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CRAIG K. HIRAI
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STATE OF HAWAII

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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

April 3, 2019 at 10:20 a.m.
State Capitol, Room 211

In consideration of
H.B. 439, H.D. 2, S.D. 1
RELATING TO LAND USE.

The HHFDC supports H.B. 439, H.D. 2, S.D. 1, which exempts lands set aside to the HHFDC by Executive Order for the primary purpose of developing affordable housing from the statutory definition of "public lands." Currently, only lands to which HHFDC holds title to in its corporate capacity are exempt from the definition of "public lands." The S.D. 1 also clarifies that any sale or transfer of lands set aside to HHFDC by the Governor remain subject to legislative approval under §171-64.7, Hawaii Revised Statutes. This bill will help HHFDC to expedite housing development on state lands.

Thank you for the opportunity to provide written comments on this bill.



**Testimony to the Senate Committee on Ways and Means
Wednesday, April 3, 2019 at 10:20 A.M.
Conference Room 211, State Capitol**

RE: HB 439 HD2 SD1, RELATING TO LAND USE.

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The Chamber of Commerce Hawaii (“The Chamber”) **supports** HB 439 HD2 SD1, which proposes to exempt lands set aside by the Governor to the Hawaii Housing Finance and Development Corporation (HHFDC) from classification as “public land” subject to management by the Department of Land and Natural Resources.

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.

We understand that Chapter 171, HRS already exempts lands that HHFDC holds title to from the definition of “Public Lands.” Exempting lands set aside to HHFDC would create more opportunities for HHFDC to develop affordable housing on state owned lands, without having to obtain approval from the Board of Land and Natural Resources for ministerial real estate transactions and approvals (i.e. consents, leases, sub-leases, etc.).

For the reasons above we are in support of HB 439 HD2 SD1, and appreciate the opportunity provide testimony.



**TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANDS
State Capitol, Conference Room 211
415 South Beretania Street
10:20 PM**

April 3, 2019

RE: HOUSE BILL NO. 439 HD 2, SD 1, RELATING TO THE ENVIRONMENT

Chair Dela Cruz, Vice Chair Keith-Agaran, and 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. Our members build the communities we all call home.

BIA-Hawaii is in **support** of H.B. 439 HD 2, SD 1, which proposes to exempt lands set aside by the Governor to the Hawaii Housing Finance and Development Corporation (HHFDC) from classification as "public land", subject to management by the Department of Land and Natural Resources.

We understand that Chapter 171, HRS already exempts lands of which HHFDC holds title from the definition of "public lands." Exempting lands set aside to HHFDC would create more opportunities for HHFDC to develop affordable housing on state owned lands, without having to obtain approval from the Board of Land and Natural Resources for ministerial real estate transactions/approvals (i.e. consents, leases, sub-leases, etc.).

We are in strong support of H.B. 439 HD 2, SD 1, and appreciate the opportunity provide comments on the matter.



March 29, 2019

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Comments in Support of HB 439, HD2, SD1, Relating to Land Use (Exempts lands set aside by the governor to the Hawaii housing finance and development corporation [HHFDC] for the primary purpose of developing affordable housing from classification as “public land” subject to DLNR management; and requires lands set aside by the governor to the HHFDC for the primary purpose of developing affordable housing to be subject to legislative approval prior to the sale or gift of those lands.)

Wednesday, April 3, 2019 at 9:20 a.m. in Conference Room 211

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF’s mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii’s significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to provide comments in **strong support of HB 439, HD2, SD1.**

HB 439, HD2, SD1. The purpose of this bill is to exempt lands set aside by the governor to the HHFDC for the primary purpose of developing affordable housing from classification as “public land,” and to require such lands to be subject to legislative approval prior to sale or gift. The proposed exemption would streamline the process and procedures required to be followed to develop housing projects on state lands which have been set aside to HHFDC, thereby appreciably expediting the development of such projects.

