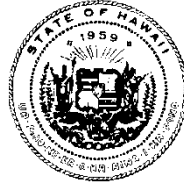


JOSH GREEN, M.D.
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY, PLEASE REFER TO:

Statement of
Hakim Ouansafi, Executive Director
Hawaii Public Housing Authority

Before the
Senate Committee on Ways and Means

10:30 a.m., March 2, 2023
Hawaii State Capitol
Room 211

In consideration of
SB 330, SD1

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

Honorable Chair Dela Cruz, and members of the Senate Committee on Ways and Means, thank you for this opportunity to provide testimony regarding SB 330, SD1, relating to the Hawaii Housing Finance and Development Corporation.

The Hawaii Public Housing Authority (HPHA) is in **support of the exemption of the HPHA** in SB 330, SD1. This measure authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) the right of first refusal for the development of property for all development on state lands, **excluding the HPHA** and Stadium Development District and Department of Hawaiian Home Lands, that are within a one-half mile radius of a rail transit station which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest. Requires state departments or agencies to provide sixty days advance written notice of any approval of a proposed development or proposed transfer of such lands.

As you may know, the HPHA receives its federal funding through an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD). The ACC establishes the terms and conditions of the federal public housing projects and programs administered by the HPHA. HUD maintains a Declaration of Trust over all federally-assisted

properties which prohibits the HPHA from encumbering the property without the prior approval of the HPHA Board of Directors and HUD.

The HPHA appreciates the opportunity to provide the committee with its testimony on SB 330, SD1. We thank you very much for your dedicated and continued support.

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY PLEASE REFER TO:

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
PHONE: (808) 587-0620
FAX: (808) 587-0600

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

March 02, 2023 at 10:30 a.m.
State Capitol, Room 211

In consideration of
S.B. 330 SD1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

HHFDC supports S.B. 330 SD1, which authorizes HHFDC the right of first refusal for the development of property for all development on state lands, excluding the Stadium Development District and lands under the Hawaii Public Housing Authority and Department of Hawaiian Home Land lands, that are within a one-half mile radius of a rail transit station which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest.

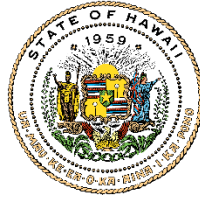
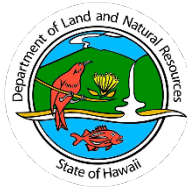
HHFDC supports any measure that could be helpful in making more land available for housing. For example, if land were proposed to be developed for a parking lot or low-density use, this measure could provide a means for the development of a mixed-use project incorporating housing and the original proposal.

HHFDC notes that not all such lands are suitable for housing development. We also want to be respectful of the priorities of other state departments that own or control land along the Honolulu rail transit route.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'AINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'AINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

LAURA H.E. KAAKUA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committee on
WAYS AND MEANS

Thursday, March 2, 2023
10:30 AM

State Capitol, Conference Room 211 & Videoconference

In consideration of
SENATE BILL 330, SENATE DRAFT 1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

Senate Bill 330, Senate Draft 1 proposes to authorize the Hawaii Housing Finance and Development Corporation (HHFDC) the right of first refusal for all development on state lands, excluding the Stadium Development District and lands under the Hawaii Public Housing Authority and Department of Hawaiian Home Land lands, that are within a one-half mile radius of a rail transit station which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest. The measure also proposes to require State departments or agencies to provide sixty days advance written notice of any approval of a proposed development or proposed transfer of such lands. **The Department of Land and Natural Resources (Department) offers the following comments on this measure.**

The Department is currently in the planning process for its East Kapolei Transit Oriented Development (TOD) project. The East Kapolei TOD Project consists of four parcels adjacent or in close proximity to the planned Keone'ae Rail Station in East Kapolei across from the University of Hawai'i West O'ahu campus which would be impacted by this measure. The Department's long-term objective is to lease the parcels for income generating purposes to support the Department's natural resource management and protection programs. The Department also recognizes the State's obligation to provide affordable housing to residents in need and notes that planned uses for the parcels nearest to the rail station include affordable and workforce rental housing units. Other proposed uses include transit oriented mixed uses including commercial, retail, hotel, and medical.

