

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

February 28, 2017 at 3:00 p.m.
State Capitol, Room 308

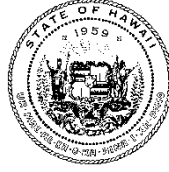
In consideration of
H.B. 522, H.D. 2
RELATING TO LAND TRANSFER.

The HHFDC **supports the intent** of providing more land and resources for affordable housing development.

However, we defer to the Department of Accounting and General Services (DAGS) and the Department of Land and Natural Resources as to whether residential or mixed use development of these specific parcels is feasible and in the best interests of the State given their current and proposed uses. We understand that the Kahului parcel is the current location of the Maui Community School for Adults, and the Puunene parcel is currently occupied by the Division of Conservation and Resources Enforcement and a part of DLNR's proposed Kakanilua Business Park. HHFDC is open to facilitating discussions among DAGS, the County of Maui, and HHFDC with respect to alternative mixed use options for the Kahului parcel.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



RODERICK K. BECKER
Comptroller

AUDREY HIDANO
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

P.O. BOX 119, HONOLULU, HAWAII 96810-0119

TESTIMONY OF
RODERICK K. BECKER, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE ON FINANCE
ON
TUESDAY, FEBRUARY 28, 2017
3:00 P.M.
CONFERENCE ROOM 308

H.B. 522, H.D. 2

RELATING TO LAND TRANSFER.

Chair Luke, Vice Chair Cullen, and members of the Committee, thank you for the opportunity to submit testimony on H.B. 522, H.D. 2.

The Department of Accounting and General Services (DAGS) opposes the measure and offers the following comments for the committee's consideration.

The measure proposes to transfer the title, custody, and control of Parcel 3, designated as Tax Map Key No. 3-7-004:003, to the Hawaii Housing Finance and Development Corporation (HHFDC). Parcel 3 is currently set aside to DAGS under Executive Order No. 3586 for Kahului Civic Center purposes, which includes the provision of facilities for State programs. However, as most of the facilities on the site have been demolished, and only the Department of Education's Adult Education and Lawnmower Operations remain there, DAGS opposes the

transfer on the basis of a loss of property that could be used for future development of State facilities and office space.

DAGS is open to discuss options with other stakeholders for the use of Parcel 3, such as an arrangement with HHFDC that would provide mixed use development and the commitment to also provide State office space. Another option might be to enter into a land swap with Maui County for certain lands in Wailuku, which would still allow the county to work with HHFDC to develop mixed use/housing in Kahului while also allowing the State to consider future development in Wailuku.

Thank you for the opportunity to submit testimony on this matter.

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 Committee on
FINANCE**

**Tuesday, February 28, 2017
3:00 P.M.
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 522, HOUSE DRAFT 2
RELATING TO LAND TRANSFER**

House Bill 522, House Draft 2, proposes to transfer title, custody and control of two state parcels on Maui to the Hawaii Housing Finance and Development Corporation (HHFDC). **The Department of Land and Natural Resources (Department) opposes this measure.**

The Department respectfully requests that the bill be amended to delete Tax Map Key: (2) 3-7-012:007 (Parcel 7).

The parcels at issue are designated as Tax Map Keys: (2) 3-7-012:007 (Parcel 7) with an area of 1.68 acres and 3-7-004:003 with an area of 5.57 acres (Parcel 3). Parcel 7 is currently set aside to the Department's Division of Conservation and Resources Enforcement (DOCARE) for office space, baseyard and related purposes under Executive Order No. 4148. Parcel 3 is currently set aside to the Department of Accounting and General Services (DAGS) for Kahului Civic Center purposes under Executive Order No. 3586.

When title to land is transferred, the conveyance generally includes existing encumbrances on the property. Accordingly, a transfer of title of the parcels to HHFDC would include the existing executive orders on title. If the intent of the bill is to remove the executive orders from title to the parcels, then a statutory procedure is in place under Section 171-11, Hawaii Revised Statutes, to cancel them. However, the Department has not received any request from DOCARE or DAGS to cancel their respective executive orders.

DOCARE explains that it currently uses Parcel 7 for its Maui branch office, which serves as an operations center for staff, and for storage of large, high value equipment such as vehicles and

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

water craft. DOCARE would have no alternate site to relocate its facilities and equipment if DOCARE were requested to vacate Parcel 7. As a result, any relocation of DOCARE's facilities would result in increased costs for DOCARE, such as renting private property, or may impact other divisions of the Department if DOCARE is required to share space with them. The Department notes that there is no provision in House Bill 522, House Draft 2, for funding the relocation of DOCARE or DAGS to alternate facilities.¹

Thank you for the opportunity to comment on this measure.

¹ Although the Department is looking to develop some land out in the Puunene or Pulehunui area, those lands will not be available for years. The Department is about to publish its Environmental Impact Statement prep notice and upon the completion of that process, will need to go through the land use entitlement process with the State Land Use Commission and the County for zoning and community plan amendments. Infrastructure is also lacking at the site. Therefore, this site is not a suitable alternative location for DOCARE to relocate at the present time.



