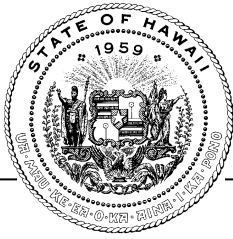


SB 2214

Measure Title:	RELATING TO RENTAL HOUSING ON GOVERNMENT LANDS IN PROPOSED TRANSIT ORIENTED DEVELOPMENT COMMUNITY DISTRICTS.
Report Title:	Transit Oriented Development Districts; Hawaii Community Development Authority; Infrastructure; Public-private Partnerships
Description:	Establishes transit oriented development districts along transit corridors as a community development district, empowers Hawaii community development authority to develop infrastructure in transit oriented development districts, and allows Hawaii community development authority to form public-private partnerships through a lease back arrangement.
Companion:	
Package:	None
Current Referral:	HOU/WTL/TRE, WAM
Introducer(s):	ESPERO, ENGLISH, GREEN, HARIMOTO, Galuteria, Inouye



**OFFICE OF PLANNING
STATE OF HAWAII**

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
**SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON WATER AND LAND
AND
SENATE COMMITTEE ON TRANSPORTATION AND ENERGY**
Tuesday, February 13, 2018
3:00 PM
State Capitol, Conference Room 225

in consideration of
SB 2214
**RELATING TO RENTAL HOUSING ON GOVERNMENT LANDS IN PROPOSED
TRANSIT ORIENTED DEVELOPMENT COMMUNITY DISTRICTS.**

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

The Office of Planning (OP) supports the intent of SB 2214, but has concerns about the bill's provisions for the establishment of transit-oriented development (TOD) community districts under Hawaii Revised Statutes (HRS) Chapter 206E. OP prefers SB 2943 as a vehicle for State investments in TOD-supportive infrastructure.

SB 2214 would, in part, amend HRS Chapter 206E to authorize the establishment of TOD community districts to be planned and administered under the jurisdiction of the Hawaii Community Development Authority (HCDA). The bill would establish four TOD community districts, comprised of lands within a half-mile radius around each of following stations: Iwilei, Kapalama, Aloha Stadium, and Leeward Community College. No funding is provided.

The Hawaii Interagency Council for Transit-Oriented Development (TOD Council) has identified the coordination and financing of infrastructure improvements, including public facilities in planned growth areas such as along the Honolulu rail corridor, as a major impediment to realizing the potential of TOD in providing needed housing and creating vibrant and sustainable mixed-use communities.

One of the key principles for State investments underpinning the *State Strategic Plan for Transit-Oriented Development (State TOD Strategic Plan)* issued by the TOD Council in December 2017, is that the State must take a proactive role in investing in critical infrastructure needed to overcome barriers to TOD, particularly for regional public facilities such as roads, sewer, and storm water systems. Timely investment in these system improvements is necessary to support and catalyze both the public and private investments in the development and redevelopment of areas proximate to proposed transit stations.

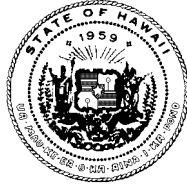
The *State TOD Strategic Plan* is also premised on a strong partnership of State TOD agencies with the counties in the realization of the State TOD projects and public infrastructure improvements needed to support State and county TOD objectives. This collaborative relationship with the counties allows the State to capitalize and build upon county planning efforts and investments in directing growth and stimulating revitalization of existing communities, and treats State and county functional agencies—with the core competencies and authority to plan and deliver infrastructure and facility systems—as partners in the TOD implementation process.

OP believes the TOD community districts as envisioned in this measure would be redundant of county planning efforts, particularly on Oahu, to create a framework for the development and long-term management of TOD communities. Many of the State agency stakeholders in the proposed districts have participated in the City and County of Honolulu's TOD planning efforts over the past few years. The TOD community districts could also complicate the delivery and operation of existing State and county infrastructure delivery systems, at potentially increased costs to the State and the public, and perhaps cloud the long-term environment for public-private partnerships.

It would be far more efficient for the State to infuse funds and augment, in a supporting role, current and planned efforts of county and State functional agencies to increase infrastructure capacity where needed to support State TOD project implementation. OP believes that SB 2943 can provide a more targeted, strategic vehicle for expediting delivery of needed TOD-supportive infrastructure.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

CATHY BETTS
DEPUTY DIRECTOR

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

February 12, 2018

TO: The Honorable Senator Will Espero, Chair
Senate Committee on Housing

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

The Honorable Senator Lorraine R. Inouye, Chair
Senate Committee on Transportation and Energy

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2214 – RELATING TO RENTAL HOUSING ON GOVERNMENT LANDS IN
PROPOSED TRANSIT-ORIENTED DEVELOPMENT COMMUNITY DISTRICTS**

Hearing: Tuesday, February 13, 2018 at 3:00 p.m.
Conference Room 225, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the general intent of the proposed bill as it aligns with the department's transformation efforts and mission to support the well-being of individuals, families, and communities in Hawaii. Comments provided are from a human services perspective.

