



DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development and Tourism

before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 20, 2020
1:00 p.m.
State Capitol, Conference Room 308

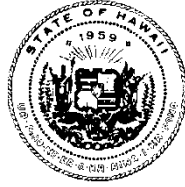
in consideration of
HB2297, HD1
RELATING TO PUBLIC LANDS.

Chair Luke, Vice Chair Cullen, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** HB2297, HD1, an Administration bill that would exempt lands set aside to the HHFDC by Executive Order for purposes of affordable housing development from the statutory definition of "public lands." This exemption will help facilitate affordable housing development on State lands, including leasehold housing on land located within one-half mile of the Honolulu rail transit line.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM 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
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 20, 2020 at 1:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 2297, H.D. 1
RELATING TO PUBLIC LANDS.

The HHFDC **strongly supports** H.B. 2297, H.D. 1, which amends the definition of "public lands" in Section 171-2, HRS, to add lands set aside by the governor to HHFDC for the primary purpose of affordable housing. Currently, only lands to which HHFDC holds title to in its corporate capacity are exempt from the definition of "public lands." This exemption will help streamline the development of affordable housing on State lands by minimizing the number of approvals from the Department of Land and Natural Resources as projects move forward from set-aside to the leasing, entitlement, financing, and development phases.

Thank you for the opportunity to testify.



February 19, 2020

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance

Support of HB 2297, HD1, RELATING TO PUBLIC LANDS (Exempts lands set aside by the Governor to HHFDC for the primary purpose of developing affordable housing from classification as public land subject to DLNR management. Provides that lands set aside to HHFDC and no longer needed for housing, finance, and development purposes be returned to the public trust administered by DLNR. Takes effect on 7/1/2025. (HD1) **Exempts lands set aside by the Governor to the HHFDC for the primary purpose of developing affordable housing from classification as public land subject to DLNR management and requires such lands to be subject to legislative approval prior to the sale or gift of those lands.)**

FIN Hearing: Thursday, February 20, 2020, 1:00 p.m., in Conf. Rm 308
Agenda #3, Agenda Item #24

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 utility companies. 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 express its **strong support of HB 2297, HD1** and support of the Hawaii Housing Finance and Development Corporation (HHFDC). LURF members and other homebuilders work with HHFDC to increase the number of affordable housing units and housing for all income levels in Hawaii.

HB 2277, HD1. This measure Exempts lands set aside by the Governor to HHFDC for the primary purpose of developing affordable housing from classification as public land subject to DLNR management. Provides that lands set aside to HHFDC and no longer needed for housing, finance, and development purposes be returned to the public trust administered by DLNR.

LURF's Position. This bill clarifies that lands set aside to the HHFDC by a Governor's Executive Order (E.O.) for the primary purpose of affordable housing development are not "public lands" subject to the jurisdiction of the DLNR. If passed, this exemption will ensure clarity that HHFDC has jurisdiction over suitable state lands set aside to it by a Governor's

E.O. and will streamline the development process for affordable housing by reducing the number of approvals required for projects located on state lands set aside to HHFDC.

LURF believes that the HD1 amendment relating to the return of the lands to DLNR is superfluous and will could lead to unnecessary litigation.

For the reasons set forth above, LURF is **in support of HB 2297, HD1** and respectfully urges your favorable consideration of this bill.



Chamber *of* Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Finance
Thursday, February 20, 2020 at 1:00 P.M.
Conference Room 308, State Capitol**

RE: HB 2297 HD1, RELATING TO PUBLIC LANDS

Chair Luke, Vice Chair Cullen, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 2297 HD1, which proposes to exempt 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 Department of Land and Natural Resources (DLNR) management. This bill would also provide that lands set aside to HHFDC and no longer needed for housing, finance, and development purposes be returned to the public trust administered by DLNR.

The Chamber is Hawaii's leading statewide business advocacy organization, representing 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/approvals.

Thank you for the opportunity to provide testimony in support of this measure.

LATE



**HOUSE COMMITTEE ON FINANCE
State Capitol, Conference Room 308
415 South Beretania Street
1:00 PM**

February 20, 2020

RE: HOUSE BILL NO. 2297, HD 1, RELATING TO PUBLIC LANDS

Chair Luke, Vice Chair Cullen, and members of the committee:

My name is Dwight Mitsunaga, 2020 President 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 strong support of H.B. 2297 H.D. 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 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/approvals (i.e. consents, leases, sub-leases, etc.).

In the 2020 Legislative Session, both Chambers of the Hawaii State Legislature, and Governor Ige's Administration put forward a comprehensive package of bills to improve the quality of life for Hawaii's middle-class families. A large part of the package attempted to address housing affordability by building more units at all price points on State owned lands. This bill would remove some of the obstacles when developing more housing on state-owned lands.

We are in strong support of H.B. 2297 H.D. 1, and appreciate the opportunity to provide comments on the matter.

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KA LĀHUI HAWAI‘I

KOMIKE KALAI‘ĀINA

BEFORE THE HOUSE COMMITTEE ON FINANCE

FEBRUARY 20, 2020

HOUSE BILL 2297
Relating to Public Lands

LATE

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee,

Ka Lāhui Hawai‘i Political Action Committee (KPAC) submits the following written testimony in **STRONG OPPOSITION** to House Bill 2297 which exempts lands set aside by the Governor to the Hawaii Housing Finance and Development Corporation from the classification of ‘public lands’ in chapter 171, Hawai‘i Revised Statutes.

The majority of the ‘public lands’ are held by the State of Hawai‘i in the public lands trust. The majority of these ‘public lands’ are “ceded lands” or Hawaiian Kingdom crown and government lands. Professor Williamson Chang stated in a lecture given on October 1, 2014 entitled “Hawaii’s ‘Ceded Lands’ and the Ongoing Quest for Justice in Hawai‘i” that the Joint Resolution was incapable of acquiring these Hawaiian Kingdom public lands. Despite this analysis, the former crown and government lands of the Kingdom of Hawai‘i were illegally transferred to the US and as a condition of Statehood was transferred to the State of Hawai‘i to be held as a public trust for 5 purposes including the betterment of the conditions of native Hawaiians as defined in the Hawaiian Homes Commission Act, 1920. The Admissions Act further states that any other object besides the 5 purposes shall constitute a breach of trust for which suit may be brought by the United States.

This proposal to exempt lands transferred to the Hawai‘i Finance and Development Corporation from the ‘public lands’ classification could potentially be determined to be a breach of trust and will lessen public oversight and input in the future use of these lands. Furthermore, Kanaka Maoli have unrelinquished claims to about 1.8 million acres of the public lands trust which includes ‘public lands’.

Respectfully submitted,

M. Healani Sonoda-Pale
Chair, Ka Lāhui Hawai‘i - Komike Kalai‘āina