

Testimony by:
FORD N. FUCHIGAMI
DIRECTOR

Deputy Directors
JADE T. BUTAY
ROSS M. HIGASHI
EDWIN H. SNIFFEN
DARRELL T. YOUNG

IN REPLY REFER TO:

STATE OF HAWAII
DEPARTMENT OF TRANSPORTATION
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 8, 2017
State Capitol, Room 423

HB1212
RELATING TO URBAN REDEVELOPMENT

House Committees on Transportation, Labor and Public Employment and Housing

The Department of Transportation (DOT) **supports** the intent of the bill to encourage the State to use Transit Oriented Development (TOD) to address needed economic diversification and affordable housing shortages. However; the DOT does have significant concerns regarding the establishment of a Transit Oriented Development Authority (TODA) that could potentially have authority and/or jurisdiction over Airport, Harbors, or Highways properties within proximity to rail stations.

The lands under the jurisdiction of the DOT are vital to the safe and efficient movement of people and goods throughout the entire State as well as between Hawaii and the mainland and international ports. DOT must plan, administer, and manage such lands to accommodate ever evolving needs and anticipated future demands while ensuring compliance with federal regulations (Federal Transit Administration (FTA), Federal Highway Administration (FHWA), Federal Aviation Administration (FAA), and Maritime Administration (MARAD)). Noncompliance with our federal partners may jeopardize our federal funding.

Additionally, the DOT is participating in the City and County of Honolulu's transit oriented development planning and we intend to continue to do so. Furthermore, the DOT is a participant in the recently created Hawaii Interagency Council for Transit Oriented Development to develop a State TOD Strategic Plan directed at State lands. To establish another entity to administer and manage transit oriented developments adds another layer of bureaucracy and is duplicative with the existing framework to address TOD. Then too, the time and resources (funding, staffing, etc.) to set up an authority will be time consuming and create delays to the existing efforts already underway.

DOT has and continues to work cooperatively and comprehensively with the City and County of Honolulu and with other State agencies in the ongoing development of the Honolulu Area Rapid Transit and surrounding TOD areas does not believe that the creation of a TODA would be beneficial.

Thank you for the opportunity to provide testimony.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committees on
TRANSPORTATION
and
HOUSING**

**Wednesday, February 8, 2017
11:00 AM
State Capitol, Conference Room 423**

**In consideration of
HOUSE BILL 1212
RELATING TO URBAN DEVELOPMENT**

House Bill 1212 proposes to establish the Transit Development Authority (TOD Authority). The measure notes that the TOD Authority would strive to “join the strengths of private enterprise, public development, and regulation into a new form capable of long-range planning and implementation of the improved development of State- and county-owned assets near rail transit stations.” The purpose of this measure is to “establish such a mechanism in the transit oriented development authority, a public entity that shall determine development programs and cooperate with private enterprise and the various components of federal, state and county governments in bringing plans to fruition.” **The Department of Land and Natural Resources (Department) offers the following comments on this measure.**

The Department is a member and active participant in the Hawaii Interagency Council for Transit Oriented Development (TOD Council), established pursuant to Act 130, Session Laws of Hawaii 2016. The Council is led by the State Office of Planning and Hawaii Housing Finance and Development Corporation and consists of representatives from State and County regulatory agencies, State agencies managing lands along the rail line, and private and non-profit sectors of the community. Many of the responsibilities of the proposed TOD Authority are already delegated to the TOD Council, resulting in the duplicative and possibly conflicting results. In addition, the TOD Council has a broader scope of membership than the proposed Authority, allowing for a broader scope of member participation and input.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

KEKOA KALUHIWA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Furthermore, the Department has four parcels adjacent or in close proximity to the planned University of Hawaii West Oahu (UHWO) rail station in East Kapolei, which could be impacted by this measure. The Department's long term objective is to lease the parcels for income generating purposes to support the Department's natural resource management and protection programs. In order to maximize the development potential of these lands, the Department is working with both public and private adjacent landowners to address infrastructure needs, as well contracting for a strategic master plan regarding the use of these lands.

