

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

POST OFFICE BOX 621  
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**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committees on  
WATER AND LAND  
And  
HOUSING**

**Tuesday, February 7, 2017  
2:55 PM  
State Capitol, Room 225**

**In consideration of  
SENATE BILL 254  
RELATING TO HOUSING**

Senate Bill 254 proposes to require the Hawaii Housing Finance and Development Corporation (HHFDC) to coordinate with other state agencies to develop lands owned or administered by the State within one mile of the transit station sites. The bill also proposes to require that parcels or groups of contiguous parcels of state land with an area of at least ten acres include housing units reserved for residents or families earning up to one hundred forty percent of the area median income. **The Department of Land and Natural Resources (Department) supports the intent to provide affordable housing and rental units, but opposes the mandatory nature of this measure.**

The Department requests that this measure be amended to allow for state and county agencies to coordinate with HHFDC on a voluntary basis, rather than merely fait accompli. 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 would 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. The Department has already agreed to the placement a 1,000 stall park and ride facility on the parcel immediately adjacent to the UHWO rail station, impacting its development potential. The requirements imposed by this measure could further impede that objective. Additionally, it is unclear whether there is a market for the type of housing project contemplated by this measure.

**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  
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FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The Department understands the need for affordable housing units, and has historically supported the development of affordable housing through the conveyance or transfer of management of lands to HHFDC for affordable housing or rental projects statewide<sup>1</sup>. In most instances, the lands transferred to HHFDC could have been used for more intensive income producing purposes. Rather, these lands were instead dedicated by the Department to alleviate the significant lack of supply of affordable housing and rental units for the less fortunate citizens of Hawaii. The following affordable housing/rental projects have been supported by the transfer of lands from the Department to HHFDC:

- The Villages of Leialii in Lahaina, Maui, 1,033 acres of land mauka of downtown Lahaina.
- 690 Pohukaina in Kakaako, approximately 2.168 acres in Honolulu's urban core, adjacent to the rail line with access to existing infrastructure.
- Halekauwila Place in Kakaako, approximately 1.249 acres adjacent to the 690 Pohukaina project.
- Hale Mohalu in Pearl City, Oahu, 4.75 acres of land designated Urban, adjacent to Kamehameha Highway with access to existing infrastructure.
- The Villages of Laiopua, in North Kona, Island of Hawaii, 802 acres adjacent to Queen Kaahumanu Highway between Kona International Airport and Kailua Kona.

Finally, the Department is already in discussions with HHFDC regarding a potential affordable housing project on the East Kapolei parcels. However, the Department's position is that such a project must be compatible with the planned uses of the parcels.

Thank you for the opportunity to comment on this measure.

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<sup>1</sup> In addition to HHFDC, the Department has also provided land to the City and County of Honolulu for the purpose of providing shelter support to the homeless. Sites include land leased to the City for a transitional housing center at Sand Island, and land set aside via Executive Order to the City for an emergency homes project adjacent to Keehi Lagoon, in collaboration with the Aio Foundation, a local non-profit organization.

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 6, 2017

TO: The Honorable Karl Rhoads, Chair  
Senate Committee on Water and Land

The Honorable Senator Will Espero, Chair  
Senate Committee on Housing

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 254 - RELATING TO HOUSING**

Hearing: February 7, 2017, 2:55 p.m.  
Conference Room 225, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the intent of the above mentioned bill to the extent the measure does not adversely impact priorities identified in the Governor's Executive Budget request, and offers comments.

**PURPOSE:** The purpose of SB 254 is to require the Hawaii Housing Finance and Development Corporation (HHFDC) to coordinate with other state agencies to develop lands owned or administered by the State within one mile of transit station sites. It also requires that parcels or groups of contiguous parcels of state land with an area of at least ten acres include housing units reserved for residents or families earning up to one hundred forty per cent of the area median income.

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 and services to 1 in 4 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.

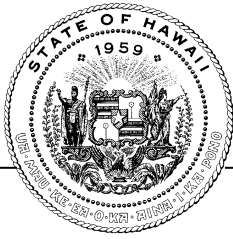
Additionally, the presence of adequate and affordable housing in TOD areas would generate strong rail ridership, as the core users of public transportation are often low- to moderate-income individuals.

DHS, however, has the following concerns with the bill as it is currently written:

- Act 130, Session Laws of Hawaii 2016, established the Hawaii Interagency Council for Transit Oriented Development, which is tasked with coordinating and facilitating state agency TOD planning, and facilitating consultation and collaboration between the State and the counties on TOD initiatives. The Executive Director of the HHFDC serves as the Council's co-chair. As such, DHS believes that the Council is currently performing the duties stipulated in the proposed bill, and that the proposed bill would create duplicative efforts.
- DHS finds that the proposed one hundred forty per cent of the area median income threshold is too high, and that it should be lowered to reflect the income limits of low- and moderate-income individuals and families. Please see <http://dbedt.hawaii.gov/hcda/files/2013/07/2016-HCDA-Income-and-Asset-Limits.pdf>.
- DHS is concerned that the proposed bill does not specify the percentage of affordable rental units that would need to be included in the development project.

