

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 HOUSING HOUSE COMMITTEE ON TRANSPORTATION

March 15, 2018 at 10:30 a.m.  
State Capitol, Room 423

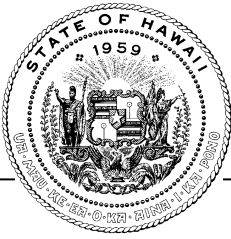
In consideration of  
**S.B. 2943, S.D. 2**  
**RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES.**

HHFDC **supports** S.B. 2943, S.D. 2 provided that its passage does not replace or adversely impact priorities indicated in our Executive Supplemental Budget.

As we have stated previously, HHFDC views the transit-oriented development of state lands within a one-half mile radius of the Honolulu rail transit line as a tremendous opportunity to develop affordable housing. Infrastructure financing tools are needed to make these lands suitable for housing development. S.B. 2943, S.D. 2 would provide HHFDC with the authority to use the Dwelling Unit Revolving Fund for this purpose within the designated transit-oriented development infrastructure improvement zones.

HHFDC **respectfully requests an amendment** to extend the deadline for the infrastructure study requested in section 7(c) of this bill until twenty days prior to the convening of the regular session of **2020** to allow sufficient time for the study and implementation plan for infrastructure improvements to be completed.

Thank you for the opportunity to testify.



# 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  
**HOUSE COMMITTEE ON HOUSING  
AND  
HOUSE COMMITTEE ON TRANSPORTATION**

Wednesday, March 15, 2018  
10:30 AM  
State Capitol, Conference Room 423

in consideration of  
**SB 2943, SD 2**  
**RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES.**

Chairs Brower and Aquino, Vice Chairs Nakamura and Quinlan, and Members of the House Committees on Housing and Transportation.

The Office of Planning (OP) supports SB 2943, SD 2, provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget. OP offers the following comments on this measure. SB 2943, SD 2 would authorize, in part: (1) the designation of transit-oriented development (TOD) infrastructure improvement zones comprised of lands within a half-mile radius of county proposed or existing transit stations; (2) the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development (TOD) infrastructure improvement zone program; (3) the establishment of TOD zone infrastructure improvement zone subaccounts in the Dwelling Unit Revolving Fund (DURF) administered by the Hawaii Housing Finance and Development Corporation (HHFDC) for public infrastructure financing in TOD zones; (4) the establishment of an TOD infrastructure improvement zone for the Halawa (Stadium) transit station; and (5) the appropriation of funds for temporary staff at HCDA and an infrastructure study for the Halawa station area to be conducted by HHFDC.

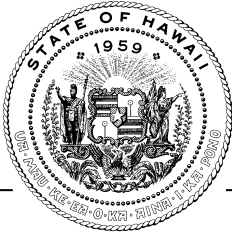
OP believes the bill provides a workable framework for a turnkey delivery system for needed infrastructure improvements in support of State TOD projects in TOD-designated areas—as these projects are outlined in the *State Strategic Plan for Transit-Oriented Development (State TOD Strategic Plan)* issued by the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) in December 2017.

The *TOD Strategic Plan* is premised on a strong partnership with the counties in the realization of the State TOD projects and public infrastructure improvements needed to support State and county TOD objectives. Any public facility investment in a TOD zone requires close

collaboration with the specific State and county functional agencies with the core technical and operational competencies who will be responsible for the operation and maintenance of these systems once the construction and delivery phase is completed.

OP notes that the authority to impose assessments for infrastructure improvements under the proposed program may need to be coordinated with other value capture tools that may be used to fund and provide infrastructure improvements in designated TOD zones.

Thank you for the opportunity to testify on this measure.



# HAWAII INTERAGENCY COUNCIL FOR TRANSIT-ORIENTED DEVELOPMENT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR

LEO R. ASUNCION  
CO-CHAIR

CRAIG K. HIRAI  
CO-CHAIR

Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Website: <http://planning.hawaii.gov/state-tod/>

Telephone: (808) 587-2846  
Fax: (808) 587-2824

Statement of  
**Leo R. Asuncion and Craig K. Hirai,**  
**Co-chairs**  
Hawaii Interagency Council for Transit-Oriented Development  
Before the

## HOUSE COMMITTEE ON HOUSING HOUSE COMMITTEE ON TRANSPORTATION

Thursday, March 15, 2018  
10:30 AM  
State Capitol, Room 423

in consideration of  
**SB 2943, SD 2**  
**RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES**

Chair Brower, Vice Chair Nakamura, and Members of the House Committee on Housing.

Chair Aquino, Vice Chair Quinlan, and Members of the House Committee on Transportation.

