

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 Committees on
HOUSING
and
WATER AND LAND**

**Friday, January 31, 2020
1:15 PM
State Capitol, Conference Room 229**

**In consideration of
SENATE BILL 2648
RELATING TO PUBLIC LANDS**

Senate Bill 2648 proposes to clarify that lands set aside to the Hawaii Housing Finance and Development Corporation (HHFDC) by the Governor or leased to the corporation by any state department and agency are exempt from the definition of “public lands” and requires legislative approval prior to the sale or gift of those lands. **The Department of Land and Natural Resources (Department) offers the following comments on this measure.**

The bill proposes to exempt lands set aside or leased to HHFDC from the definition of public lands under Section 171-2, Hawaii Revised Statutes (HRS). Lands to which the HHFDC in its corporate capacity holds title are already exempt under Section 171-2, HRS. As a result, if Senate Bill 2648 were to become law, HHFDC would no longer need to secure the approval of the Board of Land and Natural Resources (BLNR) for land dispositions or projects on lands set aside to HHFDC under Section 171-11, HRS, or leased to HHFDC under Section 171-95, HRS. Should HHFDC wish to dispose of said lands, they would first need to seek legislative approval to do so.

The Department notes that some of HHFDC’s lands are public trust lands that HHFDC manages under executive orders recommended by the BLNR and approved by the Governor. Any lands no longer needed for housing, finance, and development purposes should to be returned to the public trust administered by the Department.

Thank you for the opportunity to comment on this measure.

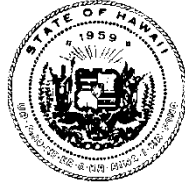
SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
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

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 WATER AND LAND
SENATE COMMITTEE ON HOUSING**

January 31, 2020 at 1:15 p.m.
State Capitol, Room 229

In consideration of
S.B. 2648
RELATING TO PUBLIC LANDS.

The HHFDC ***strongly supports*** S.B. 2648. 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 help to streamline the development process for affordable housing projects on State lands. It will minimize the number of approvals from the Department of Land and Natural Resources as a project moves forward from set-aside to leasing, financing, and development.

Thank you for the opportunity to testify.



SB 2648, RELATING TO PUBLIC LANDS

JANUARY 28, 2020 · SENATE HOUSING COMMITTEE
AND SENATE WATER AND LAND COMMITTEE ·
CHAIRS SEN. STANLEY CHANG AND CHAIR SEN.
KAIALI'I KAHELE

POSITION: Support.

RATIONALE: IMUAlliance supports SB 2648, relating to public lands, which clarifies that lands set aside to the Hawaii 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 Hawaii housing finance and development corporation to dispose of public lands pursuant to chapter 171, Hawaii Revised Statutes; 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.