

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



**STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'
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

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BOATING AND OCEAN RECREATION
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FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
DAWN N.S. CHANG
Chairperson**

**Before the Senate Committees on
HOUSING
and
WATER AND LAND**

**Thursday, February 9, 2023
1:15 PM**

State Capitol, Conference Room 225 & Videoconference

**In consideration of
SENATE BILL 330**

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

Senate Bill 330 proposes to authorize the Hawaii Housing Finance and Development Corporation (HHFDC) the right of first refusal for all development on state lands, excluding Hawaii Public Housing Authority and Department of Hawaiian Home Land lands, that are within a one-half mile radius of a rail transit station, provided there is a transfer of any property interest, including a leasehold interest, in state lands that are within a one-half mile radius of a rail transit station. **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.

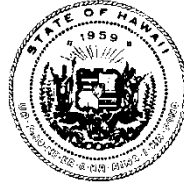
The Department understands the need for housing and has historically supported the development of affordable housing through the conveyance or transfer of management of lands to HHFDC for affordable housing or rental projects statewide. In most instances, the lands transferred to HHFDC could have been 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 comment on this measure.

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 Housing
and
Senate Committee on Water and Land

1:15 p.m., February 9, 2023
Hawaii State Capitol
Room 225

In consideration of
SB 330

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

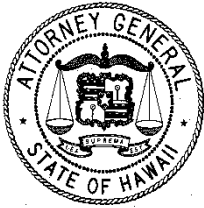
Honorable Chair Chang and Chair Inouye and members of the Senate Committee on Housing and Senate Committee on Water and Land, thank you for this opportunity to provide testimony regarding SB 330, relating to the Hawaii Housing Finance and Development Corporation.

The Hawaii Public Housing Authority (HPHA) is in **support of the exemption of the HPHA** in SB 330. 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 Department of Hawaiian Home Lands, that are within a one-half mile radius of a rail transit station, provided there is a transfer of any property interest, including a leasehold interest, in State lands that are within a one-half mile radius of a rail station.

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 committees with its testimony on SB 330. We thank you very much for your dedicated and continued support.



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

ON THE FOLLOWING MEASURE:

S.B. NO. 330, RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

BEFORE THE:

SENATE COMMITTEES ON HOUSING AND ON WATER AND LAND

DATE: Thursday, February 9, 2023 **TIME:** 1:15 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Sandra A. Ching, Deputy Attorney General

Chairs Chang and Inouye and Members of the Committees:

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

This bill authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) the right of first refusal for the development of property on all 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 or the Department of Hawaiian Home Lands, provided that the right of first refusal is triggered by a transfer of any property interest. We understand that the triggers of HHFDC's right of first refusal are intended to be the proposed development or transfer of any fee simple or leasehold property interest.

To clarify the intent of the bill, we recommend amending the proviso in subsection (a) of the new section being added to chapter 201H, Hawaii Revised Statutes, by section 1 on page 1, lines 11-13, of the bill to read in pertinent part as follows:

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[, ~~including any leasehold interest,~~] that

We also recommend amending the bill to provide HHFDC with advance notice of any proposed development or transfer of property interest by inserting a new subsection (b) on page 1, line 15, to read as follows:

(b) Any state department or agency shall provide the corporation with _____ days advance written notice of its approval of a proposed development or proposed transfer as described in subsection (a).

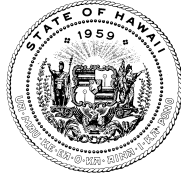
We further recommend setting a deadline for HHFDC to forego its right of first refusal by amending the current subsection (b) on page 1, lines 15-16, of the bill to be redesignated as subsection (c) and to read in pertinent part as follows:

~~[(b)]~~ (c) If the corporation does not exercise the right of first refusal for the proposed development or proposed transfer of property[,] within _____ calendar days of receipt of written notice from a state department or agency, the respective

Thank you for the opportunity to provide these 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

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**TESTIMONY OF IKAIKA ANDERSON, CHAIRMAN-DESIGNATE
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON HOUSING AND
THE SENATE COMMITTEE ON WATER AND LAND
HEARING ON FEBRUARY 9, 2023 AT 1:15PM IN CR 225**

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

February 9, 2023

Aloha Chair Chang, Chair Inouye, and members of the Committees:

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 Hawaii Public Housing Authority and Department of Hawaiian Home Land lands, that are within a one-half mile radius of a rail transit station, provided there is a transfer of any property interest, including a leasehold interest, in state lands that are with a one-half mile radius of a rail transit station.

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 is appropriate.

Thank you for your consideration of our testimony.