PURPOSE: The purpose of the bill is to establish transit-oriented development (TOD) districts along transit corridors as a community development district, empower Hawaii Community Development Authority (HCDA) to develop infrastructure in TOD districts, and allow HCDA to form public-private partnerships through a lease back arrangement.

DHS is a member of the Hawaii Interagency Council for TOD (TOD Council) and has a large stake in equitable TOD. DHS provides benefits and services to one in four Hawaii

residents, or nearly 360,000 individuals. We manage an annual budget of nearly \$3.3 billion to provide benefits and services relating to homelessness, education, employment, health care, safety, child care, food security, protective, and rehabilitation services.

As a member of the TOD Council, DHS advocates for equitable development and was a key player in the development and inclusion of equitable development principles in the State of Hawaii Strategic Plan for TOD. Equitable development promotes and supports community well-being and active and healthy lifestyles. It refers to a range of approaches for creating healthy, vibrant, and sustainable communities where residents of all incomes, races, and ethnicities have access to the opportunities, services, and amenities they need to thrive. A key component to a thriving community lies at the intersection of housing and transportation.

Securing and maintaining affordable housing creates tremendous opportunities for individuals and families to succeed, yet it is a substantial challenge for Hawaii's low-income residents, who face one of the highest housing costs in the country.

According to the City and County of Honolulu, there is an extreme affordable housing need for 84 percent of the population. Of the affordable housing needs, over 75 percent of total projected demand on Oahu is for households earning less than 80 percent of the area median income (AMI), which in 2017, was \$83,680 for a family of four. The demand is largely for multi-family rental units.

Furthermore, statewide, approximately 4,581 housing units are estimated to be needed in the five-year period from 2016-2020 for households earning less than 30 percent of the AMI, which in 2017, was \$31,380 for a family of four, and is the primary population that DHS serves.

Access to public transportation is indispensable for many low-income individuals and families. While housing costs are typically the largest expenditure for households, transportation costs tend to be the second-largest expenditure. Preserving and developing housing, jobs, and services in transit-rich locations allows families to reduce their transportation costs, allowing the savings to go toward education, health care, healthy food, or other means to improve well-being.

Accordingly, investments in low-income housing for individuals and families at or below 30 percent of the AMI should be prioritized in TOD areas. The location of low-income housing in areas well-served by public transportation and rich in multimodal options would ensure that TOD areas are affordable for all residents.

Additionally, in 2016, DHS initiated its 'Ohana Nui effort by adopting a multigenerational approach to transform the way services are provided to individuals and families to improve outcomes and well-being. By providing programs and services that maintain a high level of service integration, quality, and intensity across multiple generations, DHS intends to reduce intergenerational poverty in the State, and the human and financial costs associated with poverty. Housing is one of the five principles of the 'Ohana Nui framework as research shows that housing stability is key to an individual's or family's success in other areas (i.e., sobriety, employment, wellness, etc.).

As part of the DHS mission to transform the way we deliver benefits and services, and as part of the Governor's package, DHS proposed SB 2793/HB 2366 which requires DHS to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits.

Given the shortage of affordable housing in Hawaii, it is critical that the state maximizes their resources to create communities where individuals and families can thrive.

The proposed SB 2215 furthers the goals of DHS as we transform to an integrated service delivery system with a focus on supporting every recipient's human potential, improving access to affordable housing, reducing incidences of intergenerational poverty, and improving the community's overall health and well-being.

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



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



KAKA'KO
KALAELOA

David Y. Ige
Governor

John Whalen
Chairperson

Garett Kamemoto
Interim Executive Director

547 Queen Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

STATEMENT OF
GARETT KAMEMOTO, INTERIM EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE
SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON WATER & LAND
AND
SENATE COMMITTEE ON TRANSPORTATION AND ENERGY

Tuesday, February 13, 2018
3:00 PM
State Capitol, Conference Room 225

in consideration of

SB 2214
RELATING TO RENTAL HOUSING ON GOVERNMENT LANDS IN
PROPOSED TRANSIT ORIENTED DEVELOPMENT DISTRICTS

Chairs Espero, Rhodes, and Inouye, Vice Chairs Harimoto, Gabbard, and Espero, and Members of the Committees.