LURF’s Position. Despite the approval of the Board of Land and Natural Resources (BLNR) and issuance of the Executive Order by the governor to effectuate the set aside of these lands, HHFDC must currently go back before the BLNR to obtain other approvals necessary for housing development, including rights of entry for planning purposes; Condominium Property Regime processing; ground leases to developers; and

subleases to limited partnerships or limited liability corporations created specifically for the housing project and/or for mortgage financing.

LURF believes allowing the exemption of lands set aside to HHFDC from the definition of “public land” would greatly assist in accelerating development of much-needed and anticipated housing projects.

The lack of affordable housing remains a significant problem affecting Hawaii and finding ways to provide sufficient housing for Hawaii’s residents has continued to be a major objective for the Legislature, state and county agencies, and members of the housing industry and business community.

Logical changes to existing laws such as the exemption proposed by this bill are therefore significant and necessary and should be welcomed as a method to assist with addressing the diminished supply of affordable housing in Hawaii. Such seemingly small measures have the potential to result in substantial and positive impacts on housing, as well as invigorating the local construction industry and advancing the State’s economy and general welfare.

For these reasons, LURF **supports HB 439, HD2, SD1**, and respectfully urges your favorable consideration.

Thank you for the opportunity to provide comments in strong support of this matter.

HB-439-SD-1

Submitted on: 4/2/2019 7:00:02 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Individual	Support	No

Comments:

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Ways and Means Committee,

I write in support of H.B. 439 HD2 SD1, which seeks to exempt lands set aside by the Governor to the Hawaii Housing Finance and Development Corporation (HHFDC) from classification as “public lands.” Chapter 171, HRS already exempts lands that HHFDC holds title to from the definition of “public lands.” This bill expands the portfolio of options at HHFDC's disposal for the development of affordable housing on state owned lands, without having to obtain approval from the Board of Land and Natural Resources (BLNR).

Given the complexity of this issue, I would state that a 'one-size' fits all policy on public lands does not make sense. Public lands are not all the same in classification or function. Those lands which are suited for the purposes of conservation are not suited for housing typically, and vice versa. We are in the middle of a great moral crisis: the provision of land for the broad working class as well as for the poor, which are two related but separate groups. I see this bill as appropriate, nuanced and necessary for the realities of 2019.

Thank you for your consideration. Please vote ‘aye’ for H.B. 439 HD2 SD1.

Dylan P. Armstrong, indiv.



HB439 HD2 SD1
RELATING TO LAND USE
Senate Committee on Ways and Means

April 3, 2019

10:20 a.m.

Room 211

The Administration of the Office of Hawaiian Affairs (OHA) will recommend the Board of Trustees offer the following **COMMENTS** on HB439 HD2 SD1, which seeks to remove lands under the purview of the Hawai'i Housing Finance and Development Corporation (HHFDC) from the procedural safeguards found in Chapter 171. OHA greatly appreciates the amendments in the current draft of this measure, reflecting OHA's recommendations that lands set aside from the Governor to HHFDC remain consistently protected against inappropriate alienation pursuant to HRS § 171-64.7. In addition, should the Committee choose to move this measure forward, OHA respectfully offers an optional amendment to mirror the language in SB1224 SD2, which expressly prohibits the Hawai'i Public Housing Authority (HPHA) from selling lands in fee simple.

Notably, subject to a narrow set of limited exceptions, OHA strongly opposes the sale or other alienation of the "ceded" lands corpus, pending the resolution of Native Hawaiians' claims. The vast majority of the "ceded" lands held by the state are subject to the Public Land Trust, and must be managed and administered for the benefit of Native Hawaiians and the public. Accordingly, **OHA has a clear interest in laws and other mechanisms that provide transparency and accountability in the leasing and other disposition of public lands.** Pursuant to a presentation to OHA's Beneficiary Advocacy and Empowerment Committee, OHA offers for the Committee's consideration the following amendment to page two, lines 11-15, to read as follows:

"(6) Lands that are set aside by the governor to the Hawaii housing finance and development corporation for the primary purpose of developing affordable housing or lands to which the Hawaii housing finance and development corporation in its corporate capacity holds title; provided, however, that the Hawaii housing finance and development corporation shall not sell in fee simple lands set aside by the governor to the corporation."

Mahalo a nui for the opportunity to testify on this measure.