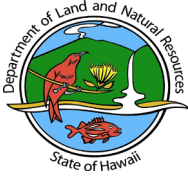


DAVID Y. IGE
GOVERNOR OF HAWAII



**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
WATER AND LAND**

**Friday, January 29, 2021
1:00 PM
State Capitol, Conference Room 229**

**In consideration of
SENATE BILL 140
RELATING TO COMMUNITY DEVELOPMENT**

Senate Bill 140 proposes to require the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development (TOD) zone improvement program to foster community development by strategically investing in public facilities. The measure also proposes to appropriate funds to HCDA for staff necessary to develop and manage the TOD zone improvement program. **The Department of Land and Natural Resources (Department) supports this measure.**

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 benefitted 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 affordable housing purposes. Additionally, the East Kapolei Neighborhood Transit-Oriented Development (TOD) Plan has accepted the Department's proposed uses for the parcels. In order to successfully develop and utilize these parcels, infrastructure would need to be developed at significant cost. The Department is committed to working collaboratively with other stakeholder agencies to address infrastructure needs in a collaborative and cost-effective manner. The Department believes that this measure could potentially contribute significantly to that objective and offers its support.

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



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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DAVID Y. IGE
GOVERNOR

JOHN WHALEN
CHAIR

DEEPAK NEUPANE, P.E., AIA
EXECUTIVE DIRECTOR

Statement of
DEEPAK NEUPANE, P.E., AIA
Executive Director
Hawaii Community Development Authority
before the
SENATE COMMITTEE ON WATER AND LAND

Friday, January 29, 2021
1:00 P.M.
Conference Room 229

In consideration of
SB 140
RELATING TO COMMUNITY DEVELOPMENT

Chair Inouye, Vice Chair Keith-Agaran, and members of the Senate Committee on Water and Land.

The Hawaii Community Development Authority (HCDA) has not yet taken a position on this measure. In my capacity as the executive director, I respectfully offer **comments on SB 140** that clarify and provide sufficient resources to carry out the intent of the bill.

The purpose of SB 140 is to require HCDA to develop a transit-oriented development (TOD) zone improvement program to foster community development by strategically investing in public facilities. The HCDA has already successfully implemented such an improvement program in the Kakaako Community Development District (KCDD) that has resulted in improved infrastructure capacity, development of affordable housing and public parks in urban Honolulu. The HCDA has the experience and expertise to develop a TOD zone improvement program.

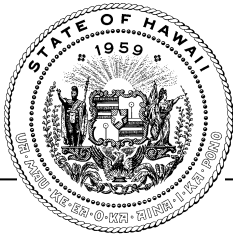
HCDA offers the following comments regarding this measure should it move forward.

- 1) We suggest that the definition of TOD Zone provide flexibility by defining it as “parcels of land **approximately** within a one-half mile radius around a proposed

or existing transit station.....". This provides flexibility to include a land parcel within the TOD Zone if a portion of the land parcel falls outside of the one-half mile boundary.

- 2) Lands administered by the Hawaii public housing authority, the stadium authority, or community development districts (CDD) can benefit from the infrastructure improvements implemented by the TOD zone improvement program. Therefore, we request that these lands not be excluded from the proposed TOD zone improvement program. We also note that the CDDs are already covered under the provision of HRS §206E-6.
- 3) It would provide more clarity if the TOD zone improvement program was set out as a new section instead of being grouped with the district-wide improvement program within CDD. This would provide clarity in implementing the improvement program.
- 4) Section 4 states that, "... the cost of providing the public facilities **shall** be assessed against the real property in the community development district specially benefiting from such public facilities (SB 140 Sec.4. Page 10, line 15-18). We suggest, "shall" be changed to "may." This will provide HCDA the flexibility in developing an assessment formula based on the location of TOD zones and the type of improve programs. For example, if a TOD zone consists mainly of state-owned land, assessment for the cost of improvements may not be necessary or workable.
- 5) Section 5, appropriates \$60,000 per year for two fiscal years for one full-time temporary position to implement this Act. Outside consultants with specialized technical expertise for various architectural/engineering components of infrastructure and public facilities as well as for regulatory compliance will also be necessary to develop and implement a TOD zone improvement program. Therefore, we request that the committee consider additional funding to implement the Act.

Thank you for the opportunity to provide **comments on SB 140.**



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DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
SENATE COMMITTEE ON WATER AND LAND
Friday, January 29, 2021
1:00 PM
State Capitol, Conference Room 229

in consideration of
SB 140
RELATING TO COMMUNITY DEVELOPMENT.

Chair Inouye, Vice Chair Keith-Agaran, and Members of the Senate Committee on Water and Land.

The Office of Planning (OP) **supports the intent** and offers comments on SB 140, which would authorize the Hawaii Community Development Authority (HCDA) to establish transit-oriented development (TOD) improvement zones and a TOD zone improvement program, and provide funds for temporary staff at HCDA to administer the TOD zone improvement program.

There is a huge need for State coordination and collaboration with the counties and public utilities on the delivery of needed infrastructure improvements in support of State TOD projects and affordable housing in TOD-designated areas—which is an issue on the Neighbor Islands as well as on Oahu. Greater coordination and collaboration on infrastructure improvement financing and delivery among State and county agencies and public utilities is critical for both public and private development and investment in areas designated for TOD. HCDA has the tools necessary to lead this effort.