The Hawaii Community Development Authority (HCDA) **supports the intent of SB 2214**, but has concerns about the bill's provisions for the establishment of transit-oriented development (TOD) community districts under Hawaii Revised Statutes (HRS) Chapter 206E.

HCDA prefers SB 2943 as a vehicle for state investments supporting TOD infrastructure.

SB 2214 does not provide guidance on which of HCDA's boards would be overseeing TOD districts and does not provide a governance model as is in place for all HCDA's current community development districts.

In addition, Chapter 206E-7 would apply to the TOD community district, so HCDA would have planning and zoning authority over the district, superseding

all other inconsistent ordinances and rules relating to the use, zoning, planning, and development of land and construction.

SB 2214 appears to allow HCDA to lease public infrastructure to a private investor, but in many of these cases, the infrastructure is not owned by the state, but by the City and County of Honolulu or private owners. The bill should include a definition of “public infrastructure.”

HCDA would note it does not have the personnel needed to carry out the mandates of this bill. HCDA staff estimates it would require 4.5 FTE at \$520,000/year along with operating costs of \$500,000/year.

SB 2943 is a better vehicle for expedited delivery of needed infrastructure in TOD districts.

Thank you for the opportunity to provide testimony.

DAVID Y. IGE
GOVERNOR

RODERICK K. BECKER
COMPTROLLER



An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

TESTIMONY
OF
ROSS YAMASAKI, CHAIRMAN
STADIUM AUTHORITY
TO THE
SENTATE COMMITTEES
ON
HOUSING
WATER AND LAND, AND
TRANSPORTATION AND ENERGY

February 12, 2018

S.B. 2214

RELATING TO RENTAL HOUSING ON GOVERNMENT LANDS IN PROPOSED TRANSIT
ORIENTED DEVELOPMENT COMMUNITY DISTRICTS

Chairs Espero, Rhoads, and Inouye, Vice Chairs Harimoto and Gabbard and members of the respective committees, thank you for the opportunity to provide comments regarding our concerns over the language in S.B. 2214, specifically as it relates to the Aloha Stadium, development of the surrounding property, and direction of development by the Stadium Authority.

The Authority understands the Legislature's concern over ensuring that a comprehensive master plan is completed that will guide the development of communities surrounding rail transit stations along the rail corridor. The Authority also recognizes that each rail transit station has its own unique characteristic(s) that must be carefully master planned in order to maximize a finite amount of resources that will ensure efficiency and effectiveness.

To address these concerns, the Authority has proactively and assertively moved forward with initiating development of a master plan and environmental impact study (EIS) that will guide the Authority on the development of its property surrounding the rail transit station. In the 2017 Legislative session, the Legislature concurred with the Authority's goals and objectives by providing the financial support necessary for the Authority to address its Master Plan and EIS. The Legislature appropriated \$10,000,000 through Act 49, Session Laws of Hawaii 2017 to proceed with the Aloha Stadium master plan and EIS process.

In reviewing the proposed measure and as it relates specifically to the Stadium Authority, we respectfully list concerns as follows:

- Part I, Section 1 of SB 2214 that empowers and requires HCDA to plan and develop infrastructure on behalf of the Stadium Authority to service State owned lands within a one-half mile radius of a rail transit station.
- In addition, Part II, Section 2 of SB 2214 seeks to empower an entity within HCDA to determine, on behalf of the Stadium Authority, community development programs within community development districts.

The Authority vehemently shares the same concerns that the Legislature raises in prioritizing planning as an essential component towards ensuring that proper growth, density, and urban expansion occur in as comprehensive a manner as possible. Proper planning will ensure growth and development that will support properly planned communities. This is the very reason why the Authority is proceeding with its master plan and EIS in a careful, mindful, and comprehensive process that will provide and ensure that the information necessary to make the proper decisions is included and shared by both the Authority and the Legislature.

Further, in order to remove any potential for conflict between two separate legislatively empowered authorities (Stadium Authority and the Hawaii Community Development Authority), the Authority strongly recommends that its Aloha Stadium transit station be exempted from this measure. By doing so, the Authority can continue to move forward and address property development through its master plan and EIS process. Given all that the Authority has addressed to date, the Authority believes that it will continue to address, through its planning and implementation process, all of the concerns raised in SB 2214. The Authority is supportive of HCDA guiding those other transit stations that would benefit from its coordination. Moving forward, the Authority values the expertise and knowledge that HCDA brings to the table and will most assuredly continue to collaborate with HCDA to the extent warranted.

