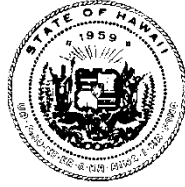


DAVID Y. IGE
GOVERNOR



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

SENATE COMMITTEE ON WAYS AND MEANS

February 25, 2020 at 12:40 p.m.
State Capitol, Room 211

In consideration of
S.B. 2648, S.D. 1
RELATING TO PUBLIC LANDS.

The HHFDC **strongly supports** S.B. 2648, S.D. 1. This bill expands HHFDC's existing exemption from the definition of "public lands" in Chapter 171, HRS, by adding lands set aside to the HHFDC by Executive Order or leased to HHFDC by another State department or agency. The bill will streamline the development process for affordable housing projects on State lands. It minimizes the number of approvals required from the Department of Land and Natural Resources as a project moves forward from set-aside to the leasing, entitlement, financing, and development phases.

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



February 23, 2020

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

Strong Support for SB 2648, SD1 RELATING TO PUBLIC LANDS (Clarifies that lands set aside to the Hawaii Housing Finance and Development Corporation [HHFDC] by the governor or leased to the corporation by other state departments and agencies are exempt from the definition of "public lands". Requires HHFDC to dispose of public lands pursuant to chapter 171, Hawaii Revised Statutes [HRS]. Clarifies that lands set aside by the governor or leased to the HHFDC from other state agencies are subject to legislative approval prior to the sale or gift of those lands. [SD1])

WAM Hrg: Tuesday, February 25, 2020, 12:40 p.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 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 and its members work closely with HHFDC in efforts to increase housing for all income levels in Hawaii and LURF is in **strong support of SB 2648, SD1**.

SB 2648, SD1. This bill clarifies that lands set aside to the HHFDC by the governor or leased to HHFDC by other state departments and agencies are exempt from the definition of "public lands;" requires the HHFDC to dispose of public lands pursuant to chapter 171, HRS; and clarifies that lands set aside by the governor or leased to the HHFDC from other state agencies are subject to legislative approval prior to the sale or gift of those lands.

LURF's Position. This bill confirms that lands set aside to the HHFDC by a Governor's Executive Order (E.O.) for the primary purpose of developing affordable housing are not "public lands" subject to the jurisdiction of the DLNR. If passed, this exemption will ensure HHFDC's jurisdiction over state lands set aside to it by a Governor's E.O. and it will streamline the process to build affordable housing by reducing the number of approvals required from DLNR.

For the reasons set forth above, LURF is in **strong support of SB 2648, SD1** and respectfully urges your favorable consideration of this bill.



SB 2648, SD1, RELATING TO PUBLIC LANDS

FEBRUARY 25, 2020 · SENATE WAYS AND MEANS
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

POSITION: Support.

RATIONALE: IMUAlliance supports SB 2648, SD1, relating to public lands, which clarifies that lands set aside to the Hawai'i Housing Finance and Development Corporation by the governor or leased to the Corporation by other state departments and agencies are exempt from the definition of "public lands"; requires the Hawai'i Housing Finance and Development Corporation to dispose of public lands pursuant to chapter 171, Hawai'i Revised Statutes; and clarifies that lands set aside by the governor or leased to the Hawaii Housing Finance Development Corporation from other state agencies are subject to legislative approval prior to the sale or gift of those lands.

Today, **the lack of affordable housing exacerbates the economic insecurity suffered by local families, which sex traffickers use to prey upon potential victims with false promises of financial stability and prosperity.** Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2019* report found that a full-time worker would need to earn \$36.82/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015.

Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 111 hours per week to afford a modest one-bedroom apartment at fair market value and 146 hours per week to afford a two-bedroom—a number that is equivalent to

working over 20 hours a day with no days off year-round. In the past five years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$16.68/hour, according to NLIHC, scarcely enough to meet their basic needs.

One out of every four households in Hawai'i report that they are "doubling up" or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 63 percent of households are severely cost-burdened, following NLIHC data, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households, with only 74 homes available for every 100 households earning 80 percent of their respective area's median income.

Unsurprisingly, our state is now experiencing population decline. Hawai'i saw domestic out-migration increase for a third consecutive year in 2019, as the state's high cost of living continued to push people to the mainland. Census estimates show that our state's population dropped by more than 4,700 people, to 1,415,872, from July 2018 to July 2019, when births, deaths, and migration were accounted for. That's the biggest numerical population drop since 2015 and it made Hawai'i one of just ten states in the country to lose population in 2019, according to the U.S. Census Bureau. People are simply being priced out of paradise.

Allowing public lands to be used for the development of affordable housing could lower the cost of affordable housing projects and, in turn, prices by eliminating the primary cost of such developments: land. We cannot continue to allow the islands to be used as a private Monopoly board for real estate speculators. To ensure that our islands are affordable for ourselves and future generations, we must take bold action *now* to increase our affordable housing supply for working families.



LATE

**SENATE COMMITTEE ON WAYS AND MEANS
State Capitol, Conference Room 211
415 South Beretania Street
12:40 PM**

February 25, 2020

RE: SENATE BILL NO. 2648, SD 1 RELATING TO PUBLIC LANDS

Chair Dela Cruz, Vice Chair Keith-Agaran, 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 S.B. 2648 SD1, which clarifies that lands set aside to the Hawaii Housing Finance and Development Corporation (HHFDC) by the governor or leased to the corporation by other state departments and agencies are exempt from the definition of "public lands". Clarifies that lands set aside by the governor or leased to the Hawaii housing finance development corporation from other state agencies are subject to legislative approval prior to the sale or gift of those lands. pursuant to chapter 171-64.7, Hawaii Revised Statutes.

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 them 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/approval (i.e. consents, leases, sub-leases, etc.).

We are in strong support of S.B. 2648 SD 1 and appreciate the opportunity to provide comments on the matter.