

**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

H.B. NO. 1305, RELATING TO COMMUNITY-INITIATED DEVELOPMENT.

BEFORE THE:

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

DATE: Wednesday, February 15, 2023 **TIME:** 10:30 a.m.

LOCATION: State Capitol, Room 423

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Alison S. Kato and Bryan C. Yee, Deputy Attorneys General

Chair Holt and Members of the Committee:

The Department of the Attorney General provides the following comments on this bill.

The purpose of this bill is to authorize any county with a population of five hundred thousand or more to form partnerships with certain qualifying nonprofit corporations to execute community-initiated development projects within the county. The bill does this by creating a new part in chapter 46, Hawaii Revised Statutes (HRS), that addresses community-initiated development projects between counties and nonprofit corporations.

On page 4, lines 4 through 16, the wording is unclear. The list includes references to “state land use agriculture and conservation land” and “state land use real estate that is in an urban area.” These references appear to refer to lands that fall under certain state land use classifications, rather than land owned by the State. But this is unclear. To clarify these references, we recommend revising the phrases as follows:

- Page 4, lines 4 and 6: “[~~State land use~~] Lands classified as agriculture and conservation [~~land~~] with”
- Page 4, lines 8-9, 11-12, and 14-15: “[~~All state land use real estate that is in an~~] Lands classified as urban [~~area,~~] that are zoned properly for the purposes of a project”

The proposed section 46-D(e) on page 7, lines 7 through 12, creates a requirement to have a committee review master plans for community-initiated development projects. The bill, however, neither identifies an existing committee nor requires the county to create a committee to perform this function. We recommend the following revision on page 7, lines 7 through 11, to clarify this issue as follows:

“(e) ~~[Each]~~ For each master plan that has been approved by a board ~~[shall be reviewed by]~~, the county shall create a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located. The committee shall review and comment on the master plan.”

Section 3 of this bill creates eight revolving funds but does not adequately specify the sources of revenue to be earmarked for each fund and the purposes that the use of proceeds of each fund are authorized. Specifically, the proposed section 201-__ (b) on page 9, lines 1-2, states that “[m]oneys from any lawful source may be deposited into each fund.” This is too broad to identify the sources of revenue to be deposited into the fund. Also, the proposed section 201-__ (c) on page 9, lines 3 through 5, requires the county departments to adopt rules to specify the purposes of each fund, but the purposes of the fund must be specified by statute and cannot be determined by the counties by rule without statutory guidance. See sections 37-52.3 (special funds) and 37-52.4 (revolving funds), HRS.

Also, these funds may be more appropriately established as special funds rather than revolving funds. “Revolving fund” is defined in section 37-62, HRS, to mean “a fund from which is paid the cost of goods and services rendered or furnished to or by a state agency and which is replenished through charges made for the goods or services or through transfers from other accounts or funds.” “Special funds” is defined in section 37-62, HRS, to mean “funds which are dedicated or set aside by law for a specified object or purpose, but excluding revolving funds and trust funds.” This bill creates funds to assist counties with community-initiated development projects and there does not appear to be any goods and services rendered or furnished to or by a state agency that a revolving fund would fund the cost of and be replenished through charges for.

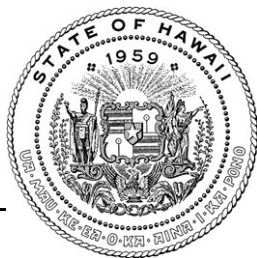
We recommend that page 8, lines 9-20, be revised as follows:

§201- ~~[Revolving funds;]~~ Special funds; community-initiated development projects. (a) ~~[The following revolving funds are created]~~
There is established within the state treasury the following special funds to assist counties with community-initiated development projects pursuant to part _____ of chapter 46:

- (1) A land acquisition ~~[revolving]~~ special fund;
- (2) A pre-development ~~[revolving]~~ special fund;
- (3) A development ~~[revolving]~~ special fund;
- (4) A construction ~~[revolving]~~ special fund;
- (5) A building materials ~~[revolving]~~ special fund;
- (6) A repair and maintenance ~~[revolving]~~ special fund;
- (7) A modernization ~~[revolving]~~ special fund; and
- (8) A community organization-owned housing ~~[revolving]~~ special fund.

And for consistency, we recommend revising the word "revolving" to "special" on page 7, line 19, and on page 9, lines 10, 12, and 15.

Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

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Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

Wednesday, February 15, 2023
10:30 AM
State Capitol, Conference Room 423

In consideration of
HB1305
RELATING TO COMMUNITY-INITIATED DEVELOPMENT.

Chair Holt, Vice Chair Lamosao, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) offers **comments** on HB1305, which authorizes any county with a population of 500,000 or more to form partnerships with certain qualifying nonprofit corporations to execute community-initiated development projects within the county and appropriates moneys.

As stated in the bill, neither the State, nor any county, business, nor other organization can work alone to meet housing needs, or any needs relating to food, clothing, health care, economic development, trade, travel, tourism, or transportation. Should it be determined that any county with a population of 500,000 or more is authorized to form partnerships with qualifying nonprofits to implement community development projects, DBEDT will collaborate with the Committee and participate in any discussions related to its potential role and responsibilities.

Thank you for the opportunity to offer comments on this measure.

	<p style="text-align: center;">Global Innovation & Entrepreneurship Center LLC</p>	<p>95-155 Waikalani Drive Mililani, Hawaii 96789 Telephone: (808) 625-1165 Email: rodneysato@giec.co Managing Members Sean G. Nakamura Rodney Y. Sato</p>
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**Testimony to the House Committee on Economic Development
February 16, 2023, Wednesday, 10:30 a.m.
Conference Room 423 & Videoconference**

RE: HB 1305 Relating to Community-Initiated Development

Chair Holt, Vice Chair Lamosao, and Members of the Committee:

Thank you for scheduling HB 1305 today and the opportunity to provide testimony. Global Innovation & Entrepreneurship Center LLC supports HB 1305 and requests the amendments in Exhibit A. The changes are as follows:

1. Page 1, title. change RELATING TO COMMUNITY-INITIATED DEVELOPMENT to RELATING TO COMMUNITY-INITIATED DEVELOPMENT PROJECTS.
2. Page 1, Section 1. add telecommunication and technology after transportation,.
3. Page 1, Section 1. Add community after businesses,
4. Page 2, 46-A Definitions. Add “Committee” means a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located.
5. Page 3, 46-A Definitions. Add county council, after the.
6. Page 4, 46-C Suitable properties for projects. Delete (4), (5), (6) and add (3) State land use agriculture and conservation land without infrastructure; (4) State land use urban, county zoned properly for the purposes of a project, and empty of buildings and occupants; (5) State land use urban, county zoned properly for the purposes of a project, and with vacant buildings; (6) State land use urban, county zoned properly for the purposes of a project, that is underutilized; (8)Community

Center; (9) Cultural Centers/Studies Centers; (10) Golf Courses; and (16) Recreational Centers;.

7. Page 6, 46-D Master plan; requirements. Add senior after or.
8. Page 6, 46-D Master plan; requirements. Add special needs after or.
9. Page 8, Section 3 would create eight (8) revolving funds, i.e., land acquisition revolving fund, pre-development revolving fund, development revolving fund, construction revolving fund, building materials revolving fund, repair and maintenance revolving fund, modernization revolving fund, and community organization-owned housing revolving fund.

The proposed HB 1305 with amendments would have three (3) revolving funds, i.e., development revolving fund, building revolving fund and housing revolving fund.

The development revolving fund would have sub-accounts for land acquisition, pre-development, development, infrastructure construction, building construction, assets management, and community-initiated development projects. These sub-accounts are the phases in a real estate development.

The building revolving fund would have sub-accounts for building materials, new technologies, assembly plant, repairs and maintenance, modernization, and contractor and developers center of excellence. These sub-accounts are items that could lower the cost of housing.

The housing revolving fund would have sub-accounts for community organization-owned housing, private businesses-owned housing and home ownership counseling. These sub-accounts are to assist the community organization sector and private businesses sector to provide housing benefits to their employees and members.

10. Page 9 (1) to (16) would describe the uses of each revolving fund sub-account.

HB 1305
February 15, 2023
Page 3

Global Innovation & Entrepreneurship Center LLC believes that we need to have community-initiated development projects instead of only government-initiated development projects and landowner/developer-initiated development projects.

We believe that community, business, and government all working together can build self sustaining community-initiated development projects that will address the needs of the community.

We respectfully request that the committee pass the measure with amendments.

A BILL FOR AN ACT

RELATING TO COMMUNITY-INITIATED DEVELOPMENT **PROJECTS**.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the State should strive to meet the needs of the people. Many of these needs can be met through development projects, but not enough of these projects are currently in place, even as the needs of the people continue to grow, and have grown since Hawaii became a state in 1959.

The legislature notes that the needs of communities continue to grow. For example, in 2016, the governor noted that the State was short of sixty-six thousand affordable housing units. The legislature finds that neither the State, nor any county, business, nor other organization can work alone to meet housing needs, or any needs relating to food, clothing, health care, economic development, trade, travel, tourism, (or) transportation, **telecommunication and technology**. Rather, governmental agencies should work together with businesses, **community**, and other organizations to execute community **-initiated** development projects to help address these needs.

The legislature also finds that the State's most populous county had a department of housing and community development, but that the agency was dismantled in 1998. The legislature finds that the establishment of a county program to engage in similar projects would be most helpful.

Accordingly, the purpose of this Act is to authorize and appropriate moneys for any county with a population of five hundred thousand or more to form partnerships with certain qualifying nonprofit corporations to execute community-initiated development projects within the county.

SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART

COMMUNITY-INITIATED DEVELOPMENT PROJECTS

§46-A Definitions. As used in this part, unless the context clearly requires otherwise:

"Community-initiated development project" means a project that is subject to this part.

"Committee" means a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located.

"County" means any county with a population of five hundred thousand or more.

"Department" means the **county council**, county department or other county agency that carries out the county's duties under this part.

"Nonprofit corporation" means a Hawaii nonprofit corporation, formed pursuant to chapter 414D, that develops and operates, or proposes to develop and operate, a project.

"Project" means a community-initiated development project.

§46-B Counties; private sector entities; projects. A

department may form any partnership with any nonprofit corporation to execute any community-initiated development project within the county; provided that:

- (1) The project is in the public interest and complies with this part;
- (2) Development of the project cannot occur by the ordinary operations of private enterprise;
- (3) The project shall be developed on land or property in the inventory that the department maintains pursuant to section 46-C; and
- (4) The county, nonprofit corporation, and project shall comply with this part.

§46-C Suitable properties for projects. The department shall identify and keep an updated inventory of the following lands and properties within the county:

- (1) State land use agriculture and conservation land with infrastructure that can be developed for housing;
- (2) State land use agriculture and conservation land with infrastructure;
- (3) State land use agriculture and conservation land without infrastructure;
- ~~(4) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, and empty of buildings and occupants;~~
- ~~(5) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, with vacant buildings;~~
- ~~(6) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, that is underutilized;)~~
- (4) State land use urban, county zoned properly for the purposes of a project, and empty of buildings and occupants;
- (5) State land use urban, county zoned properly for the purposes of a project, and with vacant buildings;
- (6) State land use urban, county zoned properly for the purposes of a project, that is underutilized;
- (7) Church properties, to extent authorized under constitutional law;

(8) Community Centers;

(9) Cultural Centers/Studies Centers;

(10) Golf Courses;

(11) Harbors;

(12) Health care facilities;

(13) Hospitals;

(14) Housing;

(15) Parks;

(16) Recreational Centers;

(17) Schools; and

(18) Sporting facilities.

§46-D Master plan; requirements. (a) A nonprofit corporation shall prepare a master plan for a project.

(b) Each master plan shall include, to the extent necessary for the purposes of the project:

(1) Multiple-use facilities;

(2) Placement of similar businesses within close proximity of each other;

(3) Adjacencies between businesses and buildings;

(4) Phased inclusion of businesses and phased development of buildings;

- (5) Synergy between businesses and buildings;
 - (6) Leveraging assets, needs, products, and services of each business and building;
 - (7) Identification of benefits to all stakeholders;
 - (8) Specifications on how the partnership between the entity and the county will make efficient use of assets to meet needs and provide benefits, products, and services; and
 - (9) Specifications on the development of any center for excellence.
- (c) Each master plan may also include provisions relating to:
- (1) Senior housing and/or senior care;
 - (2) Adolescent housing and/or adolescent care;
 - (3) Teacher and/or student housing;
 - (4) Employee housing;
 - (5) Special needs housing and/or special needs care;
 - (6) Health care, Sports care and/or wellness facilities;
 - (7) Job counseling and/or training centers;
 - (8) Centers focused on arts, craft, culture, history, botany, zoology, education, research;
 - (9) Multi-use community centers;
 - (10) Public facility partnerships with private developers to build retail and

commercial facilities to subsidize the public facilities; and

(11) Parking facilities.