The Department has reached out to and is planning to work with HHFDC for the housing area located on the parcel east of Kualakai Parkway, O'ahu. Beyond generating income to support its programs, the

Department believes that the proposed project's multiple uses will be a critical economic, employment and residential component of the East Kapolei community. The Department looks forward to working with HHFDC in developing the parcel to fulfill multiple public benefits. However, a blanket right of first refusal would restrict the authority of the Board of Land and Natural Resources (Board) to consider and approve potential uses of public lands. The Department would prefer that it be allowed to partner collaboratively with HHFDC (and other relevant agencies such as the Office of Planning and Sustainable Development) to create a project proposal that the Board may review and approve in a public, sun-shined meeting.

The Department understands the need for housing and has historically supported the development of affordable housing through the conveyance or transfer of management of lands to HHFDC for affordable housing or rental projects statewide. In most instances, the lands transferred to HHFDC could have been used for more intensive income producing purposes. Rather, these lands were instead dedicated by the Department to alleviate the significant lack of supply of affordable housing and rental units for the less fortunate citizens of Hawai'i. The following affordable housing/rental projects have been supported by the transfer of lands from the Department to HHFDC:

- The Villages of Leiali'i in Lāhaina, Maui, 1,033 acres of land mauka of downtown Lāhaina.
- 690 Pohukaina in Kaka'ako, approximately 2.168 acres in Honolulu's urban core, adjacent to the rail line with access to existing infrastructure.
- Halekauwila Place in Kaka'ako, approximately 1.249 acres adjacent to the 690 Pohukaina project.
- Hale Mōhalu in Pearl City, O'ahu, 4.75 acres of land designated Urban, adjacent to Kamehameha Highway with access to existing infrastructure.
- The Villages of La'i'ōpua, in North Kona, Island of Hawai'i, 802 acres adjacent to Queen Ka'ahumanu Highway between Kona International Airport and Kailua Kona.

The Department is ready and willing to partner with HHFDC on the development of lands under the Department's jurisdiction without the need for a first right of refusal.

Mahalo for the opportunity to provide comments on this measure.



SB330 SD1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION
Senate Committee on Ways and Means

March 2, 2023

10:30 AM

Room 211

The Office of Hawaiian Affairs (OHA) offers **COMMENTS** on **SB330 SD1**, which would give the Hawai‘i Housing Finance and Development Corporation (HHFDC) the right of first refusal for the development of all property for all development on state lands, excluding the Stadium Development District and lands under the Hawai‘i Public Housing Authority for all state lands within a one-half mile radius of rail transit stations. OHA offers **COMMENTS** regarding three primary areas of concern regarding the proposed measure: (1), the definition of “development” is unnecessarily expansive and could result in negative unintended consequences; (2), the inclusion of “all state lands” within a certain radius could cause significant harm to the public interest and disproportionately impact Native Hawaiians; and (3), the measure as written could negatively impact Native Hawaiian Traditional and Customary Practices that are protected under the Hawai‘i State Constitution.

I. Definition of “Development” is too broad.

The measure as written defines “development” as meaning “the planning, replanning, redesign, clearance, reconstruction, redevelopment, rehabilitation, or any combination of these, of state lands or any part thereof, and the provision of the residential, commercial, industrial, public, and other structures or spaces as may be appropriate or necessary in the interest of the general welfare, including recreational and other facilities incidental or appurtenant thereto.”¹ As written, the measure would allow anything that meets the above definition of “development” to trigger a requirement for affected state departments and agencies to provide notice to the HHFDC of the triggering development and initiate a 60 day period in which the HHFDC can exercise a right of first refusal to take over the development of the affected property for all properties within one-half mile of any rail transit station.

Due to the broad definition of “development” as including the “planning”, “replanning”, “redesign”, “clearance”, “reconstruction”, “redevelopment”, “rehabilitation”, or “any combination of these”, seemingly non-development related projects could trigger the proposed mechanism. An example of this unintended triggering in action could be the theoretical resurfacing or repaving of the ‘Iolani Palace parking lot being considered as “development”, as making any plans to alter the

¹ Thirty-Second Legislature, Senate Bill 330 Senate Draft 1, page 2, lines 11-18, 2023.



SB330 SD1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION
Senate Committee on Ways and Means

parking lot configuration in any way could be considered “planning”, “replanning”, or “redesign”, and any repaving might be considered as “reconstruction” or “rehabilitation.”

