

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS
And
JUDICIARY**

**Wednesday, February 26, 2020
1:10PM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 2205, SENATE DRAFT 1
RELATING TO IMPORTANT HOUSING LANDS**

Senate Bill 2205, Senate Draft 1 proposes to establish that important housing lands are public lands owned by the State that are located within one mile of any rail mass transit station and needed to promote the development of homes priced below market rates for Hawaii residents who are owner-occupants and own no other real property, in perpetuity. The measure also proposes to require the State and Counties to identify and designate important housing lands; and appropriate funds. **The Department of Land and Natural Resources (Department) opposes this measure to the extent it impacts the Department's transit oriented development lands planned for multiple uses including housing.**

The measure appears to establish a complex process involving both state and county agencies to identify and classify state owned "important housing lands". The Department has four parcels adjacent or in close proximity to the University of Hawaii West Oahu (UHWO) Rail Station in East Kapolei which could be impacted by this measure. The Department's objective is to lease the parcels to generate critically needed income to support the Department's natural resource management and protection programs. Planned uses for the parcels include commercial, retail, office, light industrial, mixed use and residential purposes. Given that all four parcels are likely within one mile of the rail station, classification of these lands as important housing lands would seemingly prevent much of the Department's planned use of those lands, especially those parcels intended for light industrial use. Additionally, the City and County of Honolulu's most recent draft East Kapolei Neighborhood Transit-Oriented Development (TOD) Plan has accepted the Department's proposed uses for the parcels.

The Department has already agreed to the placement of a park and ride facility on the parcel immediately adjacent to the UHWO rail station, impacting its development potential. Given the

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
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DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
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COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

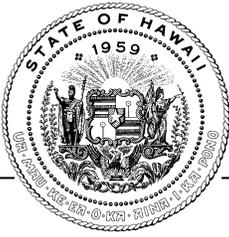
proximity of this parcel to the rail station, it would almost certainly be eligible for designation as important housing lands under this measure. The measure is unclear as to the specific development requirements and limitations that apply to lands designated as important housing lands. If the parcel were to be designated as important housing lands and required to be used accordingly, the parcel's income potential would be significantly mitigated further.

The Department notes that the prior Standing Committee Report 2885 issued by the Senate Committee on Housing states that "proposed developments on state lands near rail stations enumerated by the Department of Land and Natural Resources and the Stadium Authority include no affordable housing". That is simply not correct with respect to the Department's plan for the parcels. The Department certainly appreciates the need for housing and is already working with the Hawaii Housing Finance and Development Corporation (HHFDC) regarding a potential affordable housing project as a part of our master plan for the parcels that would be located within a one-mile radius of the transit station. The Department would be amenable to designating that site as important housing lands, especially if it would facilitate the development of a housing project there. However, given the other priority uses intended for the remaining lands, the Department would oppose any additional land being designated as important housing lands.

The Department also notes that requiring a reclassification of public lands that would require a specific use without the prior approval of the Board of Land and Natural Resources (Board) would run contrary to the statutory responsibility of the Board and the Department to manage and administer the public land trust pursuant to Sections 26-15(b) and 171-6, Hawaii Revised Statutes.

In addition to the Department's parcels, other state agencies such as the University of Hawaii, the Department of Hawaiian Home Lands, the Stadium Authority, and the Department of Public Safety are pursuing development of lands located along the rail line to include commercial, retail and hotel uses. Also, the Department of Education will be developing schools in the same area. If the measure contemplates use of these lands solely for housing, it would conflict with many other public priorities.

Thank you for the opportunity to comment on this measure.



**OFFICE OF PLANNING
STATE OF HAWAII**

LATE

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
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Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
SENATE COMMITTEES ON WAYS AND MEANS AND JUDICIARY
Wednesday, February 26, 2020
1:10 PM
State Capitol, Conference Room 211
in consideration of
SB 2205, SD1
RELATING TO IMPORTANT HOUSING LANDS.