(d) A nonprofit corporation shall submit a copy of the master plan to the appropriate neighborhood board for the board's review and consideration. The board may approve or disapprove of a master plan. The master plan shall be amended to comply with any conditions the board may place on the project's approval.

(e) Each master plan that has been approved by a board shall be reviewed by a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located. The department shall provide administrative support for each committee.

(f) Each master plan shall be subject to approval or disapproval by the legislative body of the county.

§46-E Funding. (a) Nonprofit corporations shall make a good faith effort to apply for funds and other assistance from governmental agencies, community organizations, business organizations, and other public and private entities.

(b) Projects may be funded by moneys from the revolving funds established in section 201- , subject to requirements established by the department of business, economic development, and tourism, and the county.

§46-F Rules. The director of the department shall adopt rules, pursuant to chapter 91, necessary for the purposes of this part."

SECTION 3. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201- Revolving funds; community-initiated development projects. (a) The following revolving funds are created to assist counties with community-initiated development projects pursuant to part of chapter 46:

(a) A development revolving fund with seven (7) sub-revolving funds;

(1) A land acquisition sub-revolving fund;

(2) A pre-development sub-revolving fund;

(3) A development sub-revolving fund;

(4) An infrastructure construction sub-revolving fund;

(5) A building construction sub-revolving fund;

(6) An assets management sub-revolving fund;

(7) A community-initiated development projects credit corporation sub-revolving fund;

(b) A building revolving fund with six (6) sub-revolving funds;

(1) A building materials sub-revolving fund;

(2) A new technologies sub-revolving fund;

(3) An assembly plant sub-revolving fund;

(4) A repair and maintenance sub-revolving fund;

(5) A modernization sub-revolving fund; ~~and~~

(6) A contractors and developers center of excellence sub-revolving fund.

(c) A housing revolving fund with three (3) sub-revolving funds;

(1) A community organization-owned housing sub-revolving fund~~(-)~~;

(2) A private businesses-owned housing sub-revolving fund; and

(3) A home ownership counseling sub-revolving fund.

(b) Moneys from any lawful source may be deposited into each fund.

(c) The department shall adopt rules, pursuant to chapter 91, necessary for the purposes of this section, including rules to specify the purposes of each fund."

(1) A land acquisition sub-revolving fund is to be used for the acquisition of land for the project.

(2) A pre-development sub-revolving fund is to be used for pre-development costs and expenses including but not limited to preparing a market study, preliminary infrastructure study, preliminary infrastructure cost estimates, preliminary building cost estimates, master plan, business plan, financial feasibility study and all other reports and studies necessary for government approvals.

(3) A development sub-revolving fund is to be used for development costs and expenses including but not limited to infrastructure drawings, building

drawings, construction cost estimates and all other reports and studies necessary for government approvals.

(4) An infrastructure construction sub-revolving fund is to be used for on-site and off-site infrastructure construction.

(5) A building construction sub-revolving fund is to be used for building construction.

(6) An assets management sub-revolving fund is used for repayment of the loan from the building construction sub-revolving fund and the acquisition of the completed community-initiated development project.

(7) A community-initiated development projects credit corporation sub-revolving fund is used for the creation of a community-initiated development projects credit corporation that will finance the turnkey units assembled at the assembly plant; housing projects; community projects; and other projects.

(8) A building materials sub-revolving fund is used for the creation of a duty-free, group-purchasing, building materials center to supply building material companies, contractors, developers, community organizations, business organizations, government organizations, and other public and private entities.

(9) A new technologies sub-revolving fund is used for the creation of a land, infrastructure and building technologies center to research and develop new products and services.

(10) An assembly plant sub-revolving fund is used for the creation of an assembly plant corporation to be owned and operated by the construction trade unions to turnkey housing units for sale to contractors, developers, landowners, homeowners and other entities. The assembly plant corporation will provide a warranty and service plan for each housing unit which includes onsite inspection, annual inspection, annual service and repairs and maintenance.

(11) A repair and maintenance sub-revolving fund is used for repairs and maintenance.

(12) A modernization sub-revolving fund is used for modernization.

(13) A contractors and developers center of excellence sub-revolving fund is used to create a center with contractors, developers, community organizations, business organizations, and government organizations to develop a program to recruit and train contractors and developers similar to the Small Business Administration 8(a) Business Development Program. Eligible contractors and developers would be referred to Community-Initiated Development Projects. Center would develop into a center of excellence to research and develop new products and services.

(14) A community organization-owned housing sub-revolving fund is used to finance and develop housing units for employees of community organizations.

Community organization may include churches, schools, hospitals, unions and other non-profit organizations.

(15) A private businesses-owned housing sub-revolving fund is used to finance and develop housing units for employees of private businesses.

(16) A home ownership counseling sub-revolving fund is used to create a center with financial companies, real estate companies, community organizations, business organizations, government organizations, and other public and private entities to educate and inform homebuyers on land availability, housing availability, housing options, financing options, development options, construction options, ownership options and other matters.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 to be deposited into the revolving funds established pursuant to section 3 of this Act; provided that the sums appropriated shall be divided equally between each revolving fund, i.e., development revolving fund, building revolving fund and housing revolving fund.

SECTION 5. There is appropriated out of each of the revolving funds established pursuant to section 3 of this Act the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof

as may be necessary for fiscal year 2024-2025 for community-initiated development projects.

The sums appropriated shall be expended by the city and county of Honolulu for the purposes of this Act.

SECTION 6. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 7. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 8. This Act shall take effect on July 1, 2023.



February 15, 2023

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RE: HB 1305 Community-Initiated Development

Good morning Chair Holt, Vice Chair Lamosao and members of the House Committee on Economic Development. Thank you for scheduling HB 1305 for a hearing and an opportunity to present testimony in support of HB 1305 as amended

My name is Rodney Y. Sato, managing member of Shangrila Company, LLC. I am a resident of Honolulu, Hawaii..I was in state government in the 80s and have been doing real estate development and business development.

HB 1305 rightfully states "that neither the State, nor any county, business, nor other organization can work alone to meet the housing needs, or any needs relating to food clothing, health care, economic development, trade, travel, tourism, or transportation. Rather, governmental agencies should work together with businesses and other organizations to execute community development projects to help address these needs."

HB 1305 would give the communities in Honolulu the right and tools to initiate developments that would serve the needs of our community.

Attached is a 49-slide presentation on Global Life Concepts and what is happening here in Hawaii. The world has changed we need to change the way we do things.

I strongly support HB 1305 and respectfully request that you pass this measure.

Sincerely,

Rodney Y. Sato
Managing Member



Global Life Concepts

Global Life

1960s Concepts No Longer Apply

1. Business is no longer business.
2. Real estate is no longer location, location, location.
3. He who has the gold no longer makes the rules.
4. Humans no longer peak at age 25 and die at age 66.
5. Basic necessities food, clothing, shelter, health care & education and economic development trade, tourism, transportation, telecommunications & technology are no longer stand-alone businesses.
6. Everything is no longer black & white.

Global Life

Post 2020 Concepts

1. Amazon, Ebay, Tesla, Uber, Whole Foods... disrupted business...
2. Drug stores, drive-in theatres, bookstores... disappeared...
3. Cryptocurrency, crowd fund... are borderless...
4. Humans are still working past 65 and can live past 85...
5. Combinations of basic necessities food, clothing, shelter, health care & education and economic development trade, tourism, transportation, telecommunications & technology are the new opportunities... new businesses...
6. Business plans are outdated before it can be implemented... before the ink is dry...

4 Recent Quotes

1. Honolulu Managing Director Roy Amemiya, 06/09/15
<http://m.hawaiinewsnow.com/hawaiinewsnow/pm/contentdetail.htm?contentguid=od:y4Tp6UT5>
2. Honolulu City Council's Housing For The Homeless Policy Coordinator Peter Boylan 08/21/15
<http://www.civilbeat.com/2015/08/city-council-fills-new-84k-housing-position-with-political-operative/>
3. Hawaii State Governor David Ige 01/25/16
<http://governor.hawaii.gov/newsroom/governors-office-news-release-governor-iges-state-of-the-state-address/>
4. Hawaii State Governor David Ige 07/19/22
<http://www.kitv.com/news/local/gov-ige-signs-hb-2>

"We don't have any professionals since we did away with the Housing Department back some 17 years ago. And you can't build housing without those professionals,"

Hawaii News Now 06/09/15

Roy Amemiya, Honolulu City Managing Director

http://m.hawaiinewsnow.com/hawaiinewsnow/pm_/contentdetail.htm?contentgclid=od:y4Tp6UT5

“Oahu’s housing crisis is a tragedy affecting too many families and hardworking individuals and the lack of affordable units threatens to push a much bigger problem onto future generations,” “We need to take immediate action to address the current public health and safety risk to the community and explore every available option, at the county, state, and federal level, to get people off the street and make home ownership in Hawaii a realistic goal for low income and middle class families.”

Civil Beat 08/21/15

Peter Boylan, Honolulu City Council’s Housing For The Homeless Policy Coordinator

<http://www.civilbeat.com/2015/08/city-council-fills-new-84k-housing-position-with-political-operative/>

Affordable Housing

You cannot talk about homelessness without talking about the major reason why it has become so widespread. And that is the lack of affordable housing. It is estimated that 66,000 housing units are needed in the coming years. The state alone cannot fill the gap, but the state wants to do its part.

STATE OF THE STATE ADDRESS
GOVERNOR DAVID Y. IGE
TO THE TWENTY-EIGHTH STATE LEGISLATURE
MEETING IN JOINT SESSION JANUARY 25, 2016

<http://governor.hawaii.gov/newsroom/governors-office-news-release-governor-iges-state-of-the-state-address/>

That's why we are working with the private sector to develop a comprehensive approach to reduce regulatory barriers, strengthen financial tools, streamline procedures and re-orient policies toward increasing housing production. We've expanded our partnerships with the private sector to build more affordable homes and rentals across the state.

STATE OF THE STATE ADDRESS
GOVERNOR DAVID Y. IGE
TO THE TWENTY-EIGHTH STATE LEGISLATURE
MEETING IN JOINT SESSION JANUARY 25, 2016

<http://governor.hawaii.gov/newsroom/governors-office-news-release-governor-iges-state-of-the-state-address/>

Last year, the Hawaii Housing Finance and Development Corporation awarded about \$10 million in low-income housing tax credit and \$108 million in loans and bonds to leverage over \$660 million in total development costs.

STATE OF THE STATE ADDRESS
GOVERNOR DAVID Y. IGE
TO THE TWENTY-EIGHTH STATE LEGISLATURE
MEETING IN JOINT SESSION JANUARY 25, 2016

<http://governor.hawaii.gov/newsroom/governors-office-news-release-governor-iges-state-of-the-state-address/>

This year, because of the great demand, we are seeking \$75 million for the Rental Housing Revolving Fund to make more money available for low-income rentals.

STATE OF THE STATE ADDRESS
GOVERNOR DAVID Y. IGE
TO THE TWENTY-EIGHTH STATE LEGISLATURE
MEETING IN JOINT SESSION JANUARY 25, 2016

<http://governor.hawaii.gov/newsroom/governors-office-news-release-governor-iges-state-of-the-state-address/>

But the biggest roadblock to developing more homes is the lack of adequate infrastructure that allows housing projects to even begin. The state can make a major contribution by funding projects such as roads and water systems.

That's why I am proposing legislation to allow us to use the Dwelling Unit Revolving Fund for infrastructure development. We are also asking for a \$25-million increase to that fund in Fiscal Year 2017.

STATE OF THE STATE ADDRESS
GOVERNOR DAVID Y. IGE
TO THE TWENTY-EIGHTH STATE LEGISLATURE
MEETING IN JOINT SESSION JANUARY 25, 2016

<http://governor.hawaii.gov/newsroom/governors-office-news-release-governor-iges-state-of-the-state-address/>

Public Housing

We're also thinking outside the box in renovating the state's public housing facilities.

The North School Street redevelopment project will be one of three Oahu public housing initiatives to enter into a public-private partnership that allows for a mixed-use/mixed income model. Kuhio Park Terrace and Mayor Wright Homes are the other two.

