task force was convened to
15 identify and determine priority sites and projects that should
16 be considered for transit-oriented development master planning
17 and development. Task force members included state and city and

1 county agencies, elected officials, and numerous private
2 individuals and entities. In December 2015, the task force
3 submitted a report to the legislature, which included various
4 recommendations such as formally constituting the state transit-
5 oriented development task force to promote effective and
6 efficient transit-oriented development planning and coordination
7 among state agencies and the counties statewide.

8 To ensure that the State has a unified vision and approach
9 toward redevelopment of its properties, the purpose of this Act
10 is to designate the office of planning as the lead agency to
11 coordinate and advance transit-oriented development planning in
12 the State, and to establish an interagency council for transit-
13 oriented development within the department of business, economic
14 development, and tourism to coordinate effective and efficient
15 transit-oriented development planning statewide.

16 SECTION 2. Section 225M-2, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:

18 "(b) The office of planning shall gather, analyze, and
19 provide information to the governor to assist in the overall
20 analysis and formulation of state policies and strategies to
21 provide central direction and cohesion in the allocation of
22 resources and effectuation of state activities and programs and
23 effectively address current or emerging issues and

1 opportunities. More specifically, the office shall engage in
2 the following activities:

3 (1) State comprehensive planning and program coordination.

4 Formulating and articulating comprehensive statewide
5 goals, objectives, policies, and priorities, and
6 coordinating their implementation through the
7 statewide planning system established in part II of
8 chapter 226;

9 (2) Strategic planning. Identifying and analyzing
10 significant issues, problems, and opportunities
11 confronting the State, and formulating strategies and
12 alternative courses of action in response to
13 identified problems and opportunities by:

14 (A) Providing in-depth policy research, analysis, and
15 recommendations on existing or potential areas of
16 critical state concern;

17 (B) Examining and evaluating the effectiveness of
18 state programs in implementing state policies and
19 priorities;

20 (C) Monitoring through surveys, environmental
21 scanning, and other techniques--current social,
22 economic, and physical conditions and trends; and

1 (D) Developing, in collaboration with affected public
2 or private agencies and organizations,
3 implementation plans and schedules and, where
4 appropriate, assisting in the mobilization of
5 resources to meet identified needs;

6 (3) Planning coordination and cooperation. Facilitating
7 coordinated and cooperative planning and policy
8 development and implementation activities among state
9 agencies and between the state, county, and federal
10 governments, by:

11 (A) Reviewing, assessing, and coordinating, as
12 necessary, major plans, programs, projects, and
13 regulatory activities existing or proposed by
14 state and county agencies;

15 (B) Formulating mechanisms to simplify, streamline,
16 or coordinate interagency development and
17 regulatory processes; and

18 (C) Recognizing the presence of federal defense and
19 security forces and agencies in the State as
20 important state concerns;

21 (4) Statewide planning and geographic information system.
22 Collecting, integrating, analyzing, maintaining, and
23 disseminating various forms of data and information,

1 including geospatial data and information, to further
2 effective state planning, policy analysis and
3 development, and delivery of government services by:
4 (A) Collecting, assembling, organizing, evaluating,
5 and classifying existing geospatial and non-
6 geospatial data and performing necessary basic
7 research, conversions, and integration to provide
8 a common database for governmental planning and
9 geospatial analyses by state agencies;
10 (B) Planning, coordinating, and maintaining a
11 comprehensive, shared statewide planning and
12 geographic information system and associated
13 geospatial database. The office shall be the
14 lead agency responsible for coordinating the
15 maintenance of the multi-agency, statewide
16 planning and geographic information system and
17 coordinating, collecting, integrating, and
18 disseminating geospatial data sets that are used
19 to support a variety of state agency applications
20 and other spatial data analyses to enhance
21 decision-making. The office shall promote and
22 encourage free and open data sharing among and
23 between all government agencies. To ensure the

1 maintenance of a comprehensive, accurate, up-to-
2 date geospatial data resource that can be drawn
3 upon for decision-making related to essential
4 public policy issues such as land use planning,
5 resource management, homeland security, and the
6 overall health, safety, and well-being of
7 Hawaii's citizens, and to avoid redundant data
8 development efforts, state agencies shall provide
9 to the shared system either their respective
10 geospatial databases or, at a minimum, especially
11 in cases of secure or confidential data sets that
12 cannot be shared or must be restricted, metadata
13 describing existing geospatial data. In cases
14 where agencies provide restricted data, the
15 office of planning shall ensure the security of
16 that data; and