II. The inclusion of “all state lands” could cause significant harm to the public interest and disproportionately impact Native Hawaiians

The measure as written would provide the HHFDC the right of first refusal for “all state lands” within one-half mile of any rail transit station, excluding only Department of Hawaiian Home Lands (DHHL) and Stadium Development District lands. In a review just including the Honolulu Rail Transit stations from the Honolulu International Airport to Ala Moana Shopping Center, the state lands within the measure’s one-half mile radius includes the Daniel K. Inouye International Airport, Kahauiki Village, portions of Honolulu Harbor that include Piers 2 through 39, the Department of Transportation Harbors Division, the Hawai‘i State Capitol, ‘ā Palace, Hawai‘i Supreme Court building, Department of Health Punchbowl building, Department of Land and Natural Resources Punchbowl building, Department of Transportation Punchbowl building, OHA’s Nā Lama Kukui building and main office, most of OHA’s land in Kakaako Makai, and the entirety of Kewalo Basin, just to name a few of the many state lands that would be impacted by this measure. Enclosed with this testimony is a series of photos indicating some of the affected areas by this measure.

By allowing HHFDC to have a right of first refusal under a broad definition of “development” to “all state lands” within one-half mile of any rail transit station, this measure would be giving HHFDC the ability to seize state lands for private, for profit development purposes which could significantly harm the public interest generally by depriving the general public of access to state services, hampering the repair of necessary state facilities, and potentially cutting off access to coastal areas.

For Native Hawaiians specifically, many properties owned by OHA in trust for the Native Hawaiian people would be affected, potentially allowing HHFDC to seize lands held in trust for Native Hawaiians by OHA under the measure’s right of first refusal mechanism. This would disproportionately impact the Native Hawaiian people who are already severely disadvantaged economically and socially.



SB330 SD1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION
Senate Committee on Ways and Means

The majority of Native Hawaiian families, in Hawai‘i, are unable to make ends meet,² with 63% of Native Hawaiians reporting that they are finding it difficult to get by.³ Native Hawaiians have the lowest household income.⁴ Native Hawaiians have the highest poverty rates for individuals and families.⁵ Native Hawaiians make less money,⁶ with lower average earnings for both men and women.⁷ Native Hawaiians have the highest rate of using public assistance and homeless services.⁸ Native Hawaiians are overrepresented among the homeless in Hawai‘i.⁹ OHA is deeply concerned with Native Hawaiians being driven out of Hawai‘i by economic instability stemming from socio-political-economic upheaval, which has largely disconnected Native Hawaiians from their ‘āina for more than a century. Today, more Native Hawaiians live outside of the Hawaiian Islands, far beyond the boundaries of their own homeland.¹⁰

III. The measure could threaten Constitutionally Protected Native Hawaiian Traditional and Customary Practices

Many Native Hawaiians currently engage in traditional and customary practices for subsistence, cultural, and religious purposes. The Hawai‘i Constitution, Hawai‘i Supreme Court, and this Legislature consistently protect the perpetuation of these practices as a living component of the Hawaiian culture. Native Hawaiians’ cultural and spiritual identity derives from their relationship with the ‘āina: the ‘āina is part of their ‘ohana, and accordingly, traditional Hawaiian customs and practices emphasize respect and care for the ‘āina and surrounding resources.¹¹

² Aloha United Way / United for ALICE, *ALICE in Hawai‘i: 2022 Facts and Figures*, Nov. 2022, p.6.

³ Id. at 9.

⁴ Dept. of Business, Economic Development and Tourism, *Demographic, Social, Economic, and Housing Characteristics for Selected Race Groups in Hawaii*, Mar. 2018, p.3.

⁵ Id. at 13.

⁶ OHA Report, *Affordable Housing for Hawai‘i and Native Hawaiians: Exploring Ideas and Innovation*, Aug. 2020, p.10.

⁷ Dept. of Native Hawaiian Health, John A. Burns School of Medicine, *Assessment and Priorities for the Health and Well-Being in Native Hawaiians and Pacific Islanders*, 2020, p.12.

⁸ Id.

⁹ Partners In Care, *2022 Point In Time Count*, p.7.

¹⁰ “Estimates from the American Community Survey showed that in 2011, there were about 296,400 Native Hawaiians in Hawai‘i and about 221,600 on the continental U.S. Just a decade later, those numbers flipped. In 2021, there were about 309,800 Native Hawaiians in Hawai‘i and about 370,000 in other states,” Hawaii Public Radio, *More Native Hawaiians Flock to mainland cities and leave Hawai‘i*, Jan. 23, 2023, *citing high costs*, citing the US Census Bureau’s American Community Survey 2021.