STATE OF THE STATE ADDRESS
GOVERNOR DAVID Y. IGE
TO THE TWENTY-EIGHTH STATE LEGISLATURE
MEETING IN JOINT SESSION JANUARY 25, 2016

<http://governor.hawaii.gov/newsroom/governors-office-news-release-governor-iges-state-of-the-state-address/>

Gov. David Ige signed House Bill 2511 into law providing hundreds of millions of dollars to the Department of Hawaiian Home Lands (DHHL) aimed at eliminating the long waitlist once and for all.

"The appropriation of \$600 million in House Bill 2511 is a huge step forward, but clearly not fulfilling all the requirements of the Hawaiian Homestead Act. I'm proud of all the progress we've made at DHHL over the last several years. As governor, we have moved forward in critical ways to provide beneficiaries with more options," Ige said at the bill signing ceremony.

By KITV Web Staff Jul 11, 2022 Updated Jul 19, 2022
[Gov. Ige signs HB 2511, providing \\$600 million to ... - KITV](https://www.kitv.com/news/local/gov-ige-signs-hb-2)
[https://www.kitv.com › news › local › gov-ige-signs-hb-2](https://www.kitv.com/news/local/gov-ige-signs-hb-2)

**IF IT AIN'T
BROKE DON'T
FIX IT**

PictureQuotes.com

If it ain't broken don't fix it does not apply to many things in Hawaii.
Agriculture, Housing, Health Care and Education are definitely broken in Hawaii.

**Insanity: doing
the same thing
over and over
again and
expecting
different results.**

-Albert Einstein

Each industry has problems. They are not able to find solutions.

Market (Disruptive vs. Sustaining)



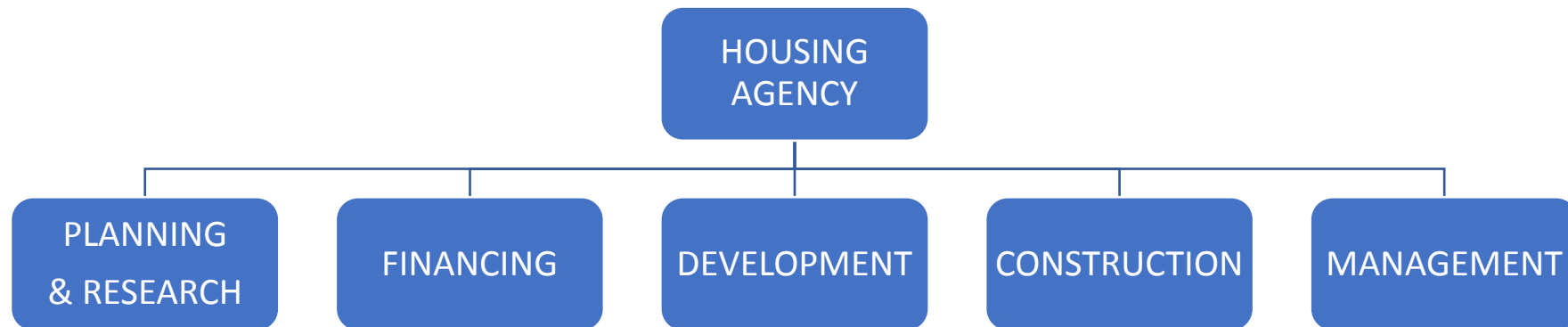
Today's solutions are coming from outside of the industry with problems.

Disruptive innovation refers to the process of transforming an expensive or highly sophisticated product, offering, or service into one that is simpler, more affordable, and accessible to a broader population. It explains the process of how innovation and technology can change markets by presenting affordable, simple, and accessible solutions and after doing so, disrupts the market from which its predecessors were born.

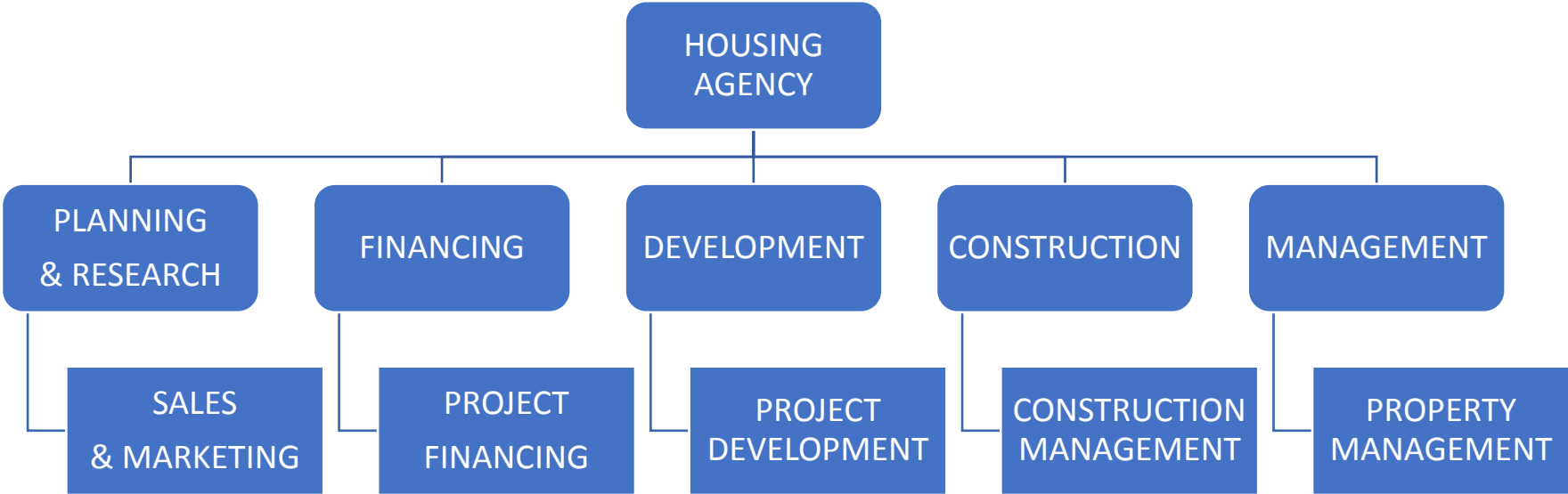
We currently have government initiated land use, general plan, development plan, zoning and projects and landowner/developer initiated land use, general plan, development plan, zoning and projects.

It is time for Community Initiated Projects.

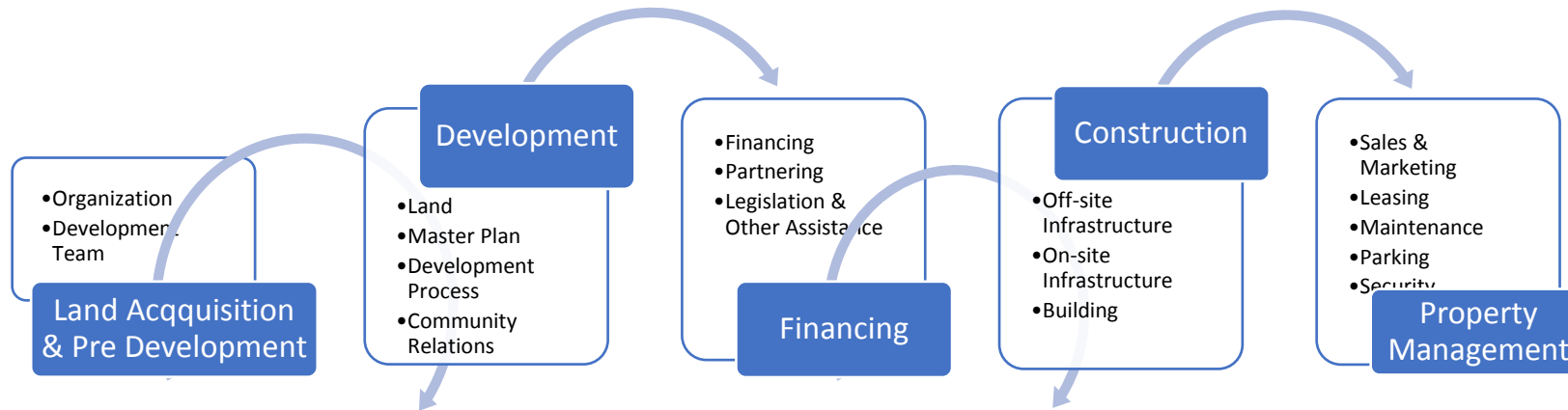
STANDARD GOVERNMENT HOUSING AGENCY



STANDARD GOVERNMENT HOUSING AGENCY



STANDARD DEVELOPMENT FLOWCHART



Last year, the Hawaii Housing Finance and Development Corporation awarded about \$10 million in low-income housing tax credit and \$108 million in loans and bonds to leverage over \$660 million in total development costs.

STATE OF THE STATE ADDRESS
GOVERNOR DAVID Y. IGE
TO THE TWENTY-EIGHTH STATE LEGISLATURE
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By KITV Web Staff Jul 11, 2022 Updated Jul 19, 2022

2/14/2023 8:51 AM

\$600 million could leverage over \$3.35 billion in total development costs.

\$3.35 billion in total development costs allocated evenly over the 9 council districts would be \$372.67 million per council district.

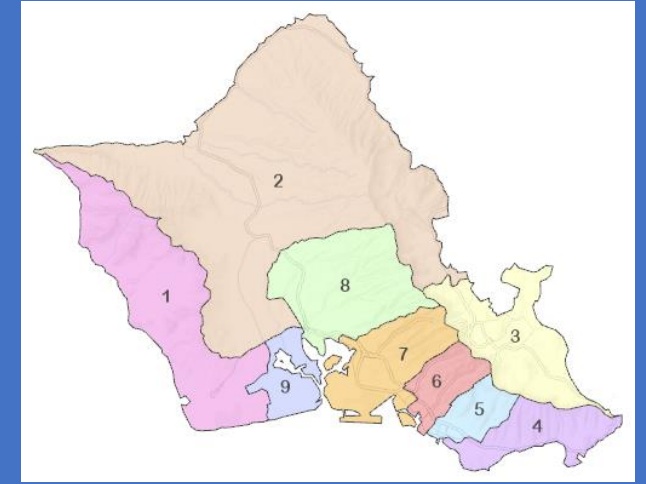
COMMUNITY INITIATED PROJECTS GUIDELINES

1. Community Initiated Projects are projects that have the support of community, business and government.
2. Projects that may have been initiated by Landowners and Developers that have never been developed.
3. Projects that benefit the community, business and government.
4. Projects that provide the basic necessities of food, clothing, shelter, education, health care.
5. Like type projects should be co-located to maximize the use of the land, parking, buildings, fields, programs, funds and resources.
6. Housing, Health Care, Senior Care, Adolescent Care, Sports, Wellness, Education can be co-located because they are like type businesses.
7. There are community, business and government programs, funds and resources available to finance and develop these types of projects.
8. Potential properties should be identified and analyzed.
9. Proposed Master Plan should be presented to the community, businesses and government.
10. Development Team should be put together to finance and develop the project.



Andria Tupola
District I

Portions of 'Ewa Beach, Kapolei, Ho'opili, Makakilo, Kalaeloa, Honokai Hale, Ko 'Olina, Nānākuli, Mā'ili, Wai'anae, Mākaha, Kea'au, and Mākuā.



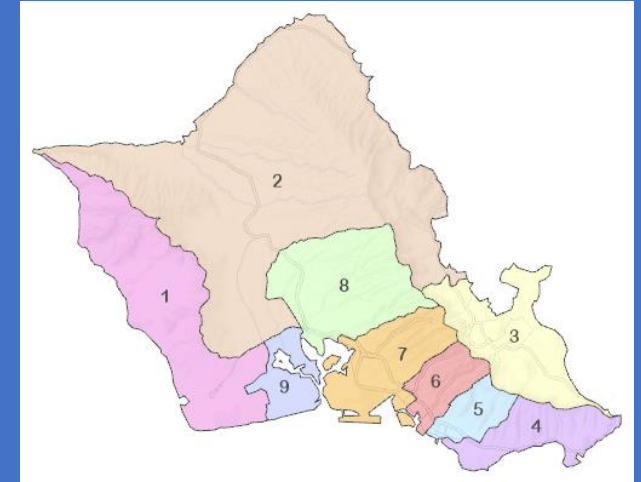
NO.	COMMUNITY-INITIATED DEVELOPMENT PROJECTS
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Matt Weyer
District II

. Waikele, Village Park, Royal Kunia, Wahiawā, Mokolē`ia, Waialua, Hale`iwa, Pūpūkea, Sunset Beach, Kahuku, Lā`ie, Hau`ula, Punalu`u, Kahana, Ka`a`awa, Kualoa, Waiāhole, and Kahalu`u.