17 (C) Maintaining a centralized depository of state and
18 national planning references;

19 (5) Land use planning. Developing and presenting the
20 position of the State in all boundary change petitions
21 and proceedings before the land use commission,
22 assisting state agencies in the development and
23 submittal of petitions for land use district boundary

1 amendments, and conducting periodic reviews of the
2 classification and districting of all lands in the
3 State, as specified in chapter 205;

4 (6) Coastal and ocean policy management. Carrying out the
5 lead agency responsibilities for the Hawaii coastal
6 zone management program, as specified in chapter 205A.
7 Also, developing and maintaining an ocean and coastal
8 resources information, planning, and management system
9 further developing and coordinating implementation of
10 the ocean resources management plan, and formulating
11 ocean policies with respect to the exclusive economic
12 zone, coral reefs, and national marine sanctuaries;

13 (7) Regional planning and studies. Conducting plans and
14 studies to determine:

15 (A) The capability of various regions within the
16 State to support projected increases in both
17 resident populations and visitors;

18 (B) The potential physical, social, economic, and
19 environmental impact on these regions resulting
20 from increases in both resident populations and
21 visitors;

22 (C) The maximum annual visitor carrying capacity for
23 the State by region, county, and island; and

1 (D) The appropriate guidance and management of
2 selected regions and areas of statewide critical
3 concern.

4 The studies in subparagraphs (A) to (C) shall be
5 conducted at appropriate intervals, but not less than
6 once every five years;

7 (8) Regional, national, and international planning.
8 Participating in and ensuring that state plans,
9 policies, and objectives are consistent, to the extent
10 practicable, with regional, national, and
11 international planning efforts; [~~and~~]

12 (9) Climate adaptation planning. Conducting plans and
13 studies and preparing reports as follows:

14 (A) Develop, monitor, and evaluate strategic climate
15 adaptation plans and actionable policy
16 recommendations for the State and counties
17 addressing expected statewide climate change
18 impacts identified under Act 286, Session Laws of
19 Hawaii 2012, through the year 2050;

20 (B) Provide planning and policy guidance and
21 assistance to state and county agencies regarding
22 climate change; and

1 (C) Publish its findings, recommendations, and
2 progress reports on actions taken no later than
3 December 31, 2017, and its annual report to the
4 governor and the legislature thereafter[-] ; and

5 (10) Smart growth and transit-oriented development. Acting
6 as the lead agency to coordinate and advance smart
7 growth and transit-oriented development planning
8 within the State as follows:

9 (A) Identify transit-oriented development
10 opportunities shared between state and county
11 agencies, including relevant initiatives such as
12 the department of health's healthy Hawaii
13 initiative and the Hawaii clean energy
14 initiative;

15 (B) Refine the definition of "transit-oriented
16 development" in the context of Hawaii, while
17 recognizing the potential for smart growth
18 development patterns in all locations;

19 (C) Clarify state goals for transit-oriented
20 development and smart growth that support the
21 principles of the Hawaii State Planning Act by
22 preserving non-urbanized land, improving worker
23 access to jobs, and reducing fuel consumption;

1 (D) Target transit-oriented development areas for
2 significant increase in affordable housing and
3 rental units;

4 (E) Conduct outreach to state agencies to help
5 educate state employees about the ways they can
6 support and benefit from transit-oriented
7 development and the State's smart growth goals;

8 (F) Publicize coordinated state efforts that support
9 smart growth, walkable neighborhoods, and
10 transit-oriented development;

11 (G) Review state land use decision-making processes
12 to identify ways to make transit-oriented
13 development a higher priority and facilitate
14 better and more proactive leadership in creating
15 walkable communities and employment districts,
16 even if transit will only be provided at a later
17 date; and

18 (H) Coordinate state agency development planning for
19 state-controlled parcels within transit-oriented
20 development areas."

21 SECTION 3. Chapter 226, Hawaii Revised Statutes, is
22 amended by adding two new sections to part II to be
23 appropriately designated and to read as follows:

1 **"§226-A Hawaii interagency council for transit-oriented**

2 **development.** (a) There is established the Hawaii interagency

3 council for transit-oriented development, which shall be an

4 advisory body exempt from section 26-34, to coordinate and

5 facilitate state agency transit-oriented development planning,

6 and facilitate consultation and collaboration between the State

7 and the counties on transit-oriented development initiatives.

8 The Hawaii interagency council for transit-oriented development

9 shall be established within the department of business, economic

10 development, and tourism for administrative purposes.