The Department notes the following provision in the measure in the proposed SECTION 6 regarding the TOD Authority's obligation to develop a transit oriented development plan for a transit oriented development district as designated by the Legislature:

(c) The authority may enter into cooperative agreements with qualified persons or public agencies, where the powers, services, and capabilities of the persons or agencies are deemed necessary and appropriate for the development of the transit oriented development plan, and include, at a minimum, the following:

(1) Determining how to optimize the amount of workforce and affordable housing in each district;

(2) Determining how to optimize public facilities, including schools, parks, libraries and other public facilities in each district;

(3) Identifying the need for infrastructure capacity building to support the planned density at the rail transit stations, and various alternatives on how the infrastructure could be financed; and

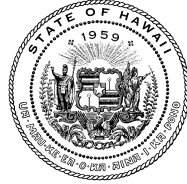
(4) Providing an economic model that would illustrate development or redevelopment opportunities with projected returns to public or private investors and the overall economic benefit in new taxes from jobs, businesses, real property taxes, and other factors.

The Department requests that in addition to the priorities enumerated above, any transit oriented development plan should also prioritize income generation for the public agencies managing land along the rail line. In addition to the Department, lands managed by University of Hawaii, the Aloha Stadium Authority and other public agencies are also intended to be developed for income generation purposes. The revenue generated from these agencies goes to support public purposes that fall within the mandate of those agencies. To the extent the TOD Authority desires to use public lands for any project, the Department supports this only to the extent that such conveyance or transfer remains voluntary. The Department is cognizant of infrastructure needs and is open to working with the TOD Authority to address these issues should this measure pass.

Finally, the Department does have concerns regarding the additional regulatory requirements on transit oriented development imposed by this measure. Subjecting potential development projects to further regulatory approvals through the TOD Authority in addition to pre-existing State and County requirements may inhibit the implementation of successful public-private partnerships. Furthermore, the rulemaking process required for the TOD Authority and the development of a transit oriented development plan would consume a significant amount of time, potentially delaying projects in the transit oriented development district.

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
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PHONE NO: (808) 587-1540
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MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

To: The Honorable Henry J.C. Aquino, Chair
and Members of the House Committee on Transportation

The Honorable Tom Brower, Chair
and Members of the House Committee on Housing

Date: Wednesday, February 8, 2017
Time: 11:00 A.M.
Place: Conference Room 423, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: H.B. 1212, Relating to Urban Redevelopment

The Department of Taxation (Department) appreciates the intent of H.B. 1212 and provides the following comments for your consideration.

H.B. 1212, which is effective upon approval, creates a State Transit Oriented Development Authority (Authority) to plan and develop infrastructure capacity at rail transit stations. The bill includes various tax-related provisions, including: (1) a provision that would give priority to assessments against real property to fund the cost of providing public facilities over all other liens, except property tax liens; (2) a provision that exempts income from bond issues to fund public facilities from all State and county taxes, except transfer and estate taxes; (3) and a provision that exempts the Authority from all State and county taxes.

First, the Department notes that the provision giving priority to assessments to fund public facilities over all other liens may conflict with section 231-33(b), Hawaii Revised Statutes (HRS). New section __-9 provides that if the authority undertakes a public facility (defined as including streets, utility and service corridors, utility lines, public highways, storm drainage systems, water systems, street lighting systems, off-street parking facilities, and sanitary sewerage systems), the cost of providing the public facility shall be assessed against the real property in the district specially benefiting from the public facility. The assessments are deemed to be statutory liens against each parcel from the date of notice of the assessment and shall have priority over all other liens, except liens of property taxes.

Section 231-33(b), HRS, provides that a tax lien, which arises at the time the tax is assessed, the time a return is filed, or the time a certificate of State tax lien is recorded by the Department, whichever is earlier, "is a paramount lien upon the property and rights to property

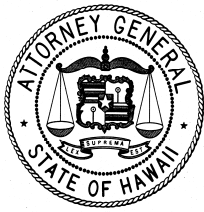
against all parties, whether their interest arose before or after that time.” An exception is made, however, for a mortgagee or purchaser of real property, or the lien of a judgment creditor upon real property, whose interest arose prior to the recording by the Department of the certificate of the State tax lien. HRS § 231-33(c)(1). Since property tax liens are exempted from this new lien priority provision, it seems that State tax liens were inadvertently omitted.

