



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education
and
Senate Committee on Human Services
January 30, 2020 at 2:45 p.m., Room 229

by
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SB 2574 – RELATING TO AGING

Chairs Kim and Ruderman, Vice Chairs Kidani and Rhoads, and members of the Committees:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) needs to point out a number of issues regarding the Atherton property and the Atherton redevelopment project. SB2574 proposes to appropriate funds to the UH to establish a UH kupuna center at the property known as the Charles Atherton House. The proposal provides for including retail and conference spaces that could support activities of the Center.

UH is currently working with the University of Hawai'i Foundation (UHF) on a project to redevelop the former Atherton YMCA site (which includes the Charles Atherton and the Mary Atherton buildings). The project conceptualizes developing student housing, an innovation center, and innovation spaces as part of the facility. The Hunt Development Group (Hunt) has been selected as the private development partner on this project.

Augmenting the current project to include senior living or intergenerational retirement and assisted living may pose a challenge for a number of reasons. First, the Atherton property is not owned by UH or the State of Hawai'i. The property is owned by the UHF. While UH does currently have a lease on the property from the UHF, that lease is planned to sunset soon. The project is being developed through a hybridized public-private partnership (P3) arrangement with Hunt as the private development partner. Changing the current project would have business and financial implications that would require agreement of the landowner and the development partner.

If the Legislature is interested in supporting a University-led senior living or assisted living educational program, an alternative site should be of consideration. For example, the University also owns the land where Leahi Hospital is located on O'ahu. The property is leased to Hawai'i Health Systems Corporation (HHSC). A concept such as proposed by SB2574, may make more sense if such a program could be situated where senior care is already occurring. However, this type of program would require additional thought and planning by the University before we could offer an estimate for the appropriate funding that would be required to start the program.

Thank you for the opportunity to present this testimony.



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FOUNDATION

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Hearing Date: January 30, 2020
Time: 2:45 PM
Location: Room 229, State Capitol
Committee: Senate Committee on Higher Education
Senate Committee on Human Services

Testifier: John Han, Chief Operating Officer (Written Testimony Only)
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Honolulu, HI 96814

Senate Bill: SB 2574 – RELATING TO AGING.

Aloha Chair Kim, Chair Ruderman and Committee members,

INTRODUCTION

While SB 2575 has the important goal to help address the senior housing shortage, *if passed, this bill will seriously adversely impact the University of Hawai'i Foundation (UHF)*. UHF is an institutionally related, but separate nonprofit that raises private support for University of Hawai'i students, programs and research statewide.

There are many social challenges facing our community, and we appreciate the innovative ideas our legislators are presenting. The need to enhance senior housing is important. However, changing the planned purpose of the Charles Atherton House at this point would result in serious unintended consequences.



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ABOUT THE UH FOUNDATION

Established in 1955, UHF raises, manages and invests donor contributions for the sole purpose of supporting UH. Students and communities statewide directly benefit from these donor contributions including through scholarships, outreach programs, improved facilities, and applied research in areas from health to sustainability.

UHF is at an exciting juncture, positioned to increase its contributions to Hawai'i's future beyond fundraising and alumni relations services. The plan for the Atherton House is part of this strategy.

ABOUT THE UHF'S ATHERTON REDEVELOPMENT PROJECT

In 2017 UHF borrowed \$8.2 million to purchase Charles Atherton House. The goal was to provide student housing for UH Mānoa and support UH's long term success.

Through an RFP process to solicit proposals for a public-private partnership (P3) project, and after a review of several competing proposals, UHF selected Hunt Development Group to redevelop the Atherton building. UHF is collaborating with UH under a P3 redevelopment to design, build, finance, maintain and operate a student housing project integrated with an innovation/entrepreneurship center. The project utilizes tax exempt private capital financing.

This multifaceted project offers students a community where they can live and share ideas. This is modeled off of other successful programs. The new Atherton student housing will be available to students in all fields to encourage interdisciplinary collaboration and innovation.

Zoning changes have been sought and funds expended on the initial environmental assessment, geological testing as well as design and engineering. At this late stage of the project, the proposed shift identified in SB 2574 would result in a serious loss of financial investments already made and in the pipeline, to advance our university.

LATE

SB-2574

Submitted on: 1/29/2020 8:19:29 PM

Testimony for HRE on 1/30/2020 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Raymond Andrade	Individual	Oppose	No

Comments:

I, Raymond Andrade, oppose this bill to convert the Charles Atherton House and property into a Kapuna center. I am an senior undergraduate Mechanical Engineering student currently studying at UH Manoa, and reside in Salt Lake.

I do not appose the appropriation of funding towards Hawaii Kapuna, and I think devloping more infrastructure for them is a positive thing to do for our communities. However I do not think the Charles Atherton house is an appropriate location for such a project.

Much strides have been taken towards converting the Charles Atherton House and Property into a Live, Learn, Work, Entrepreneurship Innovation Center to expand the reach of the Pacific Asian Center for Entrepreneurship (PACE) at UH Manoa.

Beyond current projects already under way for the Charles Atherton House, this geographically does not seem like an appropriate community for Kapuna to thrive, being that most of the neighboring community is tailored toward college student life. I think somewhere a less centralized/urban would be a more ideal location for such a program.

-Raymond Andrade