

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
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

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

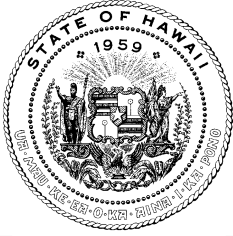
**HOUSE COMMITTEE ON TRANSPORTATION
HOUSE COMMITTEE ON HOUSING**

March 12, 2020 at 10:30 a.m.
State Capitol, Room 423

In consideration of
S.B. 2054, S.D. 2
RELATING TO INFRASTRUCTURE IMPROVEMENT DISTRICTS.

HHFDC supports S.B. 2054, S.D. 2, which amends §201H-191.5, HRS, by authorizing the HHFDC to assess transit-oriented development projects for the cost of regional infrastructure improvements from which they benefit. The S.D. 2 also specifically adds the Hawaii Interagency Council on Transit-Oriented Development as a state agency body from which approval of a capital improvement loan or grant can be obtained.

Thank you for the opportunity to testify.



HAWAII INTERAGENCY COUNCIL FOR TRANSIT-ORIENTED DEVELOPMENT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
CO-CHAIR

DENISE ISERI-MATSUBARA
CO-CHAIR

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Statement of
MARY ALICE EVANS AND DENISE ISERI-MATSUBARA
Co-chairs
Hawaii Interagency Council for Transit-Oriented Development

before the
**HOUSE COMMITTEE ON TRANSPORTATION
AND
HOUSE COMMITTEE ON HOUSING**

Thursday, March 12, 2020
10:30 AM
State Capitol, Conference Room 423

in consideration of
SB 2054, SD 2
RELATING TO INFRASTRUCTURE IMPROVEMENTS DISTRICTS.

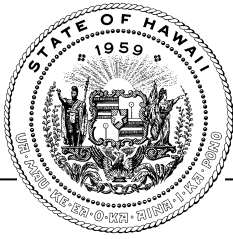
Chairs Aquino and Brower, Vice Chairs Hashimoto and Matayoshi, and Members of the House Committees on Transportation and Housing.

The Hawaii Interagency Council for Transit-Oriented Development (TOD Council) **supports** SB 2054, SD 2, which would amend Hawaii Revised Statutes (HRS) § 201H-191.5, regional state infrastructure subaccounts, to allow the Hawaii Housing Development and Financing Corporation (HHFDC) to assess the cost of regional infrastructure improvement projects undertaken by HHFDC to transit-oriented development (TOD) projects that benefit from the improvements. The bill would also task the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) with making recommendations on requests for grants and loans for TOD-related capital improvement program (CIP) projects.

The TOD Council is comprised of 25 members representing State agencies, the counties, the State Senate and House of Representatives, the Honolulu office of the U.S. Department of Housing and Urban Development, and affordable housing, business, and development interest groups. HRS § 226-63(b) tasks the TOD Council with coordinating and facilitating State agency TOD planning and facilitating consultation and collaboration between the State and the counties in support of State and county TOD and Smart Growth initiatives. The TOD Council is also charged with reviewing all TOD-related CIP funding requests to the Legislature and facilitating the acquisition of resources for State and county TOD programs.

SB 2054, SD 2 supports key strategy components for State TOD contained in the TOD Council's *State Strategic Plan for Transit-Oriented Development (State TOD Strategic Plan)*. First, the review of requests for regional infrastructure funds for TOD would enable the TOD Council to assure alignment of the infrastructure projects funded with the regional needs and priorities identified by the TOD Council through the *State TOD Strategic Plan*. Second, explicit authority for cost recovery allows the State to explore alternative mechanisms and arrangements to pay for TOD infrastructure investment, including cost-sharing or value capture tools.

Thank you for the opportunity to testify on this measure.



OFFICE OF PLANNING STATE OF HAWAII

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Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
**HOUSE COMMITTEE ON TRANSPORTATION
AND
HOUSE COMMITTEE ON HOUSING**
Thursday, March 12, 2020
10:30 AM
State Capitol, Conference Room 423

in consideration of
SB 2054, SD 2
RELATING TO INFRASTRUCTURE IMPROVEMENTS DISTRICTS.