To avoid ambiguity, the Department suggests the following amendment to section ___-9(b):

All assessments made pursuant to this section shall be a statutory lien against each lot or parcel of land assessed from the date of the notice declaring the assessment until paid and the lien shall have priority over all other liens, except the lien of property taxes[-] and except as provided in section 231-33.

With respect to the provisions that make the Authority and income from bonds exempt from State taxes, the Department notes that these provisions will require changes to form instructions. Accordingly, the Department requests that the bill is made effective for tax years beginning after December 31, 2017.

Thank you for the opportunity to provide comments.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2017**

ON THE FOLLOWING MEASURE:

H.B. NO. 1212, RELATING TO URBAN REDEVELOPMENT.

BEFORE THE:

HOUSE COMMITTEES ON TRANSPORTATION AND ON HOUSING

DATE: Wednesday, February 8, 2017 **TIME:** 11:00 a.m.

LOCATION: State Capitol, Room 423

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Dawn T. Apuna, Deputy Attorney General

Chairs Aquino and Brower and Members of the Committees:

The Department of the Attorney General provides the following comments on this bill.

The purpose of this bill is to establish the Transit Oriented Development Authority (TODA).

On page 9, lines 1 through 4, this bill states that the TODA shall consist of members that include a representative appointed by the President of the Senate and a representative appointed by the Speaker of the House of Representatives. Pursuant to article V, section 6, of the Constitution of the State of Hawaii, and section 26-34, Hawaii Revised Statutes, the Governor shall nominate and appoint members of state boards. See also In re Oklahoma Dep't of Trans., 64 P.3d 546 (Ok. 2002) (holding direct legislative appointments to committees that perform executive functions violate the separation of powers doctrine); Greer v. State of Georgia, 212 S.E.2d 836 (1975) (holding a direct legislative appointment violated the separation of powers doctrine). Accordingly, we recommend the following amendments to page 8, line 20, through page 9, line 4:

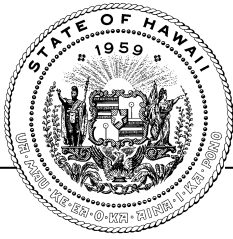
"transit oriented development; and

(6) [~~A representative appointed by the president of the senate; and~~

(7) ~~A representative appointed by the speaker of the house of~~

~~representatives.] Two representatives appointed by the governor."~~

Should this bill move forward, we respectfully ask the Committee to include these amendments.



**OFFICE OF PLANNING
STATE OF HAWAII**

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

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Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
**HOUSE COMMITTEES ON TRANSPORTATION,
LABOR & PUBLIC EMPLOYMENT, AND HOUSING**
Wednesday, February 8, 2017
11:00 AM
State Capitol, Conference Room 423

in consideration of
HB 1212
RELATING TO URBAN REDEVELOPMENT

Chairs Aquino, Ling and Brower, Vice Chairs Quinlan, Holt and Nakamura, and Members of the House Committees on Transportation, Labor & Public Employment, and Housing.

The Office of Planning (OP) supports the intent and offers comments on House Bill 1212, which would establish a Transit Oriented Development (TOD) Authority within the Department of Business, Economic Development, and Tourism (DBEDT) to plan and coordinate development projects on State lands within a one-half mile radius from rail transit stations.

The coordination and financing of infrastructure improvements in planned growth areas, such as along the Honolulu rail corridor, is a major impediment to realizing the potential of TOD in providing needed housing and creating vibrant and sustainable mixed-use communities. The State has identified infrastructure development and implementation as priority for State TOD.

While this proposal could potentially expedite TOD on State lands, OP has a number of concerns related to the bill as it is currently written:

- Many of the proposed duties of the Authority, including coordination and planning, currently overlap with the Hawaii Interagency Council for TOD (TOD Council) recently established pursuant to Hawaii Revised Statutes (HRS) § 226-64 (Act 130, SLH 2016). Any comprehensive planning efforts delegated to the Authority, including identifying TOD infrastructure needs and financing and long-range planning, would be duplicative of the tasks already mandated to the TOD Council, including the development of a State strategic plan for TOD.
- The effective delivery of infrastructure system capacity to accommodate planned and future State agency projects with those of other public and private developers requires a much broader and coordinated regional geographic approach to State agency land use planning and development along the rail corridor than the assignment of powers granted to a single development authority.
- The redevelopment potential of many State-owned properties along the rail corridor has yet to be assessed by the TOD Council. Specific station-areas designated for infrastructure investment priorities still need further review before they are determined to be ready for development.
- The Hawaii Community Development Authority (HDCA) may have the capacity to perform many of the duties prescribed to the proposed authority, especially those related to infrastructure implementation, district-wide improvements, permitting, and acquisition. Creating a new State TOD Authority under DBEDT does not optimize the State's existing development authority.