11 (b) The Hawaii interagency council for transit-oriented

12 development shall:

13 (1) Serve as the State's transit-oriented development

14 planning and policy development entity with

15 representation from state and county government and

16 the community;

17 (2) Formulate and advise the governor on the

18 implementation of a strategic plan to address transit-

19 oriented development on state lands in each county;

20 (3) Facilitate the acquisition of funding and resources

21 for state and county transit-oriented development

22 projects on state lands;

- 1 (4) Monitor the preparation and conduct of plans and
2 studies to facilitate implementation of state transit-
3 oriented development plans prepared pursuant to this
4 section, including but not limited to the preparation
5 of site or master plans and implementation plans and
6 studies;
- 7 (5) Review all capital improvement project requests to the
8 legislature for transit-oriented development projects
9 on state lands within county-designated transit-
10 oriented development zones or within a one-half-mile
11 radius of public transit stations, if a county has not
12 designated transit-oriented development zones.
- 13 (6) Recommend policy, regulatory, and statutory changes,
14 and identify resource strategies for the successful
15 execution of the strategic plan;
- 16 (7) Assemble accurate fiscal and demographic information
17 to support policy development and track outcomes;
- 18 (8) Consider collaborative transit-oriented development
19 initiatives of other states that have demonstrated
20 positive outcomes; and
- 21 (9) Report annually to the governor, the legislature, and
22 the mayor of each county on the progress of its
23 activities, including formulation and progress on the

1 strategic plan no later than twenty days prior to the
2 convening of each regular session.

3 (c) The strategic plan developed by the Hawaii interagency
4 council for transit-oriented development shall:

5 (1) Coordinate with the counties on transit-oriented
6 development;

7 (2) For each county, compile an inventory of state,
8 county, and private sector transit-oriented
9 development projects lacking infrastructure,
10 identifying what type of infrastructure is lacking and
11 the approximate timeframe when additional capacity is
12 needed;

13 (3) Prioritize the development of transit-oriented
14 development projects on state lands;

15 (4) Identify financing sources and prioritize state
16 financing for the public infrastructure, facility, and
17 service investments required to support transit-
18 oriented development plans; and

19 (5) Encourage and promote partnerships between public and
20 private entities to identify, renovate, and secure
21 affordable housing options on state lands within
22 county-designated transit-oriented development zones
23 or within a one-half-mile radius of public transit

1 stations, if a county has not designated transit-
2 oriented development zones.

3 **§226-B Hawaii interagency council for transit-oriented**

4 **development membership.** (a) The Hawaii interagency council for
5 transit-oriented development shall be composed of the following
6 members:

7 (1) Director of the office of planning, who shall serve as
8 co-chair;

9 (2) Executive director of the Hawaii housing finance and
10 development corporation, who shall serve as co-chair;

11 (3) Chairperson of the board of land and natural
12 resources;

13 (4) Director of transportation;

14 (5) Comptroller;

15 (6) Director of health;

16 (7) Director of human services;

17 (8) Director of public safety;

18 (9) Chairperson of the Hawaiian homes commission;

19 (10) Chairperson of the board of trustees of the office of
20 Hawaiian Affairs;

21 (11) President of the University of Hawaii;

22 (12) Superintendent of education;

1 (13) Executive director of the Hawaii community development
2 authority;

3 (14) Executive director of the Hawaii public housing
4 authority;

5 (15) One member of the house of representatives to be
6 designated by the speaker of the house of
7 representatives; provided that the speaker of the
8 house of representatives may designate a second member
9 of the house of representatives to serve as an
10 alternate;

11 (16) One member of the senate to be designated by the
12 president of the senate; provided that the president
13 of the senate may designate a second member of the
14 senate to serve as an alternate;

15 (17) The mayor of each county;

16 (18) A representative of the Honolulu field office of the
17 United States Department of Housing and Urban
18 Development, who shall be requested to serve on an ex-
19 officio basis by the governor;

20 (19) A representative of the business community, to be
21 designated by the governor; and

1 (20) A representative of the community who is a housing
2 advocate, to be designated by the governor.

3 (b) The nongovernmental members of the Hawaii interagency
4 council for transit-oriented development shall serve without
5 compensation but shall be reimbursed for expenses, including
6 travel expenses, necessary for the performance of their duties.

7 (c) Except as provided in subsections (a) (15) and (16), if
8 a member of the Hawaii interagency council for transit-oriented
9 development is unable to attend a meeting, that member may
10 appoint a designee to attend and to act on the member's behalf
11 during the meeting."