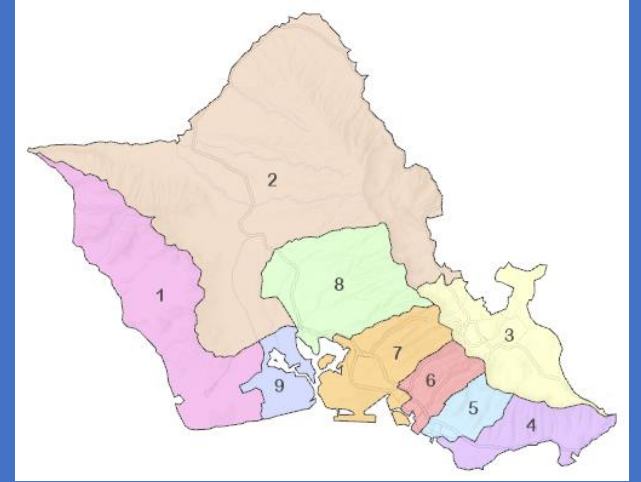
NO. COMMUNITY-INITIATED DEVELOPMENT PROJECTS

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**Esther Kia'āina
District III**

**Ahuimanu, Heeia, Haiku,
Kaneohe, Maunawili, Kailua,
Olomana, Enchanted Lake, and
Waimanalo.**



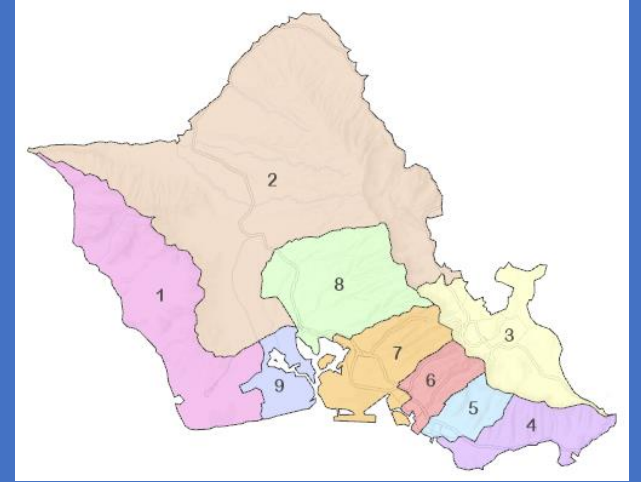
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Tommy Waters
District IV

Hawai'i Kai, Kuli'ou'ou, Niu Valley, 'Āina Haina, Wailupe, Wai'alaie Iki, Kalani Valley, Kāhala, Wilhemina Rise, Kaimukī, Kapahulu.



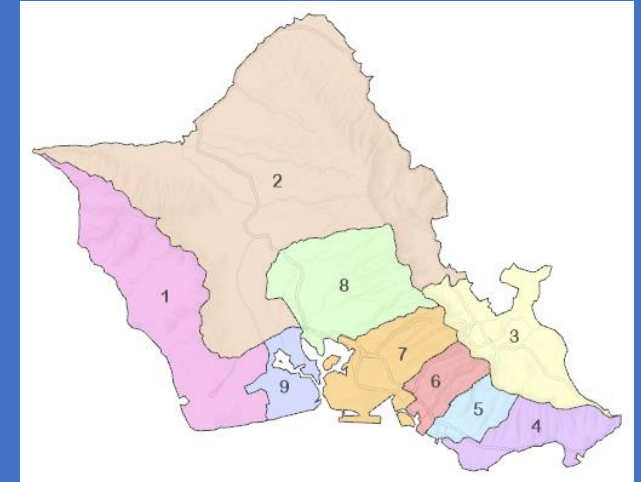
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Calvin Say
District V

**Palolo Valley, St. Louis Heights,
Mānoa, Mō'ili'ili, McCully, Ala
Moana, Makiki, and portions of
Kaka'ako.**



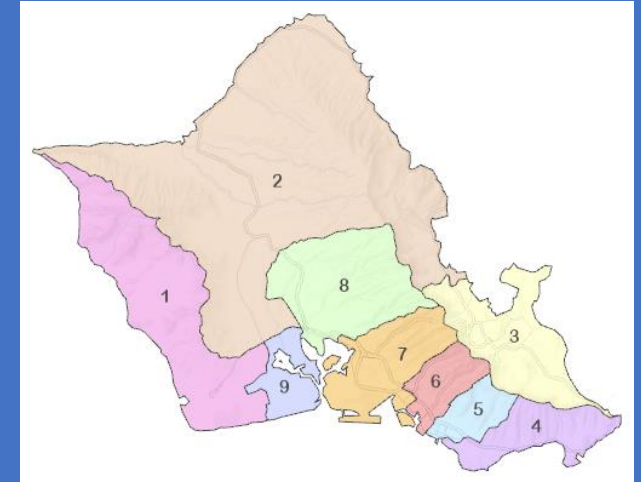
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Tyler Dos Santos-Tam
District VI

Portions of Kaka'ako, Downtown Honolulu, Punchbowl, Papakolea, Pauoa Valley, Nu'uano, Iwilei, Liliha, 'Alewa Heights, Kalihi and Kalihi Valley.



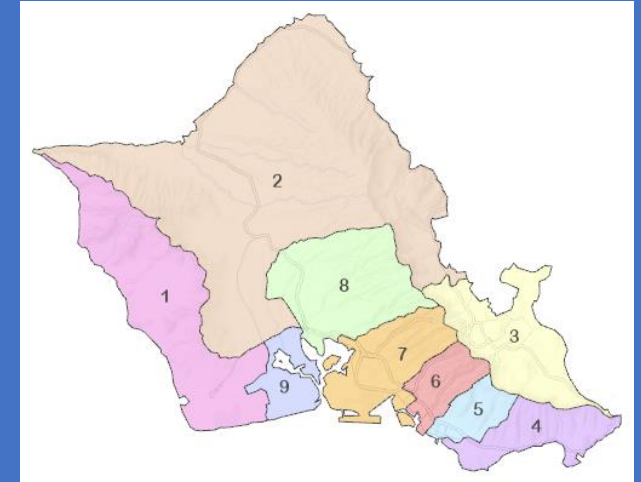
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Radiant Cordero
District VII

Kalihi Kai, Māpunapuna, Fort Shafter, Moanalua, Salt Lake, Airport, Hickam, Āliamanu, Foster Village, Pearl Harbor, Hālawā, `Aiea, Pearlridge, Ford Island, and Sand Island.



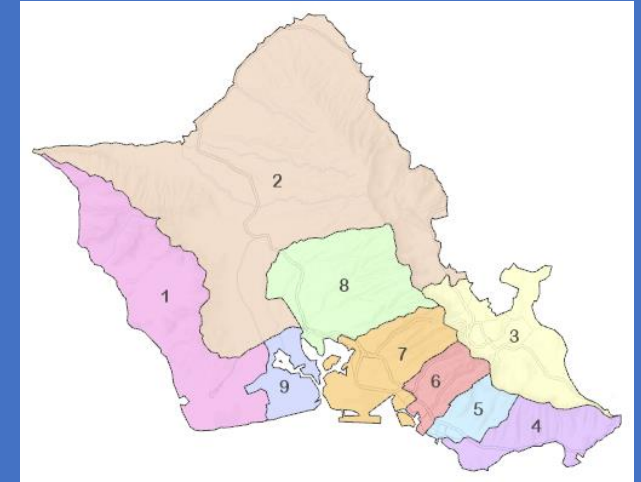
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Val Okimoto
District VIII

Portions of 'Aiea, Waimalu, Newtown, Pearl City, Seaview, Crestview, Waipi'o Gentry, Koa Ridge, Mililani Town, and Mililani Mauka.



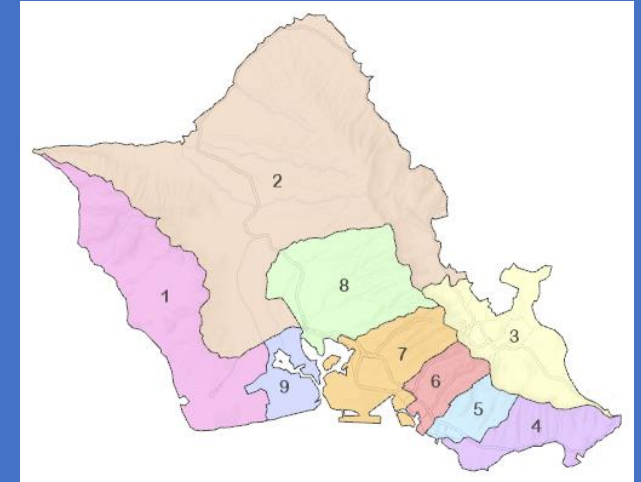
NO. COMMUNITY-INITIATED DEVELOPMENT PROJECTS

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Augie Tulba
District IX

Waipahū, Iroquois Point, West Loch, 'Ewa Villages and portions of 'Ewa Beach.



NO. COMMUNITY-INITIATED DEVELOPMENT PROJECTS

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COMMUNITY-INITIATED DEVELOPMENT PROJECTS NEEDS & DEMANDS CHART

Number Of People											
1000											
900											
800											
700											
600											
500											
400											
300											
200											
100											
Community Needs	1 Senior Care/ Senior Housing	2 Adolescent Care/ Adolescent Housing	3 Special Needs Care/ Special Needs Housing	4 Health Center/ Fitness, Nutrition, Lifestyle Center	5 Teacher Housing/ Student Housing	6 Employee Housing	7 Job Counseling & Training Center	8 Arts & Crafts/ Cultural & Historical Center	9 Botanical & Zoological Center	10 Multi Use Community Center & Parking Structure	11 Other Needs

Assignments:

1. Council Person for the Council District will schedule a community, business, and government meeting to create a Community Initiated Development Projects Working Committee consisting of representatives of the community, businesses and government.
2. Community Initiated Development Projects Working Committee will spearhead the "Community Initiated Development Projects" in their council district to identify projects. The community initiated projects for each council district will be custom tailored to the needs of the community.
3. Community Initiated Development Projects Working Committee will schedule a Community Tour. Community Initiated Development Projects Working Committee would look at the needs of the community and available lands.
4. Community Initiated Development Projects Working Committee will schedule a Community Needs Conference. City, State, Federal, Military, University, Private entities would provide the reports & studies of the needs of the community. Community Needs Conference Summary would be provided to community, businesses and government.
5. Community Initiated Development Projects Working Committee will identify possible Land.
6. Community Initiated Development Projects Working Committee will retain a developer to develop a Community Initiated Development Project I. Organization Plan, II. Development Team Plan, III. Land Acquisition Plan, IV. Master Plan, V. Development Approvals Process Plan, VI. Financing Plan, VII. Partnering Plan, VIII. Legislation & Other Assistance Plan, IV. Legal Plan, and an X. Internal Assignments, Budgets & Timetables Plan.
7. Developer will present the Community Initiated Development Project to the Neighborhood Board for their approval and conditions or disapproval.
8. Developer will present the Community Initiated Development Project to a Legislators Committee consisting of the council member, state senators and state representatives for the Council District for their approval and conditions or disapproval.
9. Developer will present the Community Initiated Development Project to the City Council for their approval and conditions or disapproval.
10. Developer will publish a Request For Proposals and select co-developers, investors, financing entities, building owners, business owners, and tenants. Developer will Implement Business Plan, Business Structure, Master Plan, Design Guidelines, Construction, Sales & Marketing and Property Management.

20230215 1030am

NO.	ASSIGNMENT	TIMETABLE & BUDGET			
		PHASE 1	PHASE 2	PHASE 3	TOTAL
1.	Identify Projects				
2.	Land Acquisition				
3.	Pre-Development				
4.	Development				
5.	Financing				
6.	Construction				
7.	Property Management				

Community-Initiated Development Projects Lands

(1) State land use agriculture and conservation land with infrastructure that can be developed for housing;

(2) State land use agriculture and conservation land with infrastructure;

(3) State land use agriculture and conservation land without infrastructure;

(4) State land use urban, county zoned properly for the purposes of a project, and empty of buildings and occupants;

(5) State land use urban, county zoned properly for the purposes of a project, and with vacant buildings;

(6) State land use urban, county zoned properly for the purposes of a project, that is underutilized;

(7) Church properties, to extent authorized under constitutional law;

(8) Community Centers;

(9) Cultural Centers/Studies Center;

(10) Golf Courses;

(11) Harbors;

(12) Health care facilities;

(13) Hospitals;

(14) Housing;

(15) Parks;

(16) Recreational Centers;

(17) Schools; and

(18) Sporting facilities.