Based on the foregoing, the Authority supports the intent of ensuring that the State owned lands surrounding a transit station are developed in a timely and comprehensive manner; however, the Authority has reservations and concerns with language of SB 2214 specifically as it relates to HCDA's authority over the Stadium Authority in establishing and determining development of "community development districts" that would include the "Aloha Stadium transit station" and development within a one-half mile perimeter of this transit station. We respectfully ask that the Legislature exempt the Aloha Stadium transit station from HCDA's purview and authority.

Thank you for the opportunity to provide testimony on SB 2214.



February 12, 2018

From: George S. Massengale

To: Senate Committee on Housing; Committee on Water and Land;
Committee on Transportation and Energy

Date: Hearing, February 13, 2018 at 3:00 P.M.

Subj: SB2214, Relating to Rental Housing on Government Lands
In Proposed Transit Oriented Development Community
Districts

Testimony in Support

Chairs, Senator Espero, Rhoads, and Inouye, and the members for the joint committees. Thank you for the opportunity to provide testimony in support of SB2214. This bill if passed would have a substantial impact on the development of affordable rental units within and adjacent to HART station areas.

We would like to begin by noting the obvious, that we are in a housing crisis and according to Governor Ige, we need 66,000 affordable housing units by 2025. In Honolulu Mayor Caldwell, in February 2017, proposed developing 800 affordable housing units a year for an indefinite period, mostly along the HART rail line, and in station areas, for individuals and families at 80% AMI or less.

Building affordable housing in TOD districts is probably the best option to develop the number of affordable housing units that we will require on Oahu.

With regards to affordable ownership housing, Habitat for Hawaii is proffering plans to develop affordable condominium units within the TOD district as part of the City's inclusionary zoning requirements for developers of market rated and luxury high-rise units.

As we, all move forward we need to ensure that there will be affordable housing for renters and families looking to purchase starter homes.

Respectfully,

A handwritten signature in black ink, appearing to read "George S. Massengale".

George S. Massengale
Chair, Advocacy Committee



2018 OFFICERS

PRESIDENT
DEAN Y. UCHIDA
SSFM INTERNATIONAL, INC.

PRESIDENT-ELECT
MARSHALL HICKOX
HOMEWORKS CONSTRUCTION, INC.

VICE PRESIDENT
DWIGHT MITSUNAGA
DM PACIFIC, INC.

SECRETARY
CHRIS CHEUNG
CC ENGINEERING & CONSTRUCTION, INC.

TREASURER
BRIAN MOORE
CENTRAL PACIFIC BANK

SPECIAL APPOINTEE-BUILDER
GREG THIELEN
COMPLETE CONSTRUCTION SERVICES CORP.

SPECIAL APPOINTEE-BUILDER
MARK KENNEDY
HASEKO CONSTRUCTION MANAGEMENT
GROUP, INC.

SPECIAL APPOINTEE-ASSOCIATE
CRAIG WASHOFKY
SERVCO HOME & APPLIANCE DISTRIBUTION

IMMEDIATE PAST PRESIDENT
EVAN FUJIMOTO
GRAHAM BUILDERS, INC.

CHIEF EXECUTIVE OFFICER
GLADYS MARRONE
BIA-HAWAII

2018 DIRECTORS

KAREN BERRY
TRADE PUBLISHING COMPANY

DARCY ENDO-OMOTO
HAWAIIAN ELECTRIC COMPANIES

MARK HERTEL
INTER-ISLAND SOLAR SUPPLY,
OAHU-MAUI-HAWAII-KAUAI

BRENTON LIU
DESIGN TRENDS CONSTRUCTION, INC.

SARAH LOVE
BAYS LUNG ROSE & HOLMA

BEAU NOBMANN
HPM BUILDING SUPPLY

GARY T. OKIMOTO
HONOLULU WOOD TREATING

JORDAN OKIMURA
BROOKFIELD HOMES HAWAII, LTD

JACKSON PARKER
D.R. HORTON, SCHULER DIVISION

ALAN TWU
HK CONSTRUCTION CORP.

DARYL TAKAMIYA
CASTLE & COOKE HOMES

PAUL D. SILEN
HAWAIIAN DREDGING
CONSTRUCTION CO. INC.

ADDRESS:
94-487 AKOKI STREET, SUITE 213
WAIPAHU, HAWAII 96797
P 808.847.4666

**Testimony to the Senate Committee on Housing; and Water & Land;
and Transportation & Energy
Tuesday, February 13, 2018
3:00 pm
State Capitol, Room 225**

**RE: SB 2214 – Relating to Rental Housing on Government Lands in
Transit-Oriented Development Community Districts**

Chairs Espero, Rhoads, & Inouye, Vice-Chairs Harimoto, Gabbard, & Espero, & members of the Committee:

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.