12 SECTION 4. There is appropriated out of the general
13 revenues of the State of Hawaii the sum of \$ or so
14 much thereof as may be necessary for fiscal year 2016-2017 to
15 carry out the purposes of this Act.

16 The sum appropriated shall be expended by the department of
17 business, economic development, and tourism for the purposes of
18 this Act.

19 SECTION 5. This Act shall take effect on July 1, 2016.

S.B. NO. 3077
S.D. 1
H.D. 1

Report Title:

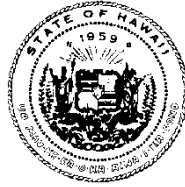
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Description:

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The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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 TRANSPORTATION
AND
HOUSE COMMITTEE ON WATER AND LAND**

March 23, 2016 10:00 A.M.
Room 309, Hawaii State Capitol

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

Honorable Chair Aquino and Chair Yamane and Members of the House Committees on Transportation and Water and Land, thank you for the opportunity to provide testimony in support of the intent of Senate Bill (SB) 3077, Senate Draft (SD) 1 relating to statewide community planning, to establish the Hawaii Interagency Council for Transit-Oriented Development within the Department of Business, Economic Development and Tourism (DBEDT) to coordinate effective and efficient transit-oriented development planning on a statewide level; and to appropriate moneys.

The Governor and his Administration have been working diligently and created a housing strategy that encompasses TOD development. The Governor is committed to “Build homes that people can afford, including rentals, to address the needs of those entering the work force; Renovate the state’s public housing facilities; and on O’ahu, identify state lands near transit stations for housing, employment centers, daycare, senior centers, and community facilities.”

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

Hawaii Public Housing Authority

March 23, 2016

Page 2

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 Committees on Transportation and Water and Land with the HPHA's testimony regarding SB 3077, SD 1.



LATE

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

Date: 03/23/2016
Time: 10:00 AM
Location: 309
Committee: House Transportation
House Water & Land

Department: Education

Person Testifying: Kathryn S. Matayoshi, Superintendent of Education

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

Purpose of Bill: 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. Effective 7/1/2076. (SD1)

Department's Position:

The Department of Education (DOE) supports SB3077 proposed HD1 language as it will enable the DOE to use school impact fees more effectively in its urban districts. The DOE would initially like to establish school impact fees for residential development from Kalihi to Ala Moana in areas expected to grow due to transit oriented development. DOE has been collecting impact fees for the past five years in high growth areas that were formerly vacant or agricultural land.

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 new residential development, but it only collects 10% of what is expected to be the construction cost to build facilities for the new students.

In the DOE's first effort at collecting fees in an urban setting the DOE needs to be able to apply land fees to more than just land. Funds will be needed to develop schools in high rise buildings, old shopping centers, and public housing projects. SB3077 SD1 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.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

March 23, 2016

The Honorable Henry J.C. Aquino, Chair
and Members of the Committee
on Transportation
The Honorable Ryan I. Yamane, Chair
and Members of the Committee on Water
and Land
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Aquino and Yamane, and Committee Members:

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

The Department of Planning and Permitting (DPP) **supports** Senate Bill No. 3077, SD 1, **with two requested amendments related to home rule**. The Bill would establish the Hawaii Interagency Council for Transit-Oriented Development (TOD) within the Department of Business, Economic Development and Tourism to coordinate effective and efficient TOD planning on a statewide level.

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, will formalize a comprehensive coordination strategy at the State level. However, we are concerned that it

The Honorable Henry J.C. Aquino, Chair
and Members of the Committee
on Transportation
The Honorable Ryan I. Yamane, Chair
and Members of the Committee
on Water and Land
Hawaii House of Representatives
Re: Senate Bill No. 3077, SD 1
March, 23, 2016
Page 2

would intrude on county home rule by authorizing the proposed Council to prioritize projects on both State and county lands. The Council should limit itself to prioritizing projects on State lands, as the county is already prioritizing projects on its lands.

In addition, while the Bill acknowledges the county-determined TOD boundaries, it also sets as an option areas within a one-half-mile radius of transit stations. This latter option should be dropped, as the county carefully determined its TOD boundaries based on potential development areas that will be influenced and enhanced by rail ridership. A one-half-mile radius can be arbitrary and ensuing development may not contribute to TOD goals.

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 is eager to continue collaborating with the State on this effort.

Please adopt Senate Bill No. 3077, SD 1, with the requested amendments.

Thank you for the opportunity to testify.