Community-Initiated Development Projects

- (1) Senior housing or senior care;
- (2) Adolescent housing or adolescent care;
- (3) Teacher or student housing;
- (4) Employee housing;
- (5) Special needs housing or special needs care;
- (6) Health care or wellness facilities;
- (7) Job counseling or training centers;
- (8) Centers focused on arts, craft, culture, history, botany, zoology, education, research;
- (9) Multi-use community centers;
- (10) Public facility partnerships with private developers to build retail and commercial facilities to subsidize the public facilities; and
- (11) Parking facilities.

5.1. Process

1. Council Person for the Council District will schedule a community, business, and government meeting to create a Community Initiated Projects Working Committee consisting of representatives of the community, businesses and government..
2. Community Initiated Development Projects Working Committee will spearhead the “Community Initiated Development Projects” in their council district to identify projects. The community initiated development project for each council district will be custom tailored to the needs of the community.
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5. Community Initiated Development Projects Working Committee will identify possible Land.

5.2. Process

6. Community Initiated Development Projects Working Committee will retain a developer to develop a Community Initiated Development Project I. Organization Plan, II. Development Team Plan, III. Land Acquisition Plan, IV. Master Plan, V. Development Approvals Process Plan, VI. Financing Plan, VII. Partnering Plan, VIII. Legislation & Other Assistance Plan, IX. Legal Plan, and an X. Internal Assignments, Budgets & Timetables Plan.

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9. Developer will present the Community Initiated Development Project to the City Council for their approval and conditions or disapproval.

10. Developer will publish a Request For Proposals and select a co-developer, investors, financing entities, building owners, business owners and tenants. Developer will Implement Business Plan, Business Structure, Master Plan, Design Guidelines, Construction, Sales & Marketing and Property Management.

6.1. Financing

Community, business and government will work together to finance community initiated projects.

State Legislature will create and fund the revolving funds as follows:

1. Land Acquisition Revolving Fund
2. Pre-Development Revolving Fund
3. Development Revolving Fund
4. Infrastructure Construction Revolving Fund
5. Building Construction Revolving Fund
6. Assets Management Revolving Fund
7. Credit Corporation Revolving Fund

These seven (7) funds would be used for the development cycle.

6.2. Financing

State Legislature will create and fund the revolving funds as follows:

8. Building Materials Revolving Fund

9. New Technologies Revolving Fund

10. Assembly Plant Revolving Fund

11. Repairs & Maintenance Revolving Fund

12. Modernization Revolving Fund

13. Contractors & Developers Center Of Excellence Revolving Fund

These six (6) revolving funds will assist the building materials suppliers, contractors, developers, construction trade unions, building owners and others.

6.3. Financing

State Legislature will create and fund the revolving funds as follows:

13. Community Organization-Owned Housing Revolving Fund

14. Private Business-Owned Housing Revolving Fund

15. Homeownership Counseling Revolving Fund

The first two (2) revolving funds will be used to create programs to assist the non-government entities to finance and/or develop housing units for their employees.

Revolving fund 15 will be used to create a Home Ownership Counseling Center.

6.4. Financing

Community Initiated Projects should apply for funds and other assistance from federal, state, city, community organizations, business organizations and other public and private entities.

US Department of Housing & Urban Development, US Department of Agriculture and US Department of Health and Human Services have grants, loans and other funds and programs.

State has grants, capital improvement funds, special purpose revenue bonds and other funds and programs.

City has grants, capital improvement funds and other funds and programs.

7.1. Partnering

Community, business and government entities should partner with other community, business and government entities to develop, finance, construct and manage facilities that benefit the community.

Public facilities can partner with private developers to build senior housing/senior care, adolescent housing/adolescent care, teacher housing/student housing, employee housing, special needs housing/special needs care, health care & wellness, job counseling & training center, arts & crafts center/cultural & historical center, botanical & zoological center, multi-use community center and parking facilities.

Public facilities can partner with a private developer to build retail and commercial facilities to subsidize the public facilities.

7.2. Partnering

Community, business and government entities should partner with:

- a. Building material companies to create a duty free zone for building materials that is brought in bulk.
- b. Building materials companies to create a building materials depot to supply housing developers.
- c. Construction trade unions to create an apprentice program to lower cost of housing construction.
- d. Construction trade unions to create an assembly center owned and operated by construction unions that will prefab most of the house offsite.

7.3. Partnering

Community, business and government entities should partner with e. Public & private entities to create a job training program at high school, community college, university, construction companies, labor unions...

f. Financial companies to create a homeownership counseling center for potential homebuyers to educate them on land availability, housing availability, housing options, financing options, development options, construction options, ownership options...

g. Contractors and developers to develop a program to recruit & train contractors and developers similar to Small Business Administration 8(a) Business Development Program. Eligible contractors and developers would be referred to projects. Center would develop into a center of excellence to research and develop new products and services.

8. Legislation & Other Assistance

Community Initiated Projects should coordinate with community, business and government entities in their council district to receive assistance from the federal, state and city government entities, community and business entities and other public and private entities.

9. Legal

Community Initiated Projects must retain an attorney that will prepare an annual statement that the community initiated project is in compliance of all federal, state and city laws.

Community Initiated Projects must retain an accountant that will prepare a financial statement.

10. Reports (Assignments, Budgets & Timetables)

Community Initiated Projects should file an annual report listing all Assignments, Budgets & Timetables in the form provided by the administrator of the City Council's Office of Community Initiated Projects.

The administrator of the City Council's Office of Community Initiated Projects shall prepare an annual report to the City Council of all community initiated projects.



HB1305 Supportive Housing Development
COMMITTEE ON ECONOMIC DEVELOPMENT
Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair
Wednesday, Feb 15, 2023 10:45: Room 423

Hawaii Substance Abuse Coalition Supports SB1305:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery services.

We support both Housing First models as well as Project-Oriented Housing First or Supportive Housing. Housing, connection, support, sobriety, employment, and quality of life—these are all significant outcomes for people choosing recovery from their substance abuse, mental health conditions or criminality.

A wide range of housing options are needed because recovery is unique to each person.

Supportive Housing (SH) is community-based housing targeted to low-income households with that combines housing with case

management and wraparound care. SH has elements similar to treatment in that they involve peer support and other addiction recovery aids.¹ It's important to have various housing options for people because recovery is unique to each person.

SAMHSA's Definition for Homeless towards Recovery²

1. Choice - Making informed, healthy choices that support physical and emotional wellbeing.
2. Home—A stable and safe place to live.
3. Purpose—Meaningful daily activities, such as a job, school, volunteerism, family caretaking, or creative endeavors, and the independence, income and resources to participate in society.

¹ SAMHSA Affordable Housing Models and Recovery <https://www.samhsa.gov/homelessness-programs-resources/hpr-resources/affordable-housing-models-recovery>

² SAMHSA's Working Definition of Recovery. <http://store.samhsa.gov/shin/content//PEP12-RECDEF/PEP12-RECDEF.pdf>

4. Community–Relationships and social networks that provide support, friendship, love, and hope.

Supportive Housing (SH) helps develop and provide housing and related supportive services for people moving from homelessness to independent, supportive living.³ Program funds help homeless people live in a stable place, increase their skills and their income, and gain more control over the decisions that affect their lives.

Services include outreach, case management, childcare, social skills development, job training/placement, health care, and transportation. Medicaid or Supplemental Security Income (SSI) can help with funding. Supportive housing combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities including substance use disorders and mental health disorders.

Study after study has shown that supportive housing not only resolves homelessness and increases housing stability, but also improves health and lowers public costs by reducing the use of publicly-funded crisis services, including shelters, hospitals, psychiatric centers, jails, and prisons. The SH model has been demonstrated to permanently keep the majority of persons who enter the program from ever becoming homeless again. A primary goal to address those significant challenges to help people avoid future episodes of homelessness. It's a higher level than a shelter that often limits the hours when a person can be onsite resulting homeless individuals wandering through the neighborhood during the day.

Core Components

Supportive housing links decent, safe, affordable, community-based housing with flexible, voluntary support services designed to help the individual stay housed and live a more productive life in the community. There is no single model for supportive housing's design.

There are three approaches to operating and providing supportive housing:⁴

1. **Purpose-built or single-site housing:** Apartment buildings designed to primarily serve tenants with the support services typically available on site.
2. **Scattered-site housing:** People lease apartments in private market or general affordable housing apartment buildings using rental subsidies. They can receive services from staff who can visit them in their homes as well as provide services in other settings.
3. **Unit set-asides:** Affordable housing owners agree to lease a designated number or set of apartments to tenants who have exited homelessness or who have service needs, and partner with supportive services providers to offer assistance to tenants.

We appreciate the opportunity to provide testimony and are available for further questions.

³ HUD Exchange SHP Supportive Housing Program <https://www.hudexchange.info/programs/shp/>

⁴ Unites States Interagency Council on Homelessness: Supportive Housing. <https://www.usich.gov/solutions/housing/supportive-housing/>

Statement of

Robin Ishibashi

1808 Punahou Street, 301, Honolulu, Hawaii 96822

Cellular Number (808) 778-8448

before the

HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

February 15, 2023, Wednesday, 10:30 a.m.

State Capitol, Conference Room 423 & Videoconference

In consideration of

HB 1305

RELATING TO COMMUNITY-INITIATED DEVELOPMENT

Chair Holt, Vice Chair Lamosao and members of the Committee. I support HB 1305 and amendments because it makes sense. It is a new idea, however it makes sense. We have had many of these problems around for a long time and we need to take a different approach to solving these problems. We cannot continue to do the same things that we have been doing for the last forty years and expect a different result.

HB 1305 has solutions to help our children, our seniors, housing, hospitals, and parks.

I strongly support HB 1305 and amendments.

Thank you for the opportunity to testify.

HB 1305
Community-Initiated
Development Projects

Potential Projects

as of 02/13/23

Ying & Yang

You need economic development, i.e., trade, tourism, transportation, telecommunications, technology or you cannot pay for the basic necessities, i.e., food, clothing, shelter, healthcare, education.

- HB 1305 will have a revolving fund to develop community-initiated development projects that include economic development and basic necessities.
- HB 1305 will have a revolving fund to develop programs to build facilities that may include senior care facilities/housing, adolescent care/housing, special needs care/housing, teacher housing/student housing, employee housing, job training/job counseling, arts & crafts/cultural & historical center, botanical & zoological center, multi-use community center/parking structure and other needs.
- HB 1305 requires community-initiated development projects to be self sustaining.

Our Children's Future

Hawaii families have children and try to provide them with a bright future. Public schools are the easiest way to assist these students.

- HB 1305 will have a revolving fund to develop a program to build teacher housing.
- HB 1305 will have a revolving fund to develop programs to build facilities for adolescent care and special needs care.
- HB 1305 will have a revolving fund to develop sports fitness and wellness centers.
- HB 1305 will have a revolving fund to develop programs to develop facilities that can be used by the students, parents, alumni, alumni family and community.

Our Seniors Worked Hard...

Our seniors worked hard and deserve the best. Government alone cannot take care of their needs.

- HB 1305 will have a revolving fund to develop programs to build senior care facilities and senior housing.
- HB 1305 will have a revolving fund to develop sports fitness and wellness centers.
- HB 1305 will have a revolving fund to develop programs to develop facilities that can be used by seniors, i.e., job training/job counseling, arts & crafts/cultural & historical center, botanical & zoological center, multi-use community center/parking structure and other needs.

Multi-Generation Homes

Hawaii families have several family members working in the same home. Many of them have more than one job. They have employers and may belong to unions, community organizations, business organizations and other public and private entities that could assist them with their housing needs if there was a program and funds.

- HB 1305 will have a revolving fund and programs to help employers, unions, community organizations, business organizations and other public and private entities to provide housing benefits.
- HB 1305 will have a revolving fund and programs to lower the cost of development and housing.

Leahi Hospital & Maluhia Hospital

There are many aging and underutilized buildings in Honolulu.

- HB 1305 authorizes community-initiated development projects to master plan and develop aging and underutilized buildings.
- Leahi Hospital and Maluhia Hospital are aging and underutilized buildings that could be developed to serve the needs of the community.
- HB 1305 will have a revolving fund and programs to lower the cost of development and housing.
- HB 1305 required community-initiated development projects to be self-sustaining.

City's Parks

The city in the Pearl City, Waipahu, Kapolei, and Ewa area have lands for parks and recreational use. These lands cost money to develop and to maintain. There are lands set aside in Kalaheo for recreational use, but the city does not have funds to develop and maintain these lands.