¹¹ Davianna Pōmaika‘i McGregor, *An Introduction to the Hoa‘āina and Their Rights*, 30 HAWAIIAN J. HIST. 1,



SB330 SD1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION
Senate Committee on Ways and Means

Consequently, gathering practices traditionally and customarily exercised by Native Hawaiians have continued to the present. Members of hula hālau gather “ferns, maile, and lauhala necessary to make their ceremonies pono, proper.” Practitioners of lā‘au lapa‘au (herbal medicine) gather the plants and herbs necessary for their practice. Finally, fishers, hunters, gatherers, kalo planters, and farmers access and use the natural or cultural resources of an area for subsistence purposes.

This measure would potentially allow HHFDC to take over large stretches of the coastline, as well as undeveloped state lands that may fall within the measure’s radius for other rail transit stations outside of the corridor demonstrated within the enclosed photos, further impacting Native Hawaiian Traditional and Customary rights.

To rectify the potential unintended consequences of an over-broad interpretation of “development” as proposed within the measure and to protect the public interest, OHA proposes the insertion of additional language starting at the end of page 2, line 16 of the measure stating:

; provided that “development” shall not include:

- (i) The maintenance, repair, modification, alteration, or addition to an existing use of state lands that does not substantially alter the primary purpose of the underlying state lands as developed;
- (ii) Temporary uses of state lands of less than 365 days;
- (iii) Uses of state land for emergency response purposes;
or,
- (iv) Public lands wherein traditional and customary native Hawaiian practices are exercised, including lands held by the office of Hawaiian affairs for the betterment of conditions of native Hawaiians.

To limit the impact to the public interest by the redevelopment of state lands, OHA proposes the amendment of the measure language on page 1, lines 9 through 12 to read:

Station, excluding lands and properties owned or operated by the Hawaii public housing authority, the department of transportation, the department of Hawaiian home lands, the office



SB330 SD1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION
Senate Committee on Ways and Means

of Hawaiian affairs, the stadium development district established pursuant to part IX of chapter 206E, historical properties covered by chapter 6E, lands within the state land use agriculture or conservation districts, lands designated as important agricultural lands. And lands within the special management area.

To protect Native Hawaiian Rights and Traditional and Customary Practices OHA would encourage the inclusion of the following language to ensure that gathering rights shall not have their rights unduly infringed upon:

- (e) Nothing contained in this section shall diminish, alter, or amend any existing rights, privileges or practices of the Native Hawaiian people; nor shall the obligations of the State to the Native Hawaiian people be absolved.
- (f) Prior to the exercise of the corporation's right of first refusal, the corporation shall make a finding that the exercise of the right of first refusal shall not impact any existing rights, privileges or practices of the Native Hawaiian people.
- (g) The corporation's right of first refusal shall be invalid upon a finding that a development by the corporation through the exercise of the right of first refusal:
 - (i) Has an impact upon any existing rights, privileges or practices of the Native Hawaiian people; or,
 - (ii) Would have a cumulative impact upon any existing rights, privileges or practices of the Native Hawaiian people.
- (h) No later than 20 days prior to the start of each legislative session, the corporation shall provide a report to the legislature and make available to the



SB330 SD1
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION
Senate Committee on Ways and Means

public at no cost a copy of the report detailing each opportunity of the corporation's option to use of the right of first refusal, including all information and due diligence used to assess the use of the right of first refusal. The corporation shall maintain in a prominent place a copy of each report to the legislature in digital and physical format and provide copies at no cost to members of the public.

OHA appreciates the opportunity to provide **COMMENTS** on **SB330 SD1** and urges the Legislature to consider amending the measure with the proposed language included within this testimony to address the serious ramifications of the measure as written. Mahalo nui loa.