Chairs Dela Cruz and Rhoads, Vice Chairs Keith-Agaran and Keohokalole, and Members of the Senate Committees on Ways and Means and Judiciary.

The Office of Planning (OP) has **comments** with concerns about SB 2205, SD1 that amends Chapter 205, Hawaii Revised Statutes (HRS) to establish “important housing lands” as an additional layer of regulations to promote affordable housing.

OP supports measures that increases the availability of affordable housing and the concept of “important housing lands” (IHL) is a novel approach. However, this concept is incompatible with Chapter 205, Part III Important Agricultural Lands (IAL). There are significant differences between agricultural use and affordable housing requirements. For example, agriculture requires a significant amount of land to be economically viable, hence the need to retain large blocks of contiguous, intact, and functional land units, and to discourage the fragmentation of the best agricultural lands. In contrast, SB 2205, SD1 defines IHL as public land parcels located within one mile of any rail mass transit station and needed to promote the development of below-market priced housing for an eligible buyer. The goal is creating a highly walkable, mixed use neighborhood that minimizes car usage and maximizes density.

While reduced county infrastructure standards and relaxed subdivision requirements may be appropriate for Important Agricultural Lands, reduced standards and requirements are not appropriate for affordable housing on IHL (Page 14, 205-I) in urban neighborhoods within one mile of rail mass transit stations.

The Hawaii Interagency Council for Transit-Oriented Development is focused on the areas around mass transit stations, including rail stations, and is already promoting several projects on State-owned lands that involve affordable housing. If the Legislature’s intent is to promote more affordable housing on these lands, then SB 2205, SD1, is not the most appropriate means.

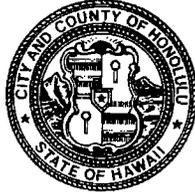
Thank you for this opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MAYOR



KATHY K. SOKUGAWA
ACTING DIRECTOR

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DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

February 26, 2020

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
The Honorable Karl Rhoads, Chair
and Members of the Committee on Judiciary
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Dela Cruz and Rhoads, and Committee Members:

**Subject: Senate Bill 2205, SD 1
Relating to Important Housing Lands**

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 2205, SD 1, which would require a county to identify and map "important housing lands" (IHL) which are defined as public lands that are within one mile of a transit station and needed to promote the development of housing priced below market rates for an eligible buyer.

We agree that there is a shortage of housing on Oahu, especially for low-income households, and we support efforts to create vibrant, multi-modal, mixed-use neighborhoods around transit stations. However, we cannot agree that creating another layer of regulations, as creating IHL would do, is the solution nor necessary as the objectives are already fulfilled by the City's existing plans, permitting processes, and enabling legislation.

Creation of IHL oversteps county home rule responsibilities, and appears to override county plans and regulations. The City's General Plan, regional Development Plans and Sustainable Communities Plans, and Neighborhood Transit-Oriented Development (TOD) Plans already set forth the long-range planning and land use policies that address housing and the desired form of development around transit stations. The Land Use Ordinance, the City's zoning code, establishes zoning districts which define where housing, include mixed-developments, are permitted. Furthermore, DPP's discretionary permit processes require public notification and line agency review to ensure that proposed projects are built not only with public health and safety at the forefront. In addition, community benefits may be required of certain projects. Determining county permit application criteria and processes should remain under the sole authority of the counties.

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Committee on Ways and Means
The Honorable Karl Rhoads, Chair
and Members of the Committee on Judiciary
Hawaii State Senate
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Senate Bill No. 2205, SD 1
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In addition to opposing the creation of IHL, we also disagree with the amended language in SD 1 that defines an “eligible buyer” as an owner-occupant of a for-sale, below market-priced unit with no income or price restrictions. How would there be assurances that valuable public IHL are delivered to our families with the greatest need? Requiring that IHL be limited to for-sale housing ignores market conditions, limits developer flexibility, and is counter to the City’s efforts to address the need for affordable rental housing. Furthermore, it should be noted that while TOD is encouraged in areas within close proximity to a station, typically a 10-minute walk, factors other than distance are considered, such as topographic barriers and property lines.