- HB 1305 will have a revolving fund and programs that could be used to develop these lands into a sports academy.
- HB 1305 requires that community-initiated development projects must be self-sustaining.
- There are many Hawaii children that benefited from sports. They were able to get scholarships because of sports.

Statement of
JoAnne Trask
920 Ward Avenue, Honolulu, Hawaii 96814
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
February 15, 2023, Wednesday, 10:30 a.m.
State Capitol, Conference Room 423 & Videoconference
In consideration of
HB 1305
RELATING TO COMMUNITY-INITIATED DEVELOPMENT

Good morning Chair Holt, Vice Chair Lamosao and members of the Committee. My name is JoAnne Trask and I am a resident of Honolulu, Hawaii. I was employed at Straub for 38-years.

I support HB 1305 and amendments that were submitted by Global Innovation & Entrepreneurship Center LLC. . Attached is a copy of HB 1305 with amendments.

.Also attached is an Executive Summary that explains HB 1305 as amended.

House Bill 1305 will authorize Community-Initiated, Community-Based master planned projects. Community, business and government will be working together on Community-Initiated Development Projects in Honolulu to solve the community needs. This is an economic development bill that includes senior care, adolescent care, special needs care, health care, education, housing and other community needs. It changes who will be initiating the development, what lands will be developed, what projects will be developed, how projects are master planned, how projects will be processed, how projects will be financed, and how projects are owned and managed.

I strongly support HB 1305 and amendments.

Please pass this measure.

Thank you for the opportunity to testify.

EXECUTIVE SUMMARY

1. House Bill 1305 will authorize Community-Initiated, Community-Based master planned projects. Community, business and government will be working together on Community-Initiated Development Projects in Honolulu to solve the community needs. This is an economic development bill that includes senior care, adolescent care, special needs care, health care, education, housing and other community needs.
2. The community knows their needs and the lands, buildings, projects, and other resources and with the support of business and government can solve any problems.
3. Government alone cannot solve problems. You need community, business, and government all working together with a common goal. <https://youtu.be/P1VFRllPh-w>
4. Stand-alone projects like the current stadium, convention center, medical school, deep draft harbor, and state hospital are not financially sustainable. Community-Initiated Development Projects will be master planned projects consisting of like-type businesses to create synergy and critical mass to be self-sustaining.
5. Honolulu's development process and building permit system is not working. The development process and building permits take a lot of time and money. Community-Initiated Development Projects will start at the Neighborhood Board move on to the Council Member and Legislators where the project is located, and finally the City Council.
6. Land, infrastructure, and building approvals, financing, development, and construction can be expensive and risky. Community-Initiated Development projects going through Community-Initiated Development projects processing and Development Cycle Revolving Funds financing will fairly compensate the entities involved in the development cycle.
7. A duty-free, group-purchasing, building material company owned by the building supply companies, contractors and developers is necessary to lower the cost of building materials.
8. An off-site assembly plant owned and operated by the building trade unions can be used to recruit and train apprentices and to lower the cost of construction. Final product will have a warranty, initial on-site inspection, annual inspections, and service, repairs and maintenance plan.
9. A SBA 8(a) program can be set up by contractors, developers, community, business, and government to recruit and train future contractors and developers.
10. Financial, real estate companies, community, business, and government can create a home ownership counseling center and create other programs to assist employers and organizations to provide housing benefits.

A BILL FOR AN ACT

RELATING TO COMMUNITY-INITIATED DEVELOPMENT **PROJECTS**.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the State should strive to meet the needs of the people. Many of these needs can be met through development projects, but not enough of these projects are currently in place, even as the needs of the people continue to grow, and have grown since Hawaii became a state in 1959.

The legislature notes that the needs of communities continue to grow. For example, in 2016, the governor noted that the State was short of sixty-six thousand affordable housing units. The legislature finds that neither the State, nor any county, business, nor other organization can work alone to meet housing needs, or any needs relating to food, clothing, health care, economic development, trade, travel, tourism, (or) transportation, **telecommunication and technology**. Rather, governmental agencies should work together with businesses, **community**, and other organizations to execute community **-initiated** development projects to help address these needs.

The legislature also finds that the State's most populous county had a department of housing and community development, but that the agency was dismantled in 1998. The legislature finds that the establishment of a county program to engage in similar projects would be most helpful.

Accordingly, the purpose of this Act is to authorize and appropriate moneys for any county with a population of five hundred thousand or more to form partnerships with certain qualifying nonprofit corporations to execute community-initiated development projects within the county.

SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART

COMMUNITY-INITIATED DEVELOPMENT PROJECTS

§46-A Definitions. As used in this part, unless the context clearly requires otherwise:

"Community-initiated development project" means a project that is subject to this part.

"Committee" means a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located.

"County" means any county with a population of five hundred thousand or more.

"Department" means the **county council**, county department or other county agency that carries out the county's duties under this part.

"Nonprofit corporation" means a Hawaii nonprofit corporation, formed pursuant to chapter 414D, that develops and operates, or proposes to develop and operate, a project.

"Project" means a community-initiated development project.

§46-B Counties; private sector entities; projects. A

department may form any partnership with any nonprofit corporation to execute any community-initiated development project within the county; provided that:

- (1) The project is in the public interest and complies with this part;
- (2) Development of the project cannot occur by the ordinary operations of private enterprise;
- (3) The project shall be developed on land or property in the inventory that the department maintains pursuant to section 46-C; and
- (4) The county, nonprofit corporation, and project shall comply with this part.

§46-C Suitable properties for projects. The department shall identify and keep an updated inventory of the following lands and properties within the county:

- (1) State land use agriculture and conservation land with infrastructure that can be developed for housing;
- (2) State land use agriculture and conservation land with infrastructure;
- (3) State land use agriculture and conservation land without infrastructure;
- ~~(4) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, and empty of buildings and occupants;~~
- ~~(5) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, with vacant buildings;~~
- ~~(6) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, that is underutilized;)~~
- (4) State land use urban, county zoned properly for the purposes of a project, and empty of buildings and occupants;
- (5) State land use urban, county zoned properly for the purposes of a project, and with vacant buildings;
- (6) State land use urban, county zoned properly for the purposes of a project, that is underutilized;
- (7) Church properties, to extent authorized under constitutional law;

(8) Community Centers;

(9) Cultural Centers/Studies Centers;

(10) Golf Courses;

(11) Harbors;

(12) Health care facilities;

(13) Hospitals;

(14) Housing;

(15) Parks;

(16) Recreational Centers;

(17) Schools; and

(18) Sporting facilities.

§46-D Master plan; requirements. (a) A nonprofit corporation shall prepare a master plan for a project.

(b) Each master plan shall include, to the extent necessary for the purposes of the project:

(1) Multiple-use facilities;

(2) Placement of similar businesses within close proximity of each other;

(3) Adjacencies between businesses and buildings;

(4) Phased inclusion of businesses and phased development of buildings;

- (5) Synergy between businesses and buildings;
 - (6) Leveraging assets, needs, products, and services of each business and building;
 - (7) Identification of benefits to all stakeholders;
 - (8) Specifications on how the partnership between the entity and the county will make efficient use of assets to meet needs and provide benefits, products, and services; and
 - (9) Specifications on the development of any center for excellence.
- (c) Each master plan may also include provisions relating to:
- (1) Senior housing and/or senior care;
 - (2) Adolescent housing and/or adolescent care;
 - (3) Teacher and/or student housing;
 - (4) Employee housing;
 - (5) Special needs housing and/or special needs care;
 - (6) Health care, Sports care and/or wellness facilities;
 - (7) Job counseling and/or training centers;
 - (8) Centers focused on arts, craft, culture, history, botany, zoology, education, research;
 - (9) Multi-use community centers;
 - (10) Public facility partnerships with private developers to build retail and

commercial facilities to subsidize the public facilities; and

(11) Parking facilities.

(d) A nonprofit corporation shall submit a copy of the master plan to the appropriate neighborhood board for the board's review and consideration. The board may approve or disapprove of a master plan. The master plan shall be amended to comply with any conditions the board may place on the project's approval.

(e) Each master plan that has been approved by a board shall be reviewed by a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located. The department shall provide administrative support for each committee.

(f) Each master plan shall be subject to approval or disapproval by the legislative body of the county.

§46-E Funding. (a) Nonprofit corporations shall make a good faith effort to apply for funds and other assistance from governmental agencies, community organizations, business organizations, and other public and private entities.

(b) Projects may be funded by moneys from the revolving funds established in section 201- , subject to requirements established by the department of business, economic development, and tourism, and the county.

§46-F Rules. The director of the department shall adopt rules, pursuant to chapter 91, necessary for the purposes of this part."

SECTION 3. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201- **Revolving funds; community-initiated development projects.** (a) The following revolving funds are created to assist counties with community-initiated development projects pursuant to part _____ of chapter 46:

(a) A development revolving fund with seven (7) sub-revolving funds;

_____ (1) A land acquisition sub-revolving fund;

_____ (2) A pre-development sub-revolving fund;

_____ (3) A development sub-revolving fund;

_____ (4) An infrastructure construction sub-revolving fund;

_____ (5) A building construction sub-revolving fund;

_____ (6) An assets management sub-revolving fund;

_____ (7) A community-initiated development projects credit corporation sub-revolving fund;

(b) A building revolving fund with six (6) sub-revolving funds;

_____ (1) A building materials sub-revolving fund;

_____ (2) A new technologies sub-revolving fund;

_____ (3) An assembly plant sub-revolving fund;

(4) A repair and maintenance sub-revolving fund;

(5) A modernization sub-revolving fund; ~~and~~

(6) A contractors and developers center of excellence sub-revolving fund.

(c) A housing revolving fund with three (3) sub-revolving funds;

(1) A community organization-owned housing sub-revolving fund~~(-)~~;

(2) A private businesses-owned housing sub-revolving fund; and

(3) A home ownership counseling sub-revolving fund.

(b) Moneys from any lawful source may be deposited into each fund.

(c) The department shall adopt rules, pursuant to chapter 91, necessary for the purposes of this section, including rules to specify the purposes of each fund."

(1) A land acquisition sub-revolving fund is to be used for the acquisition of land for the project.

(2) A pre-development sub-revolving fund is to be used for pre-development costs and expenses including but not limited to preparing a market study, preliminary infrastructure study, preliminary infrastructure cost estimates, preliminary building cost estimates, master plan, business plan, financial feasibility study and all other reports and studies necessary for government approvals.

(3) A development sub-revolving fund is to be used for development costs and expenses including but not limited to infrastructure drawings, building

drawings, construction cost estimates and all other reports and studies necessary for government approvals.

(4) An infrastructure construction sub-revolving fund is to be used for on-site and off-site infrastructure construction.

(5) A building construction sub-revolving fund is to be used for building construction.

(6) An assets management sub-revolving fund is used for repayment of the loan from the building construction sub-revolving fund and the acquisition of the completed community-initiated development project.

(7) A community-initiated development projects credit corporation sub-revolving fund is used for the creation of a community-initiated development projects credit corporation that will finance the turnkey units assembled at the assembly plant; housing projects; community projects; and other projects.

(8) A building materials sub-revolving fund is used for the creation of a duty-free, group-purchasing, building materials center to supply building material companies, contractors, developers, community organizations, business organizations, government organizations, and other public and private entities.

(9) A new technologies sub-revolving fund is used for the creation of a land, infrastructure and building technologies center to research and develop new products and services.

(10) An assembly plant sub-revolving fund is used for the creation of an assembly plant corporation to be owned and operated by the construction trade unions to turnkey housing units for sale to contractors, developers, landowners, homeowners and other entities. The assembly plant corporation will provide a warranty and service plan for each housing unit which includes onsite inspection, annual inspection, annual service and repairs and maintenance.

(11) A repair and maintenance sub-revolving fund is used for repairs and maintenance.

(12) A modernization sub-revolving fund is used for modernization.

(13) A contractors and developers center of excellence sub-revolving fund is used to create a center with contractors, developers, community organizations, business organizations, and government organizations to develop a program to recruit and train contractors and developers similar to the Small Business Administration 8(a) Business Development Program. Eligible contractors and developers would be referred to Community-Initiated Development Projects. Center would develop into a center of excellence to research and develop new products and services.

(14) A community organization-owned housing sub-revolving fund is used to finance and develop housing units for employees of community organizations.

Community organization may include churches, schools, hospitals, unions and other non-profit organizations.

(15) A private businesses-owned housing sub-revolving fund is used to finance and develop housing units for employees of private businesses.