- With regard to districts and boundaries established, OP believes a more comprehensive and collaborative planning approach is needed to determine the priority areas and boundaries. Districts that are established should take into consideration the existing City and County of Honolulu Neighborhood TOD Plans, including the boundaries for designated State TOD districts, and current and proposed zoning designations.
- Membership in the Authority outlined in § -3 (b) (page 8-9) should consist of State appointees, since the urban redevelopment of State properties is primarily in the State's interest. County membership should be limited to one ex-officio, non-voting position.

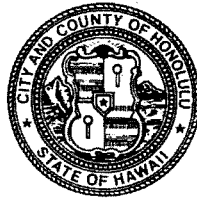
OP would prefer that the existing TOD Council be given the opportunity to proceed with planning for projects on State lands, including long-range planning and identifying TOD infrastructure needs and financing. OP also notes that the TOD Council may have an opportunity to work closely with HCDA as a potential existing authority for TOD implementation.

Thank you for the opportunity to testify on this matter.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
ACTING DEPUTY DIRECTOR

February 8, 2017

The Honorable Henry J. C. Aquino, Chair
and Members of the Committee on Transportation
The Honorable Tom Brower, Chair
and Members of the Committee on Housing
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Aquino and Brower, and Committee Members:

Subject: House Bill No. 1212
Relating to Urban Redevelopment

The Department of Planning and Permitting (DPP) **strongly opposes** House Bill No. 1212, which would establish the State Transit Oriented Development Authority. This Bill is unnecessary, premature, duplicative, usurps home rule, and will be costly to the taxpayers of Hawaii.

The DPP supports the role of the State in developing State-owned lands near rail transit stations. From the beginning, more than ten years ago, we have invited State agency participation in our transit-oriented development (TOD) planning. State agencies have responded, and have influenced our TOD plans and strategies. We would be happy to share with you all of our collaborative efforts with State agencies and others in developing our TOD program.

We are well aware that the State owns lands that can take advantage of their proximity to rail stations. Our draft TOD Plan for the Halawa area demonstrates the input of the Department of Accounting and General Services and the Stadium Authority. Moreover, we have been active participants in meetings convened by Senators Chun-Oakland and Dela Cruz in 2015 that began the consolidated discussion on redevelopment of State lands near rail stations.

By creating a new Authority, this Bill ignores these investments in collaborative planning by taking over the City's role in planning, zoning and permitting TOD projects. This new authority would also be in charge of planning and implementing infrastructure improvements. Rather than accelerate action on TOD and affordable housing,

The Honorable Henry J. C. Aquino, Chair
and Members of the Committee on Transportation
The Honorable Tom Brower, Chair
and Members of the Committee on Housing
House Bill No. 1212
February 8, 2017
Page 2

establishing this new authority – and the extensive new rules, procedures and staffing it would require – could set back progress by several years.

It is unfortunate that the proposed legislation cites “a lack of planning and coordination” and the need for major infrastructure investments. These findings ignore the significant progress made by State agencies and the City, in collaboration with the private sector. Act 130 (2016) established the Hawaii Interagency Council for Transit-Oriented Development, which is moving expeditiously in developing a State TOD Strategic Plan (focused on development of State lands), even though it was convened less than seven months ago. Working collaboratively with the City, it expects the Plan to be completed later this year. The Plan will prioritize proposed CIP projects for recommendation to the Legislature. The Interagency Council has already identified priority TOD areas, and provided master planning funds.

To sum, we support the State in coordinating planning and prioritizing its investments in TOD infrastructure and projects on State lands. The City will continue to collaborate with the State on this effort. We are especially supportive of bills that help fund infrastructure upgrades and stimulate more affordable housing. However, the State should not usurp City land use planning and project approval functions, which are clearly the responsibility of the City under home rule provisions.