MAUI

CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
TUESDAY, FEBRUARY 28, 2017 AT 3:00 P.M.**

To The Honorable Sylvia Luke, Chair;
The Honorable Ty J.K. Cullen, Vice Chair; and
Members of the Committee on Finance

**TESTIMONY IN STRONG SUPPORT FOR HB 522 TO TRANSFER TWO PARCELS OF LAND
TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce representing approximately 600 businesses and 16,000 employees. I am writing share our strong support of HB 522.

With the median price for buying a home constantly increasing along with high rental pricing, affordable and workforce housing is necessary to the residents of Maui. Because of the high prices for housing, many residents are forced to relocate and businesses have a difficult time retaining employees.

Currently there are two parcels of land in the central Maui location that are under utilized and would be ideal for affordable and workforce housing, as they are in close proximity to neighboring businesses, grocery, and retail stores.

Please allow these parcels to be transferred to the HHFDC who can then make them available for affordable and workforce housing, which will benefit our community tremendously.

We appreciate the opportunity to testify on this matter and therefore ask that this bill be passed.

Mahalo for your consideration of our testimony and we hope you will move this bill forward.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



From: mailinglist@capitol.hawaii.gov
 Sent: Monday, February 27, 2017 4:00 PM
 To: FINTestimony
 Cc: carol.reimann@mauicounty.gov
 Subject: Submitted testimony for HB522 on Feb 28, 2017 15:00PM

HB522

Submitted on: 2/27/2017

Testimony for FIN on Feb 28, 2017 15:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Carol Reimann	County of Maui	Support	No

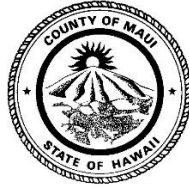
Comments: We urge you to support HB522. Maui County needs more workforce rental housing, especially in areas that are close to shops, community amenities, parks, medical facilities and transit. The two parcels that have been identified are underutilized and ideal to build affordable rentals. a. Tax Map Key #370120070000 is a 1.68 acre parcel currently identified on the Maui County Parcel Map as a “warehouse.” The area is a major thoroughfare lined with existing housing, businesses, restaurants and shops that is better suited for affordable housing versus a warehouse. b. Tax Map Key #370040030000 is a 5.57 acre parcel – approximately less than half of which is currently occupied by the Maui Community School for Adults. Maui County is interested in developing the vacant portion or all of this property for affordable rentals.

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

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LATE

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OFFICE OF THE MAYOR
Ke`ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

February 27, 2017

TESTIMONY OF ALAN M ARAKAWA
MAYOR
COUNTY OF MAUI

BEFORE THE HOUSE COMMITTEE ON FINANCE

Tuesday, February 28, 2017
3:00PM Conference Room 308

HB522 Relating to Land Transfer

Honorable Sylvia Luke, Chair
Honorable Ty J.K. Cullen, Vice Chair
Honorable Members of the House Committee on Finance

Thank you for this opportunity to testify in SUPPORT OF HB522.

The purpose of this bill is to transfer two land parcels in Central Maui from the State of Hawaii to the Hawaii Housing Finance and Development Corporation (HHFDC).

While I respect and understand the Department of Land & Natural Resources' (DLNR) position on this matter, I must respectfully disagree with their position. DLNR would like to maintain this location to house its high value equipment. DLNR has a large amount of unused land in the middle of the isthmus where it can be in a more readily accessible and centrally located to most of the boat harbors it uses. I believe that housing people in the critical urban areas is of a higher priority than housing equipment and offices in the DLNR facility.

On behalf of the County of Maui, I support this bill for the following reasons:

1. These parcels have been identified as underutilized properties in an area ideal for affordable housing.
 - a. Tax Map Key #370120070000 (175 S. Puunene Avenue, Kahului, HI) is a 1.68 acre parcel currently identified on the Maui County Parcel Map as a "warehouse." Puunene Avenue is a major thoroughfare lined with existing housing, businesses, restaurants and shops that is better suited for affordable housing versus a warehouse.
 - b. Tax Map Key #370040030000 (153 W. Kaahumanu Avenue, Kahului, HI) is a 5.57 acre parcel – approximately less than half of which is currently occupied by the Maui Community School for Adults. Maui County is interested in developing the vacant portion or all of this property for affordable rentals.
2. Once transferred to HHFDC, these parcels will be ideal to build affordable rentals. These parcels are situated in Central Maui, in close proximity to community amenities such as transit, shops, businesses, parks and medical clinics.
3. Maui County has a dire need for additional affordable housing. The most recent Hawaii Housing Planning Study indicates a need for 12,000 housing units on Maui for 2015-2025.

For these reasons, I strongly support HB522.

Respectfully yours,

Alan M Arakawa
Mayor