(16) A home ownership counseling sub-revolving fund is used to create a center with financial companies, real estate companies, community organizations, business organizations, government organizations, and other public and private entities to educate and inform homebuyers on land availability, housing availability, housing options, financing options, development options, construction options, ownership options and other matters.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 to be deposited into the revolving funds established pursuant to section 3 of this Act; provided that the sums appropriated shall be divided equally between each revolving fund, i.e., development revolving fund, building revolving fund and housing revolving fund.

SECTION 5. There is appropriated out of each of the revolving funds established pursuant to section 3 of this Act the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof

as may be necessary for fiscal year 2024-2025 for community-initiated development projects.

The sums appropriated shall be expended by the city and county of Honolulu for the purposes of this Act.

SECTION 6. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 7. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 8. This Act shall take effect on July 1, 2023.

Statement of
Robert Imose
632 Hunakai Street, Honolulu, Hawaii 96818
Telephone: (808) 398-5796
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
February 15, 2023, Wednesday, 10:30 a.m.
State Capitol, Conference Room 423 & Videoconference
In consideration of
HB 1305
RELATING TO COMMUNITY-INITIATED DEVELOPMENT

Chair Holt, Vice Chair Lamosao and members of the Committee. I support HB 1305 and amendments that were submitted by Global Innovation & Entrepreneurship Center LLC.

I prepared a Frequently Asked Questions 2-page handout that explains HB 1305 as amended. I came up with ten (10) questions and the answers to the ten (10) questions.

Stand-alone projects like the stadium, convention center, medical school, deep draft harbor, parks, recreational center and hospitals cannot be built anymore. They require annual government funding. We must have community-initiated master planned self sustaining projects that do not require continued government funding.

How is Stan Kroenke able to build a \$5billion 70,240-seat expandable to 100,240-seat stadium in Los Angeles California? What is in the master plan? What businesses are built around the stadium to create revenue streams?

I strongly support HB 1305 and amendments. Please pass the measure.

Thank you for the opportunity to testify.



1.	What is HB 1305?
	House Bill 1305 creates an avenue for economic development within the City and County of Honolulu. We cannot afford the basic necessities, i.e., food, clothing, shelter/housing, health care, education unless we have economic development, i.e., trade, tourism, transportation, telecommunications, technology. Projects must be financially sustainable.
2.	Why do we need HB 1305?
	Government alone cannot solve the problems of our city. Community, business and government must work together to solve the problems of our city.
3.	What does HB 1305 do to developments?
	It changes who will be initiating the development, what lands will be developed, what projects will be developed, what is in the master plan, how projects will be processed, how projects will be financed, and how projects are owned and managed.
4.	Who will be initiating the development?
	The community will be initiating the development.
5.	What lands will be developed?
	Community Initiated Projects must be on lands with the state land use and city zoning as follows: <ul style="list-style-type: none"> a. Land that is state land use agriculture and conservation land with infrastructure. b. land that is state land use urban and fully zoned and an empty lot. c. land that is state land use urban and fully zoned with a building that is vacant. d. land that is state land use urban and fully zoned that is underutilized. e. Existing public facilities such as Churches, Harbors, Health Care Facilities, Hospitals, Parks, Schools and Sports Facilities.
6.	What projects will be developed?
	Community Initiated Projects must prepare a master plan that may include senior care/housing, adolescent care/housing, special needs care/housing, health care & wellness, teacher housing/student housing, employee housing, job counseling & training center, arts & crafts center/cultural & historical center, botanical & zoological center, multi-use community center and parking facilities. Public facilities can partner with a private developer to build retail and commercial facilities to subsidize the public facilities. <p>Master Plan must include the concepts as follows:</p> <ul style="list-style-type: none"> a. Multi-use facilities b. Co-locating like type businesses, c. Phasing of business and buildings, d. Business and building adjacencies, e. Synergy between businesses and buildings, f. Leveraging each business's and building's assets & needs and products & services, g. Identifying the benefits to all stakeholders,

	<p>h. Structuring private-public partnering to maximize all assets, benefits, needs, products and services, and</p> <p>i. Development of centers of excellence.</p>
7.	How will projects be processed?
	<p>Community Initiated Projects must submit a master plan of their project to the neighborhood board for their review and approval and conditions or disapproval.</p> <p>Community Initiated Projects that have been approved by the neighborhood board will be reviewed and approved or disapproved by a committee consisting of the elected officials in the council district, i.e., state representative, state senators and council representatives.</p> <p>Community Initiated Projects that have been approved by the committee shall be reviewed and approved or disapproved by the city council.</p>
8.	How will projects be financed?
	<p>Community, business and government will work together to finance community-initiated projects.</p> <p>State Legislature will create and fund the revolving funds as follows:</p> <ol style="list-style-type: none"> 1. Land Acquisition Revolving Fund 2. Pre-Development Revolving Fund 3. Development Revolving Fund 4. Infrastructure Construction Revolving Fund 5. Building Construction Revolving Fund 6. Assets Management Revolving Fund 7. Credit Corporation Revolving Fund <p>These seven (7) funds would be used for the development cycle.</p> <p>Community-Initiated Projects should apply for funds and other assistance from federal, state, city, community organizations, business organizations and other public and private entities. US Department of Housing & Urban Development, US Department of Agriculture and US Department of Health and Human Services have grants, loans and other funds and programs. State has grants, capital improvement funds, special purpose revenue bonds and other funds and programs. City has grants, capital improvement funds and other funds and programs.</p>
9.	How will projects be owned and managed?
	<p>Ownership and management of the project will depend on who owned the land, what was developed on the land, what was done during the development process, what kind of financing was used on the project, and what kind of tenants are in the project.</p>
10.	How does HB 1305 lower the cost of developments?
	<p>State Legislature will create and fund the revolving funds as follows:</p> <ol style="list-style-type: none"> 8. Building Materials Revolving Fund 9. New Technologies Revolving Fund 10. Assembly Plant Revolving Fund 11. Repairs & Maintenance Revolving Fund 12. Modernization Revolving Fund 13. Contractors & Developers Center Of Excellence Revolving Fund <p>These six (6) revolving funds will assist the building materials suppliers, contractors, developers, construction trade unions, building owners and others and will lower the cost of developments.</p>

A BILL FOR AN ACT

RELATING TO COMMUNITY-INITIATED DEVELOPMENT **PROJECTS**.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The legislature finds that the State should strive to meet the needs of the people. Many of these needs can be met through development projects, but not enough of these projects are currently in place, even as the needs of the people continue to grow, and have grown since Hawaii became a state in 1959.

The legislature notes that the needs of communities continue to grow. For example, in 2016, the governor noted that the State was short of sixty-six thousand affordable housing units. The legislature finds that neither the State, nor any county, business, nor other organization can work alone to meet housing needs, or any needs relating to food, clothing, health care, economic development, trade, travel, tourism, (or) transportation, **telecommunication and technology**. Rather, governmental agencies should work together with businesses, **community**, and other organizations to execute community **-initiated** development projects to help address these needs.

The legislature also finds that the State's most populous county had a department of housing and community development, but that the agency was dismantled in 1998. The legislature finds that the establishment of a county program to engage in similar projects would be most helpful.

Accordingly, the purpose of this Act is to authorize and appropriate moneys for any county with a population of five hundred thousand or more to form partnerships with certain qualifying nonprofit corporations to execute community-initiated development projects within the county.

SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART

COMMUNITY-INITIATED DEVELOPMENT PROJECTS

§46-A Definitions. As used in this part, unless the context clearly requires otherwise:

"Community-initiated development project" means a project that is subject to this part.

"Committee" means a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located.

"County" means any county with a population of five hundred thousand or more.

"Department" means the **county council**, county department or other county agency that carries out the county's duties under this part.

"Nonprofit corporation" means a Hawaii nonprofit corporation, formed pursuant to chapter 414D, that develops and operates, or proposes to develop and operate, a project.

"Project" means a community-initiated development project.

§46-B Counties; private sector entities; projects. A

department may form any partnership with any nonprofit corporation to execute any community-initiated development project within the county; provided that:

- (1) The project is in the public interest and complies with this part;
- (2) Development of the project cannot occur by the ordinary operations of private enterprise;
- (3) The project shall be developed on land or property in the inventory that the department maintains pursuant to section 46-C; and
- (4) The county, nonprofit corporation, and project shall comply with this part.

§46-C Suitable properties for projects. The department shall identify and keep an updated inventory of the following lands and properties within the county:

- (1) State land use agriculture and conservation land with infrastructure that can be developed for housing;
- (2) State land use agriculture and conservation land with infrastructure;
- (3) State land use agriculture and conservation land without infrastructure;
- ~~(4) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, and empty of buildings and occupants;~~
- ~~(5) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, with vacant buildings;~~
- ~~(6) All state land use real estate that is in an urban area, zoned properly for the purposes of a project, that is underutilized;)~~
- (4) State land use urban, county zoned properly for the purposes of a project, and empty of buildings and occupants;
- (5) State land use urban, county zoned properly for the purposes of a project, and with vacant buildings;
- (6) State land use urban, county zoned properly for the purposes of a project, that is underutilized;
- (7) Church properties, to extent authorized under constitutional law;

(8) Community Centers;

(9) Cultural Centers/Studies Centers;

(10) Golf Courses;

(11) Harbors;

(12) Health care facilities;

(13) Hospitals;

(14) Housing;

(15) Parks;

(16) Recreational Centers;

(17) Schools; and

(18) Sporting facilities.

§46-D Master plan; requirements. (a) A nonprofit corporation shall prepare a master plan for a project.

(b) Each master plan shall include, to the extent necessary for the purposes of the project:

(1) Multiple-use facilities;

(2) Placement of similar businesses within close proximity of each other;

(3) Adjacencies between businesses and buildings;

(4) Phased inclusion of businesses and phased development of buildings;

- (5) Synergy between businesses and buildings;
 - (6) Leveraging assets, needs, products, and services of each business and building;
 - (7) Identification of benefits to all stakeholders;
 - (8) Specifications on how the partnership between the entity and the county will make efficient use of assets to meet needs and provide benefits, products, and services; and
 - (9) Specifications on the development of any center for excellence.
- (c) Each master plan may also include provisions relating to:
- (1) Senior housing and/or senior care;
 - (2) Adolescent housing and/or adolescent care;
 - (3) Teacher and/or student housing;
 - (4) Employee housing;
 - (5) Special needs housing and/or special needs care;
 - (6) Health care, Sports care and/or wellness facilities;
 - (7) Job counseling and/or training centers;
 - (8) Centers focused on arts, craft, culture, history, botany, zoology, education, research;
 - (9) Multi-use community centers;
 - (10) Public facility partnerships with private developers to build retail and

commercial facilities to subsidize the public facilities; and

(11) Parking facilities.

(d) A nonprofit corporation shall submit a copy of the master plan to the appropriate neighborhood board for the board's review and consideration. The board may approve or disapprove of a master plan. The master plan shall be amended to comply with any conditions the board may place on the project's approval.

(e) Each master plan that has been approved by a board shall be reviewed by a committee that includes the state legislators and county council members who represent the corresponding state legislative and county council districts in which the project is to be located. The department shall provide administrative support for each committee.

(f) Each master plan shall be subject to approval or disapproval by the legislative body of the county.

§46-E Funding. (a) Nonprofit corporations shall make a good faith effort to apply for funds and other assistance from governmental agencies, community organizations, business organizations, and other public and private entities.

(b) Projects may be funded by moneys from the revolving funds established in section 201- , subject to requirements established by the department of business, economic development, and tourism, and the county.

§46-F Rules. The director of the department shall adopt rules, pursuant to chapter 91, necessary for the purposes of this part."

SECTION 3. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201- Revolving funds; community-initiated development projects. (a) The following revolving funds are created to assist counties with community-initiated development projects pursuant to part of chapter 46:

(a) A development revolving fund with seven (7) sub-revolving funds;

(1) A land acquisition sub-revolving fund;

(2) A pre-development sub-revolving fund;

(3) A development sub-revolving fund;

(4) An infrastructure construction sub-revolving fund;

(5) A building construction sub-revolving fund;

(6) An assets management sub-revolving fund;

(7) A community-initiated development projects credit corporation sub-revolving fund;

(b) A building revolving fund with six (6) sub-revolving funds;

(1) A building materials sub-revolving fund;

(2) A new technologies sub-revolving fund;

(3) An assembly plant sub-revolving fund;

(4) A repair and maintenance sub-revolving fund;

(5) A modernization sub-revolving fund; ~~and~~

(6) A contractors and developers center of excellence sub-revolving fund.

(c) A housing revolving fund with three (3) sub-revolving funds;

(1) A community organization-owned housing sub-revolving fund~~(-)~~;

(2) A private businesses-owned housing sub-revolving fund; and

(3) A home ownership counseling sub-revolving fund.