Please defer House Bill No. 1212.

Thank you for the opportunity to testify.

Very truly yours,



Kathy Sokugawa
Acting Director



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Transportation,
and the House Committee on Labor & Public Employment,
and the House Committee on Housing
Wednesday, February 8, 2017 at 11:00 A.M.
Conference Room 423, State Capitol**

RE: HOUSE BILL HB 1212 RELATING TO URBAN REDEVELOPMENT

Chairs Aquino, Johanson and Brower, Vice Chairs Quinlan, Holt and Nakamura, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **strongly supports** HB 1212, which establishes the Transit Oriented Development Authority.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ 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.

This bill is in response to the Legislature position that a new and comprehensive authority must be created to join the strengths of private enterprise, public development, and regulation into a new form capable of long-range planning and implementation of the improved development of State- and county-owned assets near rail transit stations. The purpose of this chapter is to establish such a mechanism in the transit oriented development authority, a public entity that shall determine development programs and cooperate with private enterprise and the various components of federal, state, and county governments in bringing plans to fruition.

There are other similar bills that the legislature is considering this session in response to the need for more focus, planning and coordination of efforts to redevelop the properties within a one-half mile radius of each of the transit stations.

HB 626 proposed a similar State authority; however, it was focused primarily on the following five (5) stations where the State is a large owner of land: University of Hawaii, West Oahu, transit station; Leeward community college transit station; Aloha Stadium transit station; Kalihi transit station; and Iwilei transit station.

HB 1386 Amended Chapter 206-E and allowed the Hawaii Community Development Authority (HCDA) designate Transit Oriented Development Community Districts that would be under HCDA's jurisdiction.



Chamber *of* Commerce HAWAII

The Voice of Business

We believe the broader authority provided under HB 1212 would be the proper approach for dealing with the planning, coordination and implementation of redevelopment along the transit corridor. We suggest that the HB 626 and HB 1212 be consolidated into one bill that will create a separate TOD Authority which will have development and redevelopment powers over state and county lands.

We are in strong support of HB 1212 as amended. Thank you for the opportunity to testify.

PRESIDENT

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**Testimony to the House Committee on Transportation; and
House Committee on Housing
Wednesday, February 8, 2017
11:00 am
Conference Room 423**

RE: HB 1212 – Relating to Urban Development

Chairs Aquino & Brower, Vice-Chairs Quinlan & Nakamura, and members of the committees:

My name is Gladys Quinto Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII is in strong support of H.B. 1212 which proposes to establish the Transit Oriented Development Authority. The bill is in response to the Legislature position that a new and comprehensive authority must be created to join the strengths of private enterprise, public development, and regulation into a new form capable of long-range planning and implementation of the improved development of State- and county-owned assets near rail transit stations. The purpose of this chapter is to establish such a mechanism in the transit oriented development authority, a public entity that shall determine development programs and cooperate with private enterprise and the various components of federal, state, and county governments in bringing plans to fruition.

There are other similar bills that the legislature is considering this session in response to the need for more focus, planning and coordination of efforts to redevelop the properties within a one-half mile radius of each of the transit stations.

H.B. 626 proposed a similar State authority; however, it was focused primarily on the following five (5) stations where the State is a large owner of land: University of Hawaii, West Oahu, transit station; Leeward community college transit station; Aloha Stadium transit station; Kalihi transit station; and Iwilei transit station.

H.B. 1386 Amended Chapter 206-E and allowed the Hawaii Community Development Authority (HCDA) designate Transit Oriented Development Community Districts that would be under HCDA's jurisdiction.

We believe the broader authority provided under H.B. 1212 would be the proper approach for dealing with the planning, coordination and implementation of redevelopment along the transit corridor. We suggest that the H.B. 626 and H.B. 1212 be consolidated into one bill that will create a separate TOD Authority which will have development and redevelopment powers over state and county lands.

We are in strong support of H.B. 1212 as amended. Thank you for the opportunity to express our views on this matter.



**HOUSE COMMITTEE ON TRANSPORTATION, and
HOUSE COMMITTEE ON HOUSING**

Feb. 8, 2017, 11:00 A.M.