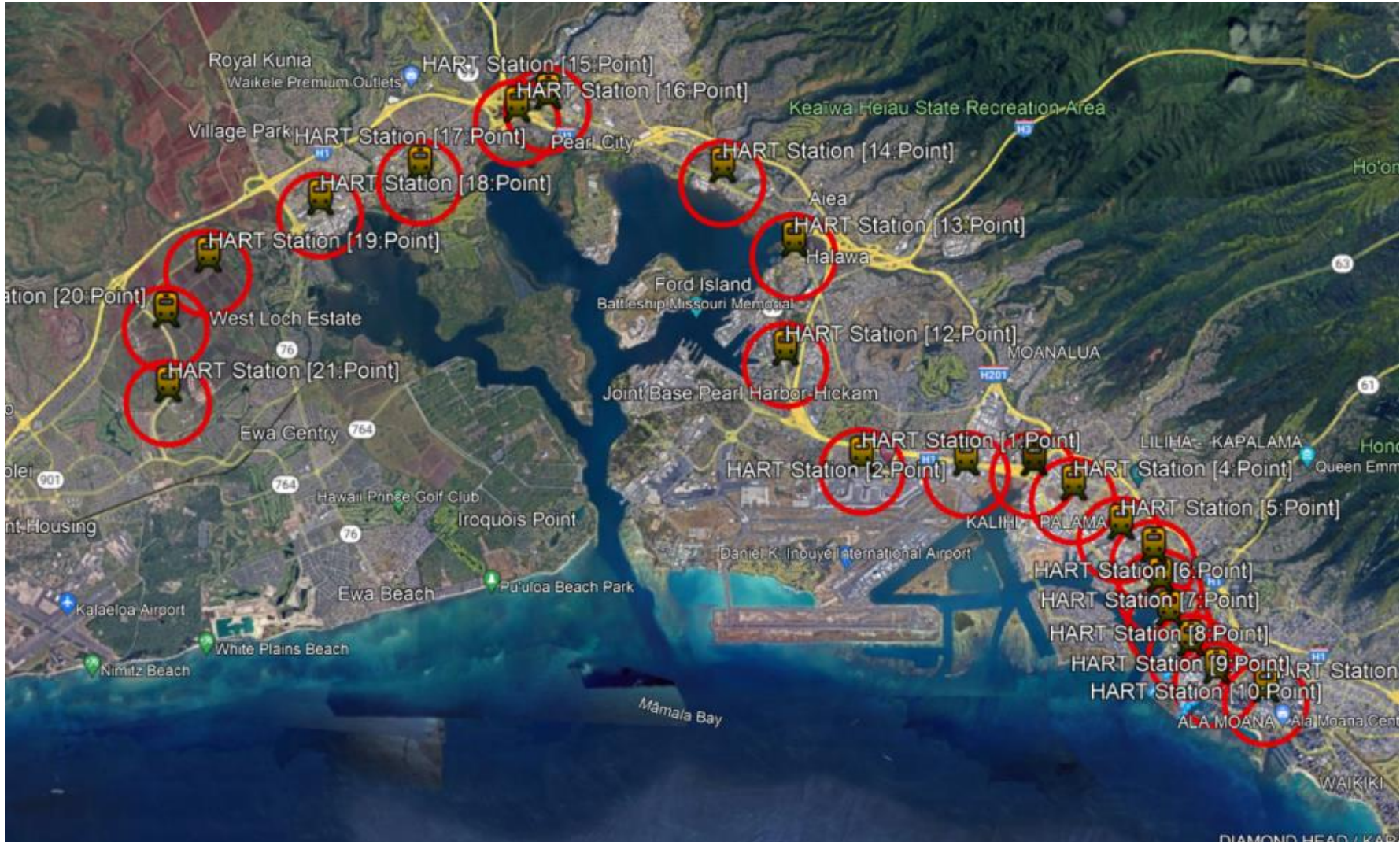


Figure 1: Oahu Rail Transit Locations with 1/2 Mile Radius in Red

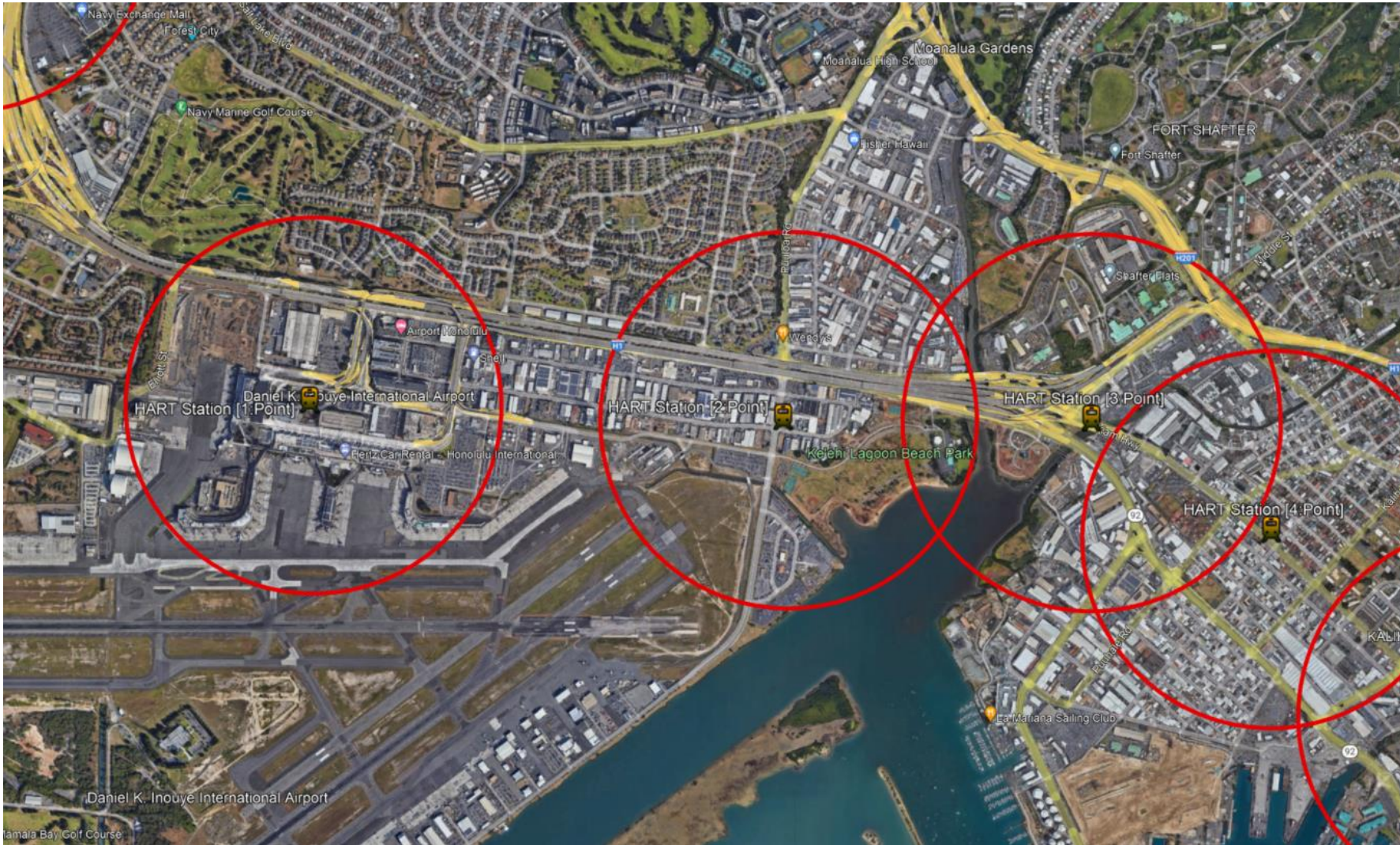


Figure 2: Airport and Kalihi Rail Transit Stations with 1/2 Mile Radius in Red

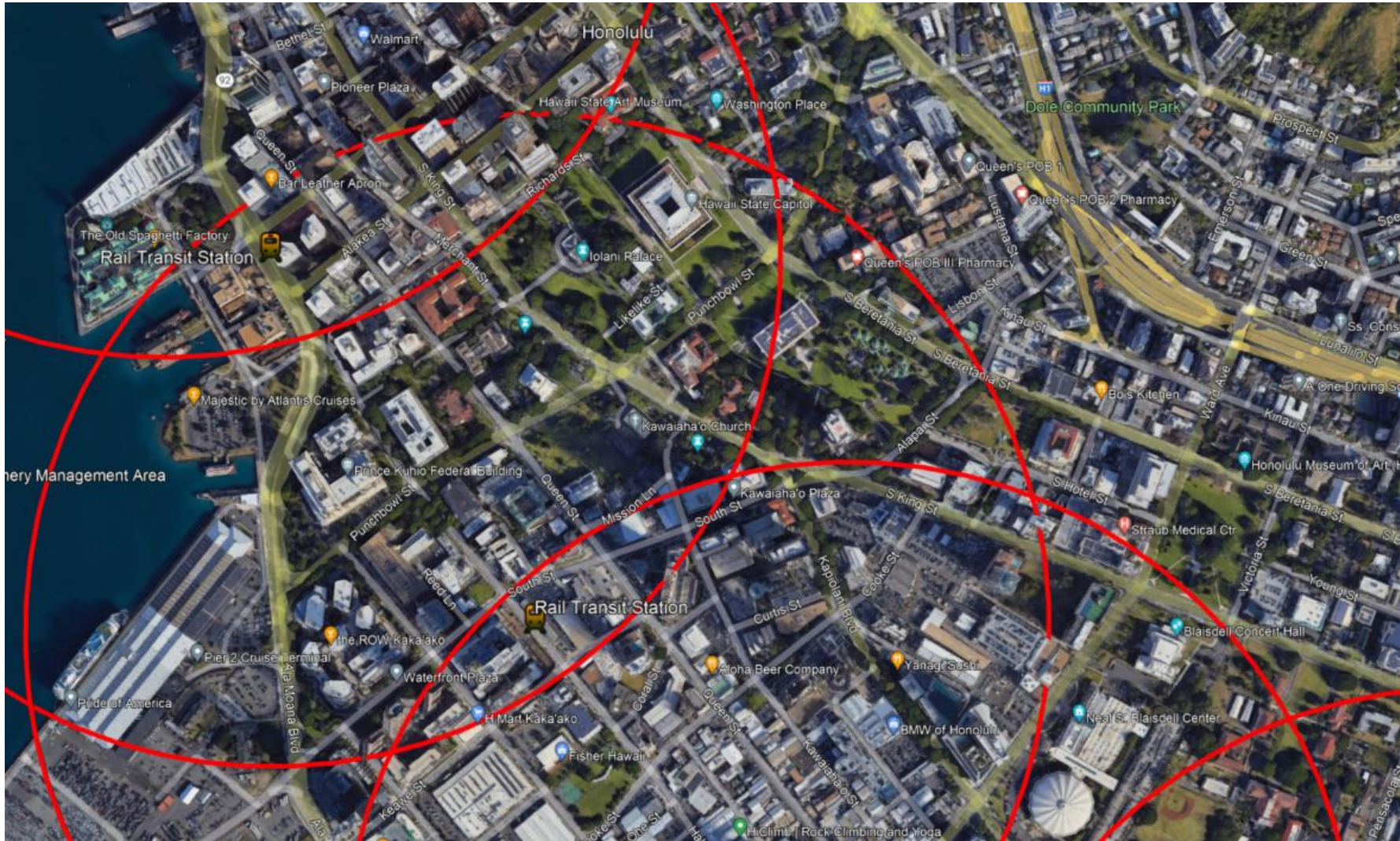


Figure 4: State Capitol Area Rail Transit Stations with 1/2 Mile Radius in Red
NOTE: State Capitol Building and Iolani Palace located within two overlapping Station Radii

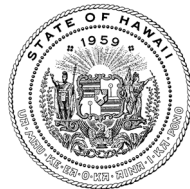


Figure 5: Kakaako and Ala Moana Rail Transit Stations with 1/2 Mile Radius in Red



Figure 6: Kakaako and Kakaako Makai Rail Transit Stations with 1/2 Mile Radius in Red
NOTE: Office of Hawaiian Affairs Kakaako Makai Parcels outlined in Blue with White Fill

JOSH GREEN, M.D.
GOVERNOR



LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 330, S.D. 1

March 2, 2023
10:30 a.m.
Room 211 and Videoconference

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 330, S.D. 1, specifies that the Hawai'i Housing Finance and Development Corporation (HHFDC) shall be given right of first refusal on all State-owned lands within one-half mile of any rail mass transit station other than lands held by the Hawai'i Public Housing Authority (HPHA), the Department of Hawaiian Home Lands (DHHL) or the Stadium Authority, following submission of advance written notice of proposed development plans or proposed transfers by any State department or agency 60 calendar days in advance of approval. The proposed right of first refusal is not limited to lands suitable for residential or mixed-use residential development.

It should be noted that a one-half mile radius around planned rail transit stations in the City and County of Honolulu includes many areas not suitable for residential development by HHFDC. State-owned lands within a one-half mile radius around the planned Honolulu Airport and Lagoon Drive rail stations include much of the Daniel K. Inouye International Airport. Significant portions of Honolulu Harbor and Aloha Tower

are located within one-half mile of the Chinatown and Iwilei rail stations. Other State-owned lands located within one-half mile of planned rail transit stations currently house schools and college campuses, and other critical non-residential uses that serve important public needs.