(b) Moneys from any lawful source may be deposited into each fund.

(c) The department shall adopt rules, pursuant to chapter 91, necessary for the purposes of this section, including rules to specify the purposes of each fund."

(1) A land acquisition sub-revolving fund is to be used for the acquisition of land for the project.

(2) A pre-development sub-revolving fund is to be used for pre-development costs and expenses including but not limited to preparing a market study, preliminary infrastructure study, preliminary infrastructure cost estimates, preliminary building cost estimates, master plan, business plan, financial feasibility study and all other reports and studies necessary for government approvals.

(3) A development sub-revolving fund is to be used for development costs and expenses including but not limited to infrastructure drawings, building

drawings, construction cost estimates and all other reports and studies necessary for government approvals.

(4) An infrastructure construction sub-revolving fund is to be used for on-site and off-site infrastructure construction.

(5) A building construction sub-revolving fund is to be used for building construction.

(6) An assets management sub-revolving fund is used for repayment of the loan from the building construction sub-revolving fund and the acquisition of the completed community-initiated development project.

(7) A community-initiated development projects credit corporation sub-revolving fund is used for the creation of a community-initiated development projects credit corporation that will finance the turnkey units assembled at the assembly plant; housing projects; community projects; and other projects.

(8) A building materials sub-revolving fund is used for the creation of a duty-free, group-purchasing, building materials center to supply building material companies, contractors, developers, community organizations, business organizations, government organizations, and other public and private entities.

(9) A new technologies sub-revolving fund is used for the creation of a land, infrastructure and building technologies center to research and develop new products and services.

(10) An assembly plant sub-revolving fund is used for the creation of an assembly plant corporation to be owned and operated by the construction trade unions to turnkey housing units for sale to contractors, developers, landowners, homeowners and other entities. The assembly plant corporation will provide a warranty and service plan for each housing unit which includes onsite inspection, annual inspection, annual service and repairs and maintenance.

(11) A repair and maintenance sub-revolving fund is used for repairs and maintenance.

(12) A modernization sub-revolving fund is used for modernization.

(13) A contractors and developers center of excellence sub-revolving fund is used to create a center with contractors, developers, community organizations, business organizations, and government organizations to develop a program to recruit and train contractors and developers similar to the Small Business Administration 8(a) Business Development Program. Eligible contractors and developers would be referred to Community-Initiated Development Projects. Center would develop into a center of excellence to research and develop new products and services.

(14) A community organization-owned housing sub-revolving fund is used to finance and develop housing units for employees of community organizations.

Community organization may include churches, schools, hospitals, unions and other non-profit organizations.

(15) A private businesses-owned housing sub-revolving fund is used to finance and develop housing units for employees of private businesses.

(16) A home ownership counseling sub-revolving fund is used to create a center with financial companies, real estate companies, community organizations, business organizations, government organizations, and other public and private entities to educate and inform homebuyers on land availability, housing availability, housing options, financing options, development options, construction options, ownership options and other matters.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof as may be necessary for fiscal year 2024-2025 to be deposited into the revolving funds established pursuant to section 3 of this Act; provided that the sums appropriated shall be divided equally between each revolving fund, i.e., development revolving fund, building revolving fund and housing revolving fund.

SECTION 5. There is appropriated out of each of the revolving funds established pursuant to section 3 of this Act the sum of \$ or so much thereof as may be necessary for fiscal year 2023-2024 and the same sum or so much thereof

as may be necessary for fiscal year 2024-2025 for community-initiated development projects.

The sums appropriated shall be expended by the city and county of Honolulu for the purposes of this Act.

SECTION 6. If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the invalidity does not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 7. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 8. This Act shall take effect on July 1, 2023.

Testimony before the House Committee on Economic Development

HB 1305 Relating to Community-Initiated Development

February 15, 2023

**To: Chair Daniel Holt
Vice Chair Rachele F. Lamosao
Rep. Natalia Hussey-Burdick
Rep. Sam Satoru Kong
Rep. Nadine K. Nakamura
Rep. Sean Quinlan
Rep. Elijah Pierick**

**From: William E. Cook
Managing Member, Aspen Strategic Holdings, LLC**

Position: Strong support of bill

My name is William E. Cook. I am a Managing Member of Aspen Strategic Holdings, LLC, a consulting and investment organization focused principally on business planning and strategy development for hospitals, healthcare organizations and entrepreneurs. Our corporate office is in Dallas, Texas I reside at 7 Nonesuch Road, Dallas, Texas 75214-3432. I speak in strong support of House Bill 1305 as amended.

House Bill 1305 as amended authorizes community-initiated development projects including healthcare facilities and hospitals. It changes who will be initiating the development, what lands will be developed, what projects will be developed, what should be included in the master plan, how projects will be processed, how projects will be financed, and how projects are owned and managed.

As a consultant and corporate executive, I have more than 35 years of experience in matters of strategic and business planning, financial management, and market development representing an array of large healthcare systems, community hospitals, physicians and healthcare entrepreneurs. I was previously a consultant to the Pacific Health Center. In January 1999, the Baylor Health Care System (Baylor), one of the nation's largest not-for-profit integrated health care providers based in Dallas, Texas, was engaged by the Wahiawa Hospital Association and Pacific Health Center leadership team to provide an array of advisory and consulting services to the development. At the time of the engagement, I was Vice-President of Real Estate Services and Development for Baylor.

As a part of the Baylor consulting team and in subsequent positions after leaving Baylor, I was involved with the Pacific Health Center over the course of 7 years in analyzing and recommending programmatic components and facility development sequences; assisting with the engagement of appropriate internal and external specialty consultants; supporting the on-going development processes through on-site meetings and conference calls; and assisting in the oversight and management of support services necessary for development of the project. More specifically, I was involved in the preparation and development of the Pacific Health Center Business Plan evaluating the initial land acquisition of 80 acres and the array of facilities to be constructed in Phase 1 of the proposed development as well as a consultant to the 210-acre Master Plan for the Pacific Health Center. My work with the Pacific Health Center provided me a unique opportunity to learn much about the business and economic opportunities of the state and citizens.

In May 2001, I was privileged to participate in a Medical/Health Care & Related Services Study Mission to Japan sponsored by the State of Hawaii Department of Business, Economic Development & Tourism and the Honolulu Japanese Chamber of Commerce. The principal purpose of the trip was to learn about Japan's health care industry, their trends and needs, and to identify possible opportunities for Japan and Hawaii concerns to work collaboratively together. Representatives from Wahiawa Hospital Association and Pacific Health Center were able to visit a cross-section of Japanese medical and health care facilities, meet with health care professionals in the private and public sector, and share information about Hawaii's current medical expertise as well as the planned Pacific Health Center development. As result of this mission, there was much enthusiasm and interest generated for the Pacific Health Center development from several Japanese health care organizations that indicated a strong interest in developing alliances with the new development. Again, these expressions of interest demonstrated how projects similar to those contemplated by the Pacific Health Center with its planned comprehensive array of community services, programs, and facilities could be well positioned to attract patients from the Pacific Rim. The Pacific Health Center provides a unique opportunity to blend the best of the clinical and technological "know-how" of the East and West.

From my professional experience, the passage of HB 1305 as amended can substantially contribute to economic development opportunities for the State as well as enhance the well-being and welfare of its citizens.

I write in support of House Bill 1305 As Amended Community-Initiated Development. I believe its potential impact is significant to the citizens of the State of Hawaii. All city and state leadership should work diligently to insure its development. Community development projects as envisioned by the Bill will provide new employment opportunities for nearby residents as well as attract additional new complimentary and synergistic businesses not to mention provide much needed services and programs for Hawaii citizens.

Thank you for the opportunity to submit this testimony and consideration of my comments.

Respectfully submitted,

William E Cook

William E. Cook
Managing Member
Aspen Strategic Holdings, LLC
7 Nonesuch Road
Dallas, Texas 75214-3432

Cell Phone: 214-535-6554



1.	What is HB 1305?
	House Bill 1305 creates an avenue for economic development within the City and County of Honolulu. We cannot afford the basic necessities, i.e., food, clothing, shelter/housing, health care, education unless we have economic development, i.e., trade, tourism, transportation, telecommunications, technology. Projects must be financially sustainable.
2.	Why do we need HB 1305?
	Government alone cannot solve the problems of our city. Community, business and government must work together to solve the problems of our city.
3.	What does HB 1305 do to developments?
	It changes who will be initiating the development, what lands will be developed, what projects will be developed, how projects will be processed, how projects will be financed, and how projects are owned and managed.
4.	Who will be initiating the development?
	The community will be initiating the development.
5.	What lands will be developed?
	Community Initiated Projects must be on lands with the state land use and city zoning as follows: <ul style="list-style-type: none"> a. Land that is state land use agriculture and conservation land with infrastructure. b. land that is state land use urban and fully zoned and an empty lot. c. land that is state land use urban and fully zoned with a building that is vacant. d. land that is state land use urban and fully zoned that is underutilized. e. Existing public facilities such as Churches, Harbors, Health Care Facilities, Hospitals, Parks, Schools and Sports Facilities.
6.	What projects will be developed?
	Community Initiated Projects must prepare a master plan that may include senior care/housing, adolescent care/housing, special needs care/housing, health care & wellness, teacher housing/student housing, employee housing, job counseling & training center, arts & crafts center/cultural & historical center, botanical & zoological center, multi-use community center and parking facilities. Public facilities can partner with a private developer to build retail and commercial facilities to subsidize the public facilities. <p>Master Plan must include the concepts as follows:</p> <ul style="list-style-type: none"> a. Multi-use facilities b. Co-locating like type businesses,

	<p>c. Phasing of business and buildings, d. Business and building adjacencies, e. Synergy between businesses and buildings, f. Leveraging each business's and building's assets & needs and products & services, g. Identifying the benefits to all stakeholders, h. Structuring private-public partnering to maximize all assets, benefits, needs, products and services, and i. Development of centers of excellence.</p>
7.	How will projects be processed?
	<p>Community Initiated Projects must submit a master plan of their project to the neighborhood board for their review and approval and conditions or disapproval.</p> <p>Community Initiated Projects that have been approved by the neighborhood board will be reviewed and approved or disapproved by a committee consisting of the elected officials in the council district, i.e., state representative, state senators and council representatives.</p> <p>Community Initiated Projects that have been approved by the committee shall be reviewed and approved or disapproved by the city council.</p>
8.	How will projects be financed?
	<p>Community, business and government will work together to finance community-initiated projects.</p> <p>State Legislature will create and fund the revolving funds as follows:</p> <ol style="list-style-type: none"> 1. Land Acquisition Revolving Fund 2. Pre-Development Revolving Fund 3. Development Revolving Fund 4. Infrastructure Construction Revolving Fund 5. Building Construction Revolving Fund 6. Assets Management Revolving Fund 7. Credit Corporation Revolving Fund <p>These seven (7) funds would be used for the development cycle.</p> <p>Community-Initiated Projects should apply for funds and other assistance from federal, state, city, community organizations, business organizations and other public and private entities.</p> <p>US Department of Housing & Urban Development, US Department of Agriculture and US Department of Health and Human Services have grants, loans and other funds and programs.</p> <p>State has grants, capital improvement funds, special purpose revenue bonds and other funds and programs. City has grants, capital improvement funds and other funds and programs.</p>
9.	How will projects be owned and managed?
	<p>Ownership and management of the project will depend on who owned the land, what was developed on the land, what was done during the development process, what kind of</p>

	financing was used on the project, and what kind of tenants are in the project.
10.	How does HB 1305 lower the cost of developments?
	<p>State Legislature will create and fund the revolving funds as follows:</p> <ul style="list-style-type: none"> 8. Building Materials Revolving Fund 9. New Technologies Revolving Fund 10. Assembly Plant Revolving Fund 11. Repairs & Maintenance Revolving Fund 12. Modernization Revolving Fund 13. Contractors & Developers Center Of Excellence Revolving Fund <p>These six (6) revolving funds will assist the building materials suppliers, contractors, developers, construction trade unions, building owners and others and will lower the cost of developments.</p>

LATE **LATE**

HB-1305

Submitted on: 2/14/2023 3:16:46 PM

Testimony for ECD on 2/15/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Chew	Individual	Support	Written Testimony Only

Comments:

I strongly support HB1305. Thank you

LATE

LATE

HB-1305

Submitted on: 2/15/2023 2:35:05 AM

Testimony for ECD on 2/15/2023 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Ruth Love	Individual	Oppose	Written Testimony Only

Comments:

Population cap means only people in Oahu would benefit. Not pono to only give money to one group. Try reword this to be inclusive of all islands