Room 225

(Testimony is 1 page long)

TESTIMONY IN SUPPORT OF THE INTENT OF HB 1212

Aloha Chairs Aquino and Brower, Vice Chairs Quinlan and Nakamura, and members of the committees:

Blue Planet Foundation **supports the intent** of HB 1212 which would establish a State Transit Oriented Development Authority.

Blue Planet Foundation is a leading advocate for clean energy and clean transportation in Hawaii. We believe that land use policies such as transit oriented development (TOD) can encourage compact, mixed-use communities designed for walking, biking and transit use. Such communities can reduce travel distances, transportation energy use, household transportation costs, and the amount of land we consume for development.

Blue Planet Foundation believes there is a need for better coordination of land use and transportation policies and infrastructure development between the state and counties. A State transit oriented development authority could help to facilitate such better coordination, particularly if it has the ability to help fund infrastructure improvements that are needed to develop TOD.

We also understand that the City and County of Honolulu has an active TOD program and has been developing community-based Neighborhood TOD plans along the Honolulu Rail Project route since 2008. We believe that it would be important for any State TOD Authority to work collaboratively with the counties in such a manner that doesn't duplicate work already done or undermine the efforts of the counties that are already underway.

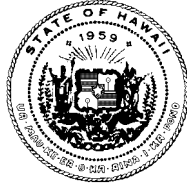
We defer to the City and County of Honolulu on the specific details of the bill.

Thank you for the opportunity to testify.

info@blueplanetfoundation.org

55 Merchant Street 17th Floor • Honolulu, Hawai'i 96813 • 808-954-6142 • blueplanetfoundation.org

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339



February 7, 2017

TO: The Honorable Representative Henry J.C. Aquino, Chair
House Committee on Transportation

The Honorable Representative Tom Brower, Chair
House Committee on Housing

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1212 – RELATING TO URBAN DEVELOPMENT**
HB 1386 – RELATING TO TRANSIT ORIENTED DEVELOPMENT

Hearing: February 8, 2017, 11:00 a.m.
Conference Room 423, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of the above mentioned bills to the extent the measures do not adversely impact priorities identified in the Governor's Executive Budget request, and offers comments. DHS defers to the Department of Business, Economic Development, and Tourism regarding administrative issues related to the proposed transit oriented development authority.

PURPOSE: The purpose of HB 1212 is to establish the Transit Oriented Development Authority in order to address economic diversification and affordable housing shortages through transit-oriented development (TOD).

The purpose of HB 1386 is to require the Hawaii Community Development Authority (HCDA) to designate TOD community districts along the Honolulu rail station transit corridor that allow for growth in affordable housing at each transit station while reducing the number of motor vehicles within each district.

The Director of DHS is a member of the Hawaii Interagency Council for Transit Oriented Development created by Act 130, Session Laws of Hawaii 2016. As a department,

DHS provides benefits to and services one in four residents in Hawaii. DHS strives to encourage self-sufficiency and support the well-being of individuals, families, and communities in Hawaii through its major benefit programs that provide financial assistance, Supplemental Nutrition Assistance Program (SNAP), medical insurance coverage (through Med-QUEST), vocational rehabilitation services, and protective services for vulnerable children and adults.

One of the primary determinants of well-being is access to stable and affordable housing. Affordable and stable housing is linked with improved health, education and economic outcomes for families and children. When housing is stable and affordable, families can spend more time and resources on education, medical care, nutritious food, and quality child care.

Strengthening communities by incorporating safe, adequate, and affordable housing in State development projects near Honolulu rail transit stations would also reduce the likelihood that low- and moderate-income households currently living in growing TOD areas would be displaced due to gentrification pressures.

Additionally, the presence of adequate and affordable housing in TOD areas would generate strong rail ridership, as the core users of public transportation are often low- to moderate-income individuals.

Given the shortage of affordable housing in Hawaii, it is crucial that the State, as the largest landowner along the Honolulu rail corridor, utilize its resources to create safe communities where families can thrive, and increase the supply of affordable housing units in TOD areas without displacing long-standing or low-income residents.

Thank you for this opportunity to provide comments on these measures.