The Hawaii Interagency Council for Transit-Oriented Development (TOD Council) **supports** SB 2943, SD 2 which would establish transit-oriented development (TOD) infrastructure improvement zones along the Honolulu rail corridor, authorize the Hawaii Community Development Authority to develop a TOD zone infrastructure improvement zone program, establish TOD zone infrastructure improvement zone subaccounts in the Dwelling Unit Revolving Fund administered by the Hawaii Housing Finance and Development Corporation for public infrastructure financing, and appropriate funds for staff and an infrastructure study. The TOD Council also supports HHFDC's proposed amendment to extend the deadline for the infrastructure study requested in section 7(c) of this bill until twenty days prior to the convening of the regular session of **2020**.

The TOD Council's recently completed *State of Hawaii Strategic Plan for Transit-Oriented Development* (December 2017), three regional areas emerged as priority areas for State investment in TOD. One of these areas is Halawa-Stadium which is established as the initial TOD infrastructure improvement zone in Section 7 of SB 2943, SD 2.

Thank you for the opportunity to testify on this bill.



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  
HOUSE COMMITTEE ON HOUSING  
AND  
HOUSE COMMITTEE ON TRANSPORTATION

Thursday, March 15, 2018  
10:30 a.m.  
State Capitol, Conference Room 423

in consideration, of  
**SB2943, SD2**  
**RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES**

Chairs Brower and Aquino, Vice Chairs Nakamura and Quinlan, and Members of the Committee, the Hawaii Community Development Authority (HCDA) supports this proposal in concept provided resources will be added to carry out the intent of the bill.

This bill to create Transit Oriented Development (TOD) improvement programs will, at a minimum, require HCDA to engage a consultant to identify necessary public facilities within the TOD zone. HCDA does not have the expertise on staff to do this work. We estimate needing one new FTE at \$60,000 for the second half of the fiscal year. In addition, we estimate the cost of retaining outside expertise to be approximately \$500,000.00. SB 2943, SD2 provides HHFDC with the authority to use the Dwelling Unit Revolving Fund for retaining this outside expertise.

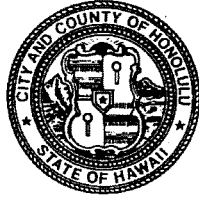
We would also anticipate requesting funds for more positions and consultants in future years as the program grows.

Thank you for the opportunity to provide testimony.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8000 • FAX: (808) 768-6041  
DEPT. WEB SITE: [www.honolulu.dpp.org](http://www.honolulu.dpp.org) • CITY WEB SITE: [www.honolulu.gov](http://www.honolulu.gov)

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March 15, 2018

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

**LATE**

Dear Chairs Brower and Aquino, and Committee Members:

**Subject:** Senate Bill No. 2943, SD 2  
Relating to Transit-Oriented Development Zones

The Department of Planning and Permitting (DPP) **supports** Senate Bill No. 2943, SD 2.

We commend the Legislature in making an explicit commitment to invest in transit-oriented development (TOD). We particularly support the following aspects of the Bill:

- Creating a central agency responsible for State infrastructure required to support TOD
- Clearly distinguishing that this is a different role for the Hawaii Community Development Authority (HCDA). It does not create a new community development district under HCDA.
- Explicitly aligning the proposed TOD infrastructure improvement zones with adopted county TOD plans and zoning
- Designating the Aloha Stadium area as the first TOD infrastructure improvement zone, since the majority of the lands in this area are State-owned.
- Enabling an infrastructure study that takes into account previous and ongoing infrastructure studies
- Creating infrastructure sub-accounts within the dwelling unit revolving fund
- Adding the DPP Director as a voting member.

The Honorable Tom Brower, Chair  
and Members of the Committee on Housing  
The Honorable Henry J. C. Aquino, Chair  
and Members of the Committee on Transportation  
Hawaii House of Representatives  
March 15, 2018  
Senate Bill No. 2943, SD 2  
Page 2

The DPP has worked with other City and State agencies to develop a \$1.5 billion TOD infrastructure investment strategy. The City is significantly investing in infrastructure upgrades and looks forward to partnering with the State in completing the improvements in a timely manner.

Thank you for this investment in more livable communities, including affordable housing.

Very truly yours,

A handwritten signature in black ink, reading "Kathy Sokugawa". The signature is written in a cursive, flowing style with a prominent flourish at the end.

Kathy K. Sokugawa  
Acting Director



**Testimony to the House Committee on Housing  
and the Committee on Transportation  
Thursday, March 15, 2018 at 10:30 A.M.  
Conference Room 423, State Capitol**

**RE: SENATE BILL 2943 SD2 RELATING TO TRANSIT-ORIENTED  
DEVELOPMENT ZONES**

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

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2943 SD1, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC), at the request of the Hawaii Community Development Authority (HCDA), to establish and operate transit-oriented development infrastructure improvement zone subaccounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a transit-oriented development infrastructure improvement zone. Requires HCDA to develop a transit-oriented development infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities. Requires the executive director of HHFDC in collaboration with the executive director of HCDA and Hawaii interagency council for transit-oriented development to conduct a study examining the current infrastructure of a transit-oriented development infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development. Appropriates funds out of the dwelling unit revolving fund for the infrastructure study. Appropriates funds to HCDA for staff necessary to develop and manage the transit-oriented development infrastructure improvement zone program.

