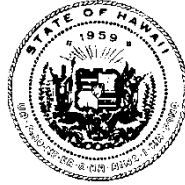


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

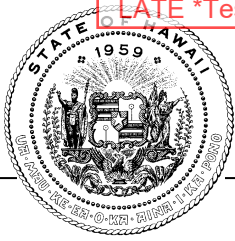
February 26, 2024 at 12:30 p.m.
State Capitol, Room 308

In consideration of
H.B. 1761 HD1
RELATING TO HOUSING.

HHFDC **supports** HB 1761 HD1, which, among other things, authorizes HHFDC to issue bonds for housing project infrastructure and to finance the development of regional state infrastructure projects.

The cost of off-site infrastructure is a major barrier to the development of housing statewide. These costs are typically paid by private housing developers who, in turn, pass them on to homebuyers and renters in the form of higher prices and rents. This bill will allow HHFDC to facilitate the development of infrastructure required to support new housing projects needed across the state.

Thank you for the opportunity to testify on this bill.



LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
INTERIM DIRECTOR

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

Telephone: (808) 587-2846
Fax: (808) 587-2824
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Statement of
MARY ALICE EVANS, Interim Director

before the
HOUSE COMMITTEE ON FINANCE
Monday, February 26, 2024
12:30 PM
State Capitol, Conference Room 308

in consideration of
BILL NO HB 1761, HD1
RELATING TO HOUSING.

Chair Yamashita, Vice Chair Kitagawa, and Members of the House Committee on Finance:

The Office of Planning and Sustainable Development (OPSD) **strongly supports** House Bill 1761, HD1, which authorizes the Hawaii Housing Finance and Development Corporation to issue bonds for housing project infrastructure and to finance the development of regional state infrastructure projects.

Per the Legislature's direction and funding in Act 88, SLH 2021, Sec. 39, OPSD recently completed the *TOD Infrastructure Finance and Delivery Strategy*, which underscored growing housing needs statewide, and outlined a strategy to target existing and new revenue sources to fund housing production and supportive infrastructure, especially to leverage development on public lands (see https://files.hawaii.gov/dbedt/op/lud/Reports/TOD_InfraFin_Strategy_20231221.pdf). The study identified the need for regular, predictable revenue sources to help finance regional public infrastructure to facilitate transit-oriented development (TOD) and affordable housing production.

This bill will allow HHFDC to facilitate the development of infrastructure required to support new housing projects needed across the state, especially in well-located TOD areas.

Thank you for the opportunity to testify on this measure.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

CHASON ISHII
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawaii Community Development Authority
before the
HOUSE COMMITTEE ON FINANCE

Monday, February 26, 2024
12:30 p.m.
State Capitol, Conference Room 308 & Videoconference

In consideration of
HB 1761 HD1
RELATING TO HOUSING.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee. The Hawaii Community Development Authority (HCDA) supports HB1761 HD1, that authorizes HHFDC to issue bonds for housing project infrastructure and finance the development of regional state infrastructure projects.

Lack of sufficient infrastructure is one of the greatest challenges to developing affordable housing here in Hawaii. This measure offers an alternative finance option for regional infrastructure development and improvements.

Thank you for the opportunity to provide our comments.



February 25, 2024

Representative Kyle Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
Committee on Finance

RE: **HB 1761 HD1 – RELATING TO HOUSING**
Hearing date – February 26, 2024 at 12:30 PM

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony **SUPPORTING THE INTENT OF HB 1761 HD1 – RELATING TO HOUSING**. NAIOP Hawaii is the Hawaii chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

HB 1761 HD1 authorizes the issuance of bonds for the Hawaii Housing Finance and Development Corporation's (HHFDC) to finance the development of infrastructure projects. Specifically, the bonds authorized under this measure may be utilized for infrastructure for housing projects financed by the bonds.

NAIOP supports the intent of this measure which seeks to provide funding to finance much needed infrastructure for housing projects in Hawaii. The development of additional housing inventory often comes hand in hand with the need to update aging infrastructure to accommodate the new units. The cost of updating infrastructure presents a major barrier to the development of housing projects. Furthermore, the cost often falls on the shoulders of the developers seeking to build the housing project which ultimately leads to the costs being passed down to the residents seeking to purchasing homes or units. We support this measure which will finance the cost of infrastructure projects and allow units to be delivered at a reduced price point to residents.

We do note that additional clarification is needed as the bonds issued under this measure does not appear to present a clear source of revenue for individual projects not in a designated TOD (transit-oriented development).

Accordingly, NAIOP Hawaii supports the intent of HB 1761 HD1 which will ensure the continued production of homes for our residents. Thank you for the opportunity to testify on this measure.

Representative Kyle Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
February 25, 2024
Page 2

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read 'Reyn Tanaka', with a long horizontal flourish extending to the right.

Reyn Tanaka, President
NAIOP Hawaii

HB-1761-HD-1

Submitted on: 2/25/2024 6:30:06 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT