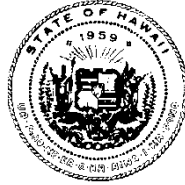


JOSH GREEN, M.D.
GOVERNOR

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

SENATE COMMITTEE ON WAYS AND MEANS

April 03, 2024 at 10:30 a.m.
State Capitol, Room 211

In consideration of
H.B. 1761 HD1 SD1
RELATING TO HOUSING.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee:

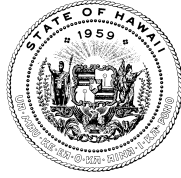
HHFDC **supports** HB 1761 HD1 SD1, which, among other things, extends HHFDC's authority to issue bonds for the purpose of financing the development of housing project infrastructure to that of regional state infrastructure projects and the formation of certain infrastructure improvement districts.

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.

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

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



KALI WATSON
CHAIRMAN, HHC
Ka Luna Ho'okele

KATIE L. DUCATT
DEPUTY 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 KALI WATSON, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
DECISION MAKING HEARING ON APRIL 3, 2024 AT 10:30AM IN CR 211**

HB 1761, HD 1, SD 1, RELATING TO HOUSING

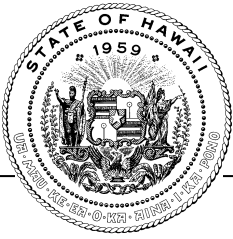
April 3, 2024

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill which 1) authorizes HHFDC to issue bonds for housing project infrastructure and finance the development of regional state infrastructure projects; 2) exempts bonds issued by HHFDC for improvements by assessments, and the interest thereon, from state, county, and municipal taxation, with certain exceptions; 3) includes proceeds from bonds issued for regional state infrastructure projects as a source of revenue for regional state infrastructure subaccounts; and 4) authorizes regional state infrastructure subaccount revenues to be used to repay regional state infrastructure project bond holders, effective 7/1/3000.

This bill will be beneficial to DHHL which has a crucial responsibility to provide and repair infrastructure to develop projects on Hawaiian Home Lands. The proposed tax exemption for bonds issued by HHFDC could be used for other State, County, and community needs. The proceeds and revenues from the regional state infrastructure subaccounts would help to ensure the long-term maintenance of development projects, as well as repayment to bond holders.

Thank you for your consideration of our testimony.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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

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

Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, April 3, 2024

10:30 AM

State Capitol, Conference Room 211

in consideration of
**BILL NO HB 1761, HD1, SD1
RELATING TO HOUSING.**



Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Office of Planning and Sustainable Development (OPSD) **strongly supports** House Bill 1761, HD1, SD1, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to issue bonds for housing project infrastructure and finance the development of regional state infrastructure projects; exempts bonds issued by HHFDC for improvements by assessments, and the interest thereon, from state, county, and municipal taxation, with certain exceptions; includes proceeds from bonds issued for regional state infrastructure projects as a source of revenue for regional state infrastructure subaccounts; and authorizes regional state infrastructure subaccount revenues to be used to repay regional state infrastructure project bond holders.

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.



April 3, 2024

Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair
Committee on Ways and Means

RE: **HB 1761 HD1 SD1 – RELATING TO STATE FINANCES**
Hearing date – April 3, 2024 at 10:30 AM

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony **SUPPORTING THE INTENT OF HB 1761 HD1 SD1 – 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 SD1 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 purchase 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).

Senator Donovan Dela Cruz, Chair
Senator Sharon Moriwaki, Vice Chair
April 3, 2024
Page 2

Accordingly, NAIOP Hawaii supports the intent of HB 1761 HD1 SD1 which will ensure the continued production of homes for our residents. Thank you for the opportunity to testify on this measure.

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-SD-1

Submitted on: 4/2/2024 8:26:02 PM

Testimony for WAM on 4/3/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
David Z. Arakawa	Testifying for Land Use Research Foundation of Hawaii	Support	Written Testimony Only

Comments:

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means,

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. One of LURF's missions is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF is in **strong support of HB 1761, HD1, SD1, Relating to Housing**, which authorizes Hawaii Housing Finance and Development Corporation (HHFDC) to issue bonds for housing project infrastructure and finance the development of regional state infrastructure projects; exempts bonds issued by HHFDC for improvements by assessments, and the interest thereon, from state, county, and municipal taxation, with certain exceptions; includes proceeds from bonds issued for regional state infrastructure projects as a source of revenue for regional state infrastructure subaccounts; and authorizes regional state infrastructure subaccount revenues to be used to repay regional state infrastructure project bond holders. Its current effective date is 7/1/3000 (SD1)

The cost of off-site infrastructure is a major barrier to the development of housing statewide. By providing state bond financing and funding for housing project infrastructure and regional state infrastructure projects, this measure will facilitate more housing projects and increase the supply of housing and opportunities for Hawaii's residents to own or rent a home.

Based on the above reasons, LURF **strongly supports HB 1761, HD1, SD1**, and requests your favorable consideration and its adoption.

Thank you for the opportunity to provide testimony relating to this measure.

HB-1761-SD-1

Submitted on: 4/2/2024 6:16:38 PM

Testimony for WAM on 4/3/2024 10:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Anela Farrar-Ivey	Individual	Support	Written Testimony Only

Comments:

Aloha, my name is Anela Farrar-Ivey and I'm a social worker. I support this bill and that the state should fund and support housing projects. The state of Hawaii is facing a housing crisis, and those who are going to suffer if we do not support this bill, families and children will continue to suffer. It is important that local families are able to support themselves and stay where their families and culture are. If local families continue to not be able to afford rent, our amount of families who live in poverty will continue to rise astronomically. Or Native Hawaiians will continue to be priced out of their own homeland, and lose their connection to their ancestors and land.