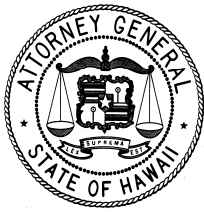
Rather than tasking HCDA with establishing zones and planning and providing for public facilities in these TOD zones, OP believes it would be more effective to provide HCDA with broad, flexible authority to coordinate—in collaboration with impacted State, county, and private sector stakeholders—the planning, financing, and delivery of regional infrastructure necessary to facilitate TOD both on O‘ahu and the Neighbor Islands. HCDA could act as the go-to resource for filling gaps in infrastructure financing and/or infrastructure project delivery, so as not to duplicate the efforts of individual TOD project sponsors and to promote the seamless handoff of infrastructure improvements to the functional agencies that will be responsible for operation and maintenance once infrastructure improvements are completed whether by HCDA or another entity.

This approach would also provide flexibility for HCDA in crafting and overseeing agreements among State and county agencies and private sector stakeholders on how infrastructure improvements for a TOD area would be financed and what cost-recovery mechanisms would be used to help offset the cost of State-funded infrastructure improvements.

OP offers the following comments regarding this measure should it move forward.

1. It would be clearer to set out the TOD infrastructure improvement provisions in a new section, so that the authority and administration of the new program is seen to be solely focused on expediting the delivery of regional infrastructure in support of TOD.
2. As noted above, greater flexibility is needed for the recovery of the cost of TOD infrastructure improvements than is currently provided in Hawai'i Revised Statutes (HRS) § 206E-6, as amended by the bill. Rather than solely relying on assessments against real property benefited, HCDA should be given the flexibility to determine—in consultation with the county—the appropriate mechanisms to be used to pay for the cost of the State infrastructure investment. This will enable more effective use of alternative delivery systems and value-capture tools for this purpose.
3. If recast in this way, HCDA could become an agent for accelerating regional infrastructure investments that increase infrastructure capacity in support of TOD projects where they are needed, as they are needed. In terms of statewide need for similar supports, HCDA would be able to respond more effectively to regional infrastructure improvement needs if bill language did not also limit the use of such authority to TOD areas on O'ahu.

Thank you for the opportunity to testify on this measure.



**WRITTEN TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
THIRTY- FIRST LEGISLATURE, 2021**

ON THE FOLLOWING MEASURE:

S.B. NO. 140, RELATING TO COMMUNITY DEVELOPMENT.

BEFORE THE: SENATE COMMITTEE ON WATER AND LAND

DATE: Friday, January 29, 2021 **TIME:** 1:00 p.m.

LOCATION: State Capitol, Conference Room 229

TESTIFIER(S): **WRITTEN TESTIMONY ONLY.**
(For more information, contact Kelly Suzuka,
Deputy Attorney General, at (808) 586-1180)

Chair Inouye and Members of the Committee:

The Department of the Attorney General provides the following comments.

The purpose of this bill is to require the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development (TOD) zone improvement program to foster development by strategically investing in public facilities.

Section 2, at page 2, lines 13 through 21, would amend section 206E-2, Hawaii Revised Statutes (HRS), by adding definitions for "TOD" and "TOD zone". Generally, acronyms are not favored in the text of statutes, so we recommend using the terms "transit-oriented development" and "transit-oriented development zone" in lieu of "TOD" and "TOD zone" throughout the bill. Additionally, the definition of transit-oriented development zone includes a substantive proviso at page 2, lines 18-21, which would prohibit establishing transit-oriented development zones on certain lands. We recommend removing the substantive provision from the definition in section 206E-2 and adding it to a new paragraph (19) in section 206E-4, HRS, as proposed below.

Section 3 proposes to amend section 206E-3(b), HRS, to authorize the HCDA to consider matters affecting transit-oriented development zones outside of the community development districts. Section 4 of this bill proposes to amend section 206E-6, HRS, to direct the HCDA to develop a transit-oriented development zone improvement program within transit-oriented development zones. The amendments to section 206E-3(b) HRS, and section, 206E-6, HRS, however, do not provide explicit authority for the HCDA to do so. To provide that authority and to insert the substantive provisions from

the definition of transit-oriented development zone, we recommend adding a new section to the bill that adds a new paragraph (19) to section 206E-4, HRS, as follows:

(19) Create transit-oriented development zones and transit-oriented development zone improvement programs, except that transit-oriented development zones shall not be established on lands administered by the Hawaii public housing authority, lands administered by the stadium authority, or any community development districts designated pursuant to section 206E-5.

This addition would clarify that the creation of transit-oriented development zones and transit-oriented development zone improvement programs are within the HCDA's powers.

We also propose the following technical revision to Section 4 of the bill, on page 10, lines 13-18, for consistency with other proposed amendments in Section 4:

(b) Whenever the authority shall determine to undertake, or cause to be undertaken, any public facility as part of the district-wide or transit-oriented development zone improvement program, the cost of providing the public facilities shall be assessed against the real property in the community development district or transit-oriented development zone specially benefiting from such public facilities. . . .

Thank you for this opportunity to provide testimony.

LATE

SB-140

Submitted on: 1/29/2021 12:34:43 PM
Testimony for WTL on 1/29/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Stanford Carr	Testifying for Stanford Carr Development, LLC	Support	No

Comments:

Aloha:

Attached is my written testimony in support of SB 140.

Mahalo,

Stanford S Carr