Very truly yours,



George I. Atta, FAICP
Director



**Testimony to the House Committee on Transportation and Committee on
Water & Land
Wednesday, March 23, 2016 at 10:00 A.M.
Conference Room 309, State Capitol**

**RE: SENATE BILL 3077 SD 1 RELATING TO STATEWIDE COMMUNITY
PLANNING**

Chairs Aquino and Yamane, Vice Chairs LoPresti and Cullen, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **provides the following comments on SB 3077 SD 1**, which establishes the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinated effective and efficient transit-oriented development planning on a statewide level.

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 suggest that the legislature consider consolidating the “planning and implementation” of the redevelopment efforts along the transit corridor within one entity.

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

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the House Committee on Transportation; and House Committee on Water and Land Wednesday, March 23, 2016 10:00 a.m. State Capitol - Conference Room 309

LATE

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

Dear Chairs Aquino & Yamane, Vice-Chairs LoPresti & Cullen, and members of the Committees:

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 S.D. 1, which proposes to establish the Hawaii Interagency Council for Transit-oriented Development within DBEDT to coordinated effective and efficient transit-oriented development planning on a statewide level.

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 suggest that the legislature consider consolidating the "planning and implementation" of the redevelopment efforts along the transit corridor within one entity.

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



March 22, 2016

Representative Henry J.C. Aquino, Chair
Representative Matthew S. LoPresti, Vice Chair
House Committee on Transportation

Representative Ryan I. Yamane, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Water & Land

Comments and proposed Revisions to SB 3077, SD1 Relating to Statewide Community Planning. (Establishes the Hawaii Interagency Council for Transit-oriented Development [TOD] within Department of Business, Economic Development and Tourism [DBEDT] to coordinate effective and efficient TOD planning on a statewide level. Appropriates moneys.)

TRN/WAL Hearing: Wednesday, March 23, 2016, 10:00 am, Conf. Rm. 309

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 provides the following **comments and proposed amendments in support of the intent of SB 3077, SD1**, which proposes to establish the Hawaii Interagency Council for TOD (Interagency Council) within DBEDT to coordinate effective and efficient TOD planning on a statewide level; and appropriate moneys.

LURF's Position. TOD is expected to provide significant economic, social, and environmental benefits through the co-location of jobs, workforce housing, public transportation alternatives and economic opportunities in mixed-use communities near public transportation nodes.

State participation is essential to developing mixed-use, mixed-income projects on state lands in TOD areas in close proximity to rail transit stations. The State is also 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.

In 2015, the ad-hoc State TOD Task Force submitted a report to the Legislature that recommended formally constituting the task force to promote effective and efficient TOD planning and coordination in the State. The Interagency Council proposed by this bill is based on the recommendation of the former ad-hoc State TOD Task Force.

While LURF supports the intent of SB 3077, SD1, it has the following **major comments and concerns**:

- (1) For purposes of institutional knowledge and continuity, the Interagency Council should be attached to a State department or office. The Interagency TOD Council has the potential to coordinate effective and efficient TOD planning and to formulate and partially implement the proposed “*Unified Ten-Year Plan*.” However, the full development of TOD, state projects, and projects on state lands will last through several State administrations, and when administrations change, most, if not all of the Interagency Council members will change. Thus, for continuity, it would be prudent to **assign the Interagency Council to be within an existing state department or agency**. Also, it may be better to have a State department or agency be the “approving body” for the State’s Ten-Year Statewide Plan, instead of an advisory body, such as the Interagency Council.
- (2) Scope, jurisdiction and authority. The bill should **further clarify** if the scope, jurisdiction and authority of the Interagency Council will primarily be on State projects and state lands in the TOD areas, or if it is intended to take over the counties’ roles relating to TOD.
- (3) The Interagency Council should also include key stakeholders with expertise that is necessary for successful TOD developments. Key TOD stakeholders include the county departments responsible for planning and permitting, transportation, environmental services (sewer infrastructure), and water supply; as well as important private “partners” and “experts” including housing developers and the major landowners along the TOD corridor. These individuals should be **added to** the Interagency Council.
- (4) Hopefully, the Interagency Council and its process will not create yet another administrative permitting or regulatory agency. If so, it will result in more costs, delays, legal challenges and litigation relating to State, county and private TOD projects. The bill should **clarify** that the Interagency Council will serve in an *advisory and coordination* role – and not as a new permitting or regulatory agency.

Conclusion. While LURF supports the intent of this measure, LURF **cannot fully support** this measure in its current form; and respectfully requests the amendment of this bill as described above.

Thank you for the opportunity to present comments regarding this matter.