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.

There has been an overall lack of work on assessing existing and determining future infrastructure capacity that will be required to support the planned growth along the transit corridor.

We support the State's efforts to invest in infrastructure that would maximize the benefit of redevelopment of the State's assets along the transit corridor.

Thank you for the opportunity to testify.



**SB-2943-SD-2**

Submitted on: 3/14/2018 10:28:55 AM

Testimony for HSG on 3/15/2018 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **SB2943 SD2**, relating to Transit-oriented Development Infrastructure Improvement Zones; Public Facilities; HCDA; Dwelling Unit Revolving Fund; HHFDC; Study; and an appropriation.

The OCC Legislative Priorities Committee is in favor of **SB2943 SD21** and support its passage.

**SB2943 SD2** is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it authorizes the Hawaii Housing Finance and Development Corporation (HHFDC), at the request of the Hawaii Community Development Authority (HCDA), to establish and operate transit- oriented development infrastructure improvement zone subaccounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a transit-oriented development infrastructure improvement zone. Requires HCDA to develop a transit-oriented development infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities. Requires the executive director of HHFDC in collaboration with the executive director of HCDA and Hawaii interagency council for transit- oriented development to conduct a study examining the current infrastructure of a transit-oriented development infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development. Appropriates funds out of the dwelling unit revolving fund for the infrastructure study. Appropriates funds to HCDA for staff necessary to develop and manage the transit-oriented development infrastructure improvement zone program.

Specifically, the DPH Platform states, "Housing is a basic human need and we believe that adequate, accessible, affordable, and safe housing should be available to all residents of Hawai'i. Affordable housing that is fair in proportion to individual income is the basis of prosperity for our citizens and stability in our economy. Recent and past real estate bubbles have fueled disproportionate rent increases, a key contributor to homelessness. Therefore, we support efforts to promote truly affordable housing for all citizens who rent.

We also need economically affordable home ownership. To this end we support policies which re-think the current formula to determine “affordability” as this formula puts both rentals and sales out of the reach of most working families in Hawai`i.

We support circuit breaker or other relief to ensure that senior citizens are not taxed out of their homes.

We believe in the concept of “Housing First” to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

We support dedicated social services and housing opportunities for Hawaii’s homeless population, to get them off the streets and reintegrated into society, with specific devoted services for disenfranchised groups including but not limited to the Hawaiian community, aged-out foster kids, youth, returning veterans, the aged, and lesbian, gay, bisexual and transgender homeless. (Platform of the DPH, P. 7, Lines 340-358 (2016)).

Given that **SB2943 SD2** authorizes the Hawaii Housing Finance and Development Corporation (HHFDC), at the request of the Hawaii Community Development Authority (HCDA), to establish and operate transit- oriented development infrastructure improvement zone subaccounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a transit-oriented development infrastructure improvement zone. Requires HCDA to develop a transit-oriented development infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities. Requires the executive director of HHFDC in collaboration with the executive director of HCDA and Hawaii interagency council for transit- oriented development to conduct a study examining the current infrastructure of a transit-oriented development infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development. Appropriates funds out of the dwelling unit revolving fund for the infrastructure study. Appropriates funds to HCDA for staff necessary to develop and manage the transit- oriented development infrastructure improvement zone program, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889



**LATE**

**Testimony to the House Committees on Housing, and Transportation  
Thursday, March 15, 2018  
10:30 am  
State Capitol, Room 423**

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ADDRESS:  
94-487 AKOKI STREET, SUITE 213  
WAIPAHU, HAWAII 96797  
P 808.847.4666  
F 808.440.1198  
E INFO@BIAHAWAII.ORG  
WWW.BIAHAWAII.ORG

**RE: SB 2943 SD2 – Relating to Transit-Oriented Development Zones**

Chairs Brower & Aquino, Vice-Chairs Nakamura & Quinlan, & 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 S.B. 2943 SD 2, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC), at the request of the Hawaii Community Development Authority (HCDA), to establish and operate transit-oriented development infrastructure improvement zone subaccounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a transit-oriented development infrastructure improvement zone. Requires HCDA to develop a transit-oriented development infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities. Requires the executive director of HHFDC in collaboration with the executive director of HCDA and Hawaii interagency council for transit-oriented development to conduct a study examining the current infrastructure of a transit-oriented development infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development. Appropriates funds out of the dwelling unit revolving fund for the infrastructure study, and to HCDA for staff necessary to develop and manage the transit-oriented development infrastructure improvement zone program.

There has been an overall lack of work on assessing existing and determining future infrastructure capacity that will be required to support the planned growth along the transit corridor. As a major land owner in the transit corridor, we strongly support the State’s efforts to invest in infrastructure that would maximize the benefit of redevelopment of the State’s assest along the transit corridor.

We are in strong support of S.B. 2943 SD 2, and appreciate the opportunity to express our views on this matter.