Chairs Aquino and Brower, Vice Chairs Hashimoto and Matayoshi, and Members of the House Committees on Transportation and Housing.

The Office of Planning (OP) **supports** SB 2054, SD 2, which would amend Hawaii Revised Statutes (HRS) Section 201H-191.5, regional state infrastructure subaccounts, to allow the Hawaii Housing Development and Financing Corporation (HHFDC) to assess the cost of regional infrastructure improvement projects undertaken by HHFDC to transit-oriented development (TOD) projects that benefit from the improvements. The bill would also task the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) with making recommendations on requests for grants and loans for TOD-related capital improvement program (CIP) projects.

OP supports the new subsection that would enable HHFDC to recover the cost of State investment in regional infrastructure. This provides an opportunity for the State to capture some of the development value created by investment in TOD infrastructure to help offset the significant upfront cost of this public investment.

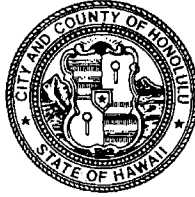
OP welcomes the TOD Council's role in reviewing requests for regional infrastructure subaccount funds: the TOD Council can provide valuable input on the alignment of these funding requests with the principles and priorities for State TOD contained in the *State Strategic Plan for Transit-Oriented Development* issued by the TOD Council.

Thank you for the opportunity to testify on this measure.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

March 12, 2020

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

Dear Chairs Aquino and Brower, and Committee Members:

**Subject: Senate Bill No. 2054, SD 2
Relating to Infrastructure Improvement Districts**

The Department of Planning and Permitting (DPP) **supports** Senate Bill No. 2054, SD 2, which expands the role of the State Dwelling Unit Revolving Fund (DURF) in supporting infrastructure improvements necessary to realize vibrant, successful transit-oriented development (TOD).

Rail is important as a strong tool for increasing mobility across Oahu's southern communities. Equally, if not more importantly, is the ability of rail stations to serve as magnets for new jobs, housing and community revitalization. This is why the City has spent over 10 years developing neighborhood plans to guide TOD projects consistent with the needs and desires of each rail-hosting neighborhood.

However, not surprisingly, we have found that infrastructure deficiencies are hampering the timing and density of TOD. The deficiencies are often at a scale that individual private-sector projects cannot be expected to fund. Therefore, we support Senate Bill No. 2054, SD 2, which broadens the use of DURF to address regional infrastructure needs, and allows those projects directly benefitting from these improvements to contribute their fair share.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink that reads "Kathy Sokugawa".

Kathy K. Sokugawa
Acting Director



HOUSE COMMITTEES ON TRANSPORTATION AND HOUSING
State Capitol, Conference Room 423
415 South Beretania Street
10:30 AM

March 12, 2020

RE: SENATE BILL NO. 2054, SD 2 RELATING TO INFRASTRUCTURE IMPROVEMENT DISTRICTS

Chairs Aquino and Brower, Vice Chairs Hashimoto and Matayoshi, and members of the committees:

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 supports S.B. 2054 S.D. 2, which specifies that the cost of regional infrastructure improvements made by the Hawaii Housing Finance and Development Corporation may be assessed against transit-oriented development projects specifically benefiting from the improvements. This bill also clarifies that the Hawaii Interagency Council for Transit-Oriented Development may approve appropriate grants and loans for certain infrastructure improvements.

We understand the intent of the bill is to assess, on a pro-rata basis, parcels that would benefit from access to the States' investment to increased infrastructure capacity within 2,000 feet of a transit station. The legislature seems to be filling the void left by the City and County of Honolulu's inability to have infrastructure capacity available within the planned transit-oriented development areas.

Having the Hawaii Interagency Council for transit-oriented development work with HHFDC on determining investments in infrastructure is a step in the right direction to ensure the state funds are used efficiently and effectively. The assessment would be imposed on any parcel that is upzoned and redeveloped for higher density.

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. Having the State take the lead on infrastructure, especially in TOD areas with state-owned lands would expedite the redevelopment process.

We appreciate the opportunity to express our support of S.B. 2054 SD 2.