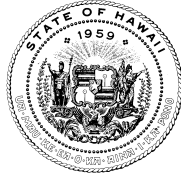
S.B. No. 330, S.D. 1, would subject any development or transfer of State lands not held by HPHA, DHHL or the Stadium Authority to uncertainty and delay whether or not there is any potential benefit to the use of said State lands for housing. For example, improvement projects to State highways located within one-half mile of rail transit stations, such as portions of Nimitz Highway and the H-1 Freeway, would be subject to the 60-day advance written notice requirement to HHFDC even though they cannot be used for affordable housing development.

B&F also notes that the enabling legislation for the Hawai'i Interagency Council for Transit-Oriented Development already prioritizes affordable housing development on State lands where residential uses are appropriate.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia 'āina o ka Moku 'āina 'o
Hawaii 'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia 'āina o ka Moku 'āina
'o Hawaii 'i*



IKAIKA ANDERSON
CHAIRMAN DESIGNATE, HHC
Ka Luna Ho 'okele

KATIE L. DUCATT
DEPUTY DESIGNATE TO THE
CHAIRMAN
Ka Hope Luna Ho 'okele

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

Ka 'Oihana 'Āina Ho 'opulapula Hawaii 'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

**TESTIMONY OF IKAIKA ANDERSON, CHAIRMAN-DESIGNATE
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
DECISION MAKING ON MARCH 2, 2023 AT 10:30AM IN CR 211**

**SB 330, SD 1, RELATING TO THE HAWAII HOUSING FINANCE AND
DEVELOPMENT CORPORATION**

March 2, 2023

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

The Department of Hawaiian Home Lands submits comments on this measure which authorizes the Hawaii Housing Finance and Development Corporation the right of first refusal for the development of property for all development on state lands, excluding the Stadium Development District and lands under the Hawaii Public Housing Authority and Department of Hawaiian Home Land lands, that are within a one-half mile radius of a rail transit station which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest. This measure also requires state departments or agencies to provide sixty days advance written notice of any approval of a proposed development or proposed transfer of such lands.

The department appreciates the intent of this bill and we agree that the exclusion of lands under the jurisdiction of the Department of Hawaiian Home Lands as noted in SB 330, SD 1 is appropriate.

Thank you for your consideration of our testimony.



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Ways and Means
March 2, 2023 at 10:30 a.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

SB 330 SD1 – RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

Thank you for the opportunity to testify on this measure, which authorizes the Hawai'i Housing Finance and Development Corporation the right of first refusal for development of state lands within a certain radius of rail transit stations. SB 330 SD1 excludes land of certain agencies, but not those of the University of Hawai'i ("University"). As such, the University recommends that the bill be amended to add those lands owned by the University of Hawai'i as excluded.

The University is the landowner near four of the rail stations that are located adjacent to or on three University campuses. The University has already provided land for the development of the stations, parking areas, guideways, or other rail facilities. The University also has plans to develop its own lands in the transit-oriented development radii.

Article X, section 5, of the Hawai'i State Constitution provides that the University "shall have title to all the real ... property now or hereafter set aside or conveyed to it, which shall be held in public trust for [University] purposes." Also, included in the same article and section, the University is "established as the state university and constituted a body corporate." Under Article X, section 6, of the Hawai'i State Constitution, the University board of regents have "exclusive jurisdiction over the internal structure, management, and operation of the university." This bill constitutes an infringement on the land owned by the University, a usurpation of the University's governance, and is tantamount to a taking of land rights.

I recommend that SB 330 SD1 be amended on page 1, line10, by adding the University of Hawai'i. Below is a suggested amendment:

"§201H- Right of first refusal; development. (a) Notwithstanding any law to the contrary, the corporation shall have the right of first refusal for the

*development of property, in accordance with section 201H-12, for all development on state lands that are within a one-half mile radius of a rail transit station, excluding lands and properties owned or operated by the Hawaii public housing authority, **the University of Hawaii**, or the department of Hawaiian home lands and the stadium development district established pursuant to part IX of chapter 206E; provided that the right of first refusal shall be triggered by a proposed development or proposed transfer of any fee simple or leasehold property interest in lands that are within a one-half mile radius of a rail transit station."*

Thank you for the opportunity to testify on this measure.