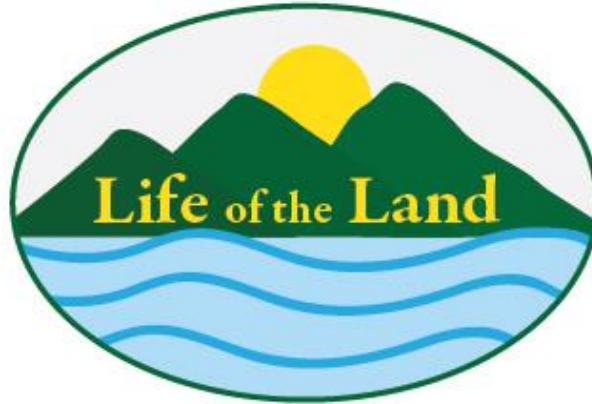
BIA-HAWAII is in strong support of S.B. 2214 which establishes transit oriented development districts along transit corridors as a community development district, empowers Hawaii community development authority (HCDA) to develop infrastructure in transit oriented development districts, and allows Hawaii community development authority to form public-private partnerships through a lease back arrangement. LATE

A recent report indicated that the State of Hawaii owns roughly 1,900 acres along the rail transit corridor. Infrastructure capacity building along the rail transit corridor has been lacking overall and disjointed at best. The State needs to take a more pro-active position if it wants to realize its full potential in development and/or redevelopment of its assets along the transit corridor.

HCDA's existing statutes, Chapter 206E HRS, has all of the redevelopment tools necessary to redevelop the State owned lands along the rail transit corridor. We are realizing the benefits of HCDA's investments in infrastructure and master planning in the on-going redevelopment of Kakaako.

With the rail project scheduled for completion in less than ten (10) years, the State needs to focus its best efforts in planning for the 1,900 acres it owns along the rail transit corridor.

We are in strong support of S.B. 2214, and appreciate the opportunity to express our views on this matter.



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON HOUSING

Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair

COMMITTEE ON WATER AND LAND

Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair

COMMITTEE ON TRANSPORTATION AND ENERGY

Senator Lorraine R. Inouye, Chair
Senator Will Espero, Vice Chair

Tuesday, February 13, 2018

3:00 p.m.

Conference Room 225

SB 2214 TOD Rental Housing

Concerns

Aloha Chairs Espero, Rhoads, and Inouye, Vice Chairs Harimoto, Gabbard and Espero, and Members of the Committees

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 47 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

The bill states, *"A majority of the state-owned lands within each transit oriented development district shall be used for the development of rental housing at all price points."* **Do we really need to promote multi-million-dollar rentals in the transit TOD? Shouldn't the focus be on the lower end of the economic spectrum?**

Mahalo, Henry Curtis, Executive Director

SB-2214

Submitted on: 2/10/2018 10:27:00 PM

Testimony for HOU on 2/13/2018 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Erica Scott	Cuddle Party	Support	No

Comments:

SB-2214

Submitted on: 2/12/2018 2:12:05 PM

Testimony for HOU on 2/13/2018 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying on behalf of OCC Legislative Priorities	Support	No

Comments:



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committees on Housing; Water and Land; and
Transportation & Energy
Tuesday, February 13, 2018 at 3:00 P.M.
Conference Room 225, State Capitol**

LATE

**RE: SENATE BILL 2214 RELATING TO RENTAL HOUSING ON
GOVERNMENT LANDS IN PROPOSED TRANSIT ORIENTED DEVELOPMENT
COMMUNITY DISTRICTS**

Chairs Espero, Rhoads, Inouye, Vice Chairs Harimoto, Gabbard, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2214, which establishes transit oriented development districts along transit corridors as a community development district, empowers Hawaii community development authority to develop infrastructure in transit oriented development districts and allows Hawaii community development authority to form public private partnerships through a lease back arrangement.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ 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.

A recent report indicated that the State of Hawaii owns roughly 1,900 acres along the rail transit corridor. Infrastructure capacity building along the rail transit corridor has been lacking overall and disjointed at best. The State needs to take a more pro-active position if it wants to realize its full potential in development and/or redevelopment of its assets along the transit corridor.

HCDA's existing statutes, Chapter 206E HRS, has all of the redevelopment tools necessary to redevelop the State owned lands along the rail transit corridor. We are realizing the benefits of HCDA's investments in infrastructure and master planning in the on-going redevelopment of Kakaako.

With the rail project scheduled for completion in less than ten (10) years, the State needs to focus its best efforts in planning for the 1,900 acres it owns along the rail transit corridor.

Thank you for the opportunity to testify.