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.



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DAVID Y. IGE  
GOVERNOR

LEO R. ASUNCION  
DIRECTOR  
OFFICE OF PLANNING

Statement of  
**LEO R. ASUNCION**  
Director, Office of Planning  
before the  
**SENATE COMMITTEES ON WATER AND LAND, AND HOUSING**  
Tuesday, February 7, 2017  
2:55 PM  
State Capitol, Conference Room 225

in consideration of  
**SB 254**  
**RELATING TO HOUSING**

Chairs Rhoads and Espero, and Vice Chairs Gabbard and Harimoto and Members of the Senate Committees on Water and Land and Housing.

The Office of Planning (OP) supports the intent of Senate Bill 254, which requires the Hawaii Housing Finance and Development Corporation (HHFDC) to coordinate with other State agencies to develop lands owned or administered by the State within one mile of transit station sites. It also requires that parcels or groups of contiguous parcels of State land with an area of at least ten acres include rental housing units reserved for residents or families earning up to one hundred forty per cent of the area median income.

While we recognize the immediate need for affordable rental housing, OP has a number of concerns with the bill as it is currently written:

- Pursuant to Hawaii Revised Statutes (HRS) § 226-64 (Act 130, Session Laws of Hawaii 2016), the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) was established to coordinate and facilitate State agency TOD planning, and facilitate consultation and collaboration between the State and

counties on TOD initiatives on lands owned or administered by the State in the vicinity of proposed transit stations. OP would prefer that the TOD Council, which is co-chaired by HHFDC and OP, fulfill its coordination role and be entrusted with encouraging the planning and development of affordable housing on State properties.

- The one-mile radius is quite extensive, and not all ten or more acre parcels of State lands considered for development may be appropriate for the development of rental housing units. A ‘one-size fits all’ solution with regard to the provision of affordable housing may not be feasible or desirable for all State properties. The TOD Council as the coordinating agency may consider other appropriate and compatible land uses, planned State agency uses, and the availability of adequate infrastructure and access in the development of State properties for affordable housing.
- The language on Page 1, Lines 11-13 does not specify the percentage of rental housing units that will be reserved for residents or families earning up to one hundred and forty per cent of Area Median Income (AMI) per parcel.

Thank you for the opportunity to testify on the matter.

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

**SENATE COMMITTEE ON WATER AND LAND  
SENATE COMMITTEE ON HOUSING**

February 7, 2017 at 2:55 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 254**  
**RELATING TO HOUSING.**

The HHFDC *supports the intent* of S.B. 254, but would prefer that the coordination specified in the bill be under the auspices of the Interagency Council for Transit-Oriented Development (TOD Council) established under Act 130, Session Laws of Hawaii 2016. As co-chair of the TOD Council, HHFDC is already in a position to help coordinate affordable housing development on State lands near the rail transit line.

Thank you for the opportunity to testify.



**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Sunday, February 5, 2017 8:47 PM  
**To:** WTL Testimony  
**Cc:** joankutz@gmail.com  
**Subject:** Submitted testimony for SB254 on Feb 7, 2017 14:55PM

**SB254**

Submitted on: 2/5/2017

Testimony for WTL/HOU on Feb 7, 2017 14:55PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joan Kutzer	Hawaii Nurses Association, OPEIU local 50	Support	Yes

Comments: The Hawaii Nurses Association is in strong support of HB 254. As nurses we see first hand the devastating effects of exposure to pesticides. I myself participated many years ago in a mass casualty event, in which a nearby school had pesticide drift and large numbers of children were brought to our facility for treatment of their breathing difficulties. I will never forget that experience. Establishing buffer zones; mandatory disclosure of pesticide use; air, soil, and water testing; and collection of accurate health data identifying the links between pesticide exposure and the health of our community. The high incidence of birth defects on the west side of Kauai alone demonstrates the need for action. Please vote in favor of HB 254

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 3, 2017 1:30 PM  
**To:** WTL Testimony  
**Cc:** mendezj@hawaii.edu  
**Subject:** \*Submitted testimony for SB254 on Feb 7, 2017 14:55PM\*

**SB254**

Submitted on: 2/3/2017

Testimony for WTL/HOU on Feb 7, 2017 14:55PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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**Sent:** Saturday, February 4, 2017 10:20 AM  
**To:** WTL Testimony  
**Cc:** hoonanea@aol.com  
**Subject:** \*Submitted testimony for SB254 on Feb 7, 2017 14:55PM\*

**SB254**

Submitted on: 2/4/2017

Testimony for WTL/HOU on Feb 7, 2017 14:55PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Regina Gregory	Individual	Oppose	No

Comments:

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