This Bill also proposes establishing both State and county incentives for housing development on IHL. Through enabling legislation, the City already has in place numerous exemptions and fee waivers for affordable housing projects which are subject to income restrictions. Developers of projects within a TOD Special District are also able to take advantage of additional height and density in exchange for commensurate community benefits.

Lastly, we oppose the required reduction of infrastructure standards for IHL, and that in absence of such an ordinance, IHL may be subdivided without county processing or standards. While we acknowledge that infrastructure costs add to the delivery cost of housing, it would be irresponsible for the City to lower its infrastructure and subdivision standards, especially in urban neighborhoods surrounding transit stations. The City has made progress in addressing the cost of housing without sacrificing health and safety – we have adopted exemptions and fee waivers for affordable housing. We have reduced certain zoning standards, and are considering more, including reducing off-site parking requirements since a parking space adds significant cost to the price of a housing unit. We have expanded the supply of available lands for housing by expanding the use of mixed-use districts, and adding ohana and accessory dwelling units in residential areas.

For these reasons, we ask that Senate Bill No. 2205, SD 1, be held in Committee.

Thank you for the opportunity to testify.

Very truly yours,



Kathy K. Sokugawa
Acting Director

Democratic Party of Hawaii
Hawaiian Affairs Caucus

Testimony in Support of
SB2205, SD1, Relating to Important Housing Lands
Decision Making, February 26, 2020, 1:10 p.m., Conference Room 211

Establishes that important housing lands are public lands owned by the State that are located within 1.0 miles of any rail mass transit station and needed to promote the development of homes priced below market rates for Hawaii residents who are owner-occupants and own no other real property, in perpetuity. Requires the State and counties to identify and designate important housing lands. Appropriates funds. (SD1)

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

Senator Karl Rhoads, Chair
Senator Jarrett Keohokalole, Vice Chair
Members, Committee on Judiciary

Aloha,

The Hawaiian Affairs Caucus, Executive Committee, is in support of SB2205, SD1, Relating to Important Housing Lands, in the interest of creating homes priced below market value that would help Hawaii residents, especially those at the lower economic level, and provided that the designation of such lands will not adversely impact or erode the Public Land Trust.

Respectfully,

/s/ Leimomi Khan

LEIMOMI KHAN, Chair

SB-2205-SD-1

Submitted on: 2/24/2020 6:04:05 PM

Testimony for WAM on 2/26/2020 1:10:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Juanita Kawamoto Brown	Individual	Support	Yes

Comments:

February 24, 2020

Aloha WAM Chair Donovan Dela Cruz and Vice chair Senator Gilbert Keith-Agaran and esteemed members. My name is Juanita Brown Kawamoto and I am testifying in strong support of SB 2205 SD1 IMPORTANT HOUSING LANDS. The foundation and intent of this bill was inspired by the wisdom of many Hawai'i Legislators, Governors, Congressmen, Congresswomen, community and the hard-working people of Hawaii's family Farms who sacrifice everyday to provide food sustainability for all Hawaii's families who call Hawai'i their home. The same foundational values can be the beginnings for another fundamental, primal need - true affordable housing that can allow this generation and the many that follow the opportunity to choose to live in Hawaii nei. Please pass this bill.

Mahalo Nui for the opportunity to testify.

SB-2205-SD-1

Submitted on: 2/25/2020 2:59:37 PM

Testimony for WAM on 2/26/2020 1:10:00 PM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Galen Fox	Testifying for Faith Action	Support	No

Comments:

Faith Action SUPPORTS SB 2205 SD 1 because it will help expand the housing available to residents who will own no other property and will reside in these homes near public transportation, lessening the need to store and maintain a private vehicle.