



# OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846  
Fax: (808) 587-2824  
Web: <http://planning.hawaii.gov/>

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, March 19, 2021  
1:00 PM  
Via Videoconference

in consideration of  
**HB 1130, HD2**  
**RELATING TO TRANSIT-ORIENTED DEVELOPMENT.**

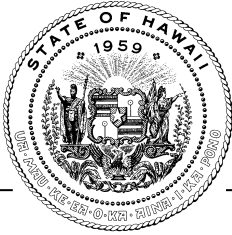
Chair Inouye, Vice Chair Keith-Agaran, and Members of the Senate Committee on Water and Land.

The Office of Planning (OP) **strongly supports** HB 1130, HD2, provided that its passage does not adversely impact priorities indicated in the Executive Budget. HB 1130, HD2 would task OP with securing consulting services to explore and develop tools and implementation strategies for alternative financing, project delivery, and cost-recovery for regional or area infrastructure improvements required to support planned transit-oriented development (TOD). The study would require consultation with key State and county decision makers and functional agencies, examine value capture mechanisms that could be used, and explore how these tools could be applied at a site in each county. OP would submit its report and recommendations to the Legislature prior to the start of the 2023 legislative session.

Infrastructure deficits are one of the biggest barriers to achieving TOD potential statewide and funding for infrastructure in designated TOD areas was already constrained prior to COVID-19. Potential financing mechanisms were preliminarily explored in a 2020 OP study of financing options in three State TOD priority areas along the rail corridor on O‘ahu. Further analysis is now required to determine and refine appropriate tools and actions for financing and cost-sharing of TOD infrastructure investments. This bill would provide the means to develop effective strategies for TOD-serving infrastructure financing and delivery—including the strategic use of value capture and delivery mechanisms to provide infrastructure under the dire fiscal conditions the State and counties face.

OP notes it would be clearer if the language on line 18, page 3, was amended to read “director of the office of planning,” to leave no question as to what director is being referenced.

Thank you for the opportunity to testify on this measure.



# HAWAII INTERAGENCY COUNCIL FOR TRANSIT-ORIENTED DEVELOPMENT

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE  
GOVERNOR

MARY ALICE EVANS  
CO-CHAIR

DENISE ISERI-MATSUBARA  
CO-CHAIR

Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Website: <http://planning.hawaii.gov/state-tod/>

Telephone: (808) 587-2846  
Fax: (808) 587-2824

Statement of  
**MARY ALICE EVANS AND DENISE ISERI-MATSUBARA**  
Co-chairs

Hawai'i Interagency Council for Transit-Oriented Development  
before the

**SENATE COMMITTEE ON WATER AND LAND**

Friday, March 19, 2021

1:00 PM

Via Videoconference

in consideration of

**HB 1130, HD2**

**RELATING TO TRANSIT-ORIENTED DEVELOPMENT.**

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

We offer this testimony on behalf of the Hawai'i Interagency Council for Transit-Oriented Development (TOD Council) in **strong support** of HB 1130, HD2, which supports the work of the TOD Council and its efforts to secure financing for infrastructure for TOD. The TOD Council is comprised of 25 members representing State agencies, the counties, the Senate and House of Representatives, the Honolulu office of the U.S. Department of Housing and Urban Development, and affordable housing, business, and development interest groups. The TOD Council is charged with coordinating and facilitating State agency TOD planning, and facilitating consultation and collaboration between the State and the counties in support of State and county TOD and Smart Growth initiatives.

The bill would authorize the conduct of a study to develop tools and implementation strategies for alternative financing, project delivery, and cost-recovery for regional or area infrastructure improvements required to support planned transit-oriented development (TOD)—an issue of great concern and importance to individual TOD Council agency members as well as for TOD statewide.

As regional infrastructure is provided by State and county agencies, the study would provide a forum for the State and the counties to work together to find solutions to paying for and building infrastructure capacity that facilitates the realization of TOD in compact, mixed-use communities integrated with public transit.

Thank you for the opportunity to testify.

▪ March 18, 2021

The Honorable Lorraine R. Inouye, Chair  
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair  
And Members of the Committee on Water and Land

RE: Testimony In Support Of HB1130, HD2 Relating To Transit-Oriented Development  
March 19, 2021, 1:00PM; Conference Room 229 & Videoconference

Dear Chair Inouye, Vice Chair Keith-Agaran and Committee Members,

My name is Stanford S. Carr and I am the President of Stanford Carr Development, LLC. We are a local development firm that has worked to provide increased affordable housing opportunities for our local residents. I am offering testimony in strong support of HB1130, HD2 which among its provisions, would require the Office of Planning to hire a contractor to identify and assess alternative financing, project delivery, and cost recovery mechanisms to recapture the State's upfront investment in transit-oriented development infrastructure.

Although State and City policymakers have identified transit-oriented development(TOD) as a top priority given the tremendous economic benefits and affordable housing opportunities that it will generate, TOD is far from becoming a reality because of a lack of adequate public infrastructure to accommodate future growth and development in the TOD corridor on the island of Oahu. Government officials, urban planners, rail transit supporters, and other community members have long envisioned the creation of TOD communities that include walkable, diverse, age-friendly neighborhoods connecting homes to jobs, goods, services, parks, and other amenities with convenient access to transit stations. But this positive vision for the future of TOD will not materialize unless the State and City make a greater commitment to invest the necessary resources to implement major regional-serving infrastructure projects including sewer, water, drainage, electrical, roadways, and complete streets.

The build out of all of these infrastructure improvements will of course come with a huge price tag. A TOD Financial Analysis that was completed in 2020 by David Taussig and Associates, Inc. ("DTA") as part of a broader analysis for the State Office of Planning and the TOD Council indicated that the construction of public infrastructure necessary for new development in the three priority TOD areas would cost in the billions of dollars. In light of the huge budgetary challenges facing our State and City governments, I believe that they will be hard pressed to fund construction of these infrastructure projects by relying solely on status quo, traditional funding sources, including State G.O. Bonds and appropriations from State CIP funds.

Given these realities, I support HB1130, HD2 because it can set into motion a process in which various financing mechanisms leveraging private capital markets can be created and implemented to fund the construction of public infrastructure in TOD areas. In fact, the DTA analysis identified a number of potential viable financing options, including the establishment of a Community Facilities District (CFD). According to the DTA study, these financing tools include certain elements of value capture in which the increase in property land value as a result of public infrastructure improvements and subsequent development activity in TOD areas is "captured" through land related taxes or other means to pay for such improvements. These financing mechanisms could provide significant additional revenue sources to fund construction of public infrastructure that do not currently exist. We need a coordinated effort involving all stakeholders in both the public and private sectors to develop these kinds of bold and innovative solutions to fund the expansion of infrastructure capacity so that the important goals and objectives of TOD can finally be realized.

In closing, I respectfully ask this Committee to support HB1130, HD2. Thank you for the opportunity to submit testimony on this important measure.

A handwritten signature in black ink, appearing to read 'Stanford S. Carr', with a large, stylized initial 'S'.

Stanford S. Carr