

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 HOUSING
AND
HOUSE COMMITTEE ON WATER & LAND**

February 7, 2024 at 8:30 a.m.
State Capitol, Room 430

In consideration of
H.B. 1988
RELATING TO COUNTY HOUSING POWERS.

HHFDC supports HB 1988, which expands the housing powers of the counties to include the planning, development, construction, financing, and providing of housing projects, including low- and moderate-income housing and mixed-use developments.

This bill would allow the counties the power to plan and finance mixed-use housing projects, especially in transit-oriented development areas, which promotes efficient use of our limited urban lands and will help to address the statewide shortfall of affordable housing units.

Thank you for the opportunity to testify on this bill.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL

COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 6, 2024

TO: The Honorable Representative Luke A. Evslin, Chair, and
Members of the Committee on Housing

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 7, 2024; TESTIMONY IN SUPPORT OF
HB1988, RELATING TO COUNTY HOUSING POWERS**

Thank you for the opportunity to testify in **support** of this measure to allow counties to plan, develop, construct, finance, and provide mixed-use and other housing projects.

I provide this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

1. Providing mixed-use and other housing projects supports the availability of affordable housing and benefits local residents and local businesses.
2. Allowing counties more authority throughout the housing process will allow them to be more effective. County councils are most familiar with their communities' needs and can make policy decisions that balance competing interests.
3. Affordable housing must be a priority if Maui County and the rest of the State are to maintain our residents, workforce, and quality of life. Finding ways to expand housing opportunities can be accomplished if we work together and put all of our available resources to use. This measure makes progress toward that goal.

Thank you for your consideration.

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Mitchell D. Roth
Mayor



Susan K. Kunz
Housing Administrator

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

Deborah S. Nyks
Managing Director

Harry M. Yada
Assistant Housing Administrator

Robert H. Command
Deputy Managing Director

County of Hawai'i
Office of Housing and Community Development

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February 6, 2024

TESTIMONY FOR COMMENT IN SUPPORT OF HOUSE BILL 1988
A BILL FOR AN ACT RELATED TO COUNTY HOUSING POWERS
JOINT COMMITTEE ON HOUSING & COMMITTEE ON WATER AND LAND

Rep. Luke A. Evslin, Chair
Rep. Micah P.K. Aiu, Vice Chair
Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice Chair

Hearing Date: Wednesday, February 7, 2024, at 8:30 AM

Place of Hearing: Conference Room 430 & Videoconference

Aloha Honorable Chairs Evslin, Aiu, Ichiyama and Poepoe, and members of the Committees on Housing and Water and Land,

On behalf of the Office of Housing and Community Development of the County of Hawai'i, I am providing testimony in **support of House Bill 1988** which expands the housing powers of the counties to include the planning, development, construction, financing, and providing of housing projects, including low- and moderate-income housing and mixed-use developments.

This measure provides the counties the same development potential as the Hawai'i Housing Finance and Development Corporation in that it would allow counties to build mixed-use developments to create more appealing and financially feasible projects as it works to address the critical housing shortage facing the State.

Thank you for the opportunity to provide testimony in **support** of this measure.

Mahalo,

Susan K. Kunz
Housing Administrator



OFFICE OF HOUSING
KE KE'ENA HO'OLĀLĀ KŪKULA HALE
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAII 96813
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RICK BLANGIARDI
MAYOR
MEIA



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR
POO HO'OKO

KEVIN AUGER
DEPUTY DIRECTOR
HOPE PO'O

2024-HOU-006

February 6, 2024

The Honorable Luke Evslin, Chair
The Honorable Linda Ichiyama, Chair
The Honorable Micah Aiu, Vice-Chair
The Honorable Mahina Poepoe, Vice-Chair
Members of the House Committee on Housing
and Members of the House Committee on Water & Land
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Evslin, Chair Ichiyama, Vice-Chair Aiu and Vice Chair Poepope:

SUBJECT: Testimony in **Support** of HB1988 – Relating to County Housing Powers
Hearing: Wed., Feb. 7, 2024, 8:30 a.m. at the State Capitol, Room 430

The City and County of Honolulu supports HB1988, which seeks to expand the counties' authority to facilitate the planning, development, construction, or financing of affordable housing projects, including mixed-use development – similar to the authority currently provided to the Hawai'i Housing Finance and Development Corporation (HHFDC).

Under §201H-12, Hawai'i Revised Statutes (HRS), HHFDC has the ability to plan, develop, construct, and finance housing projects, including mixed-use developments. As currently written, §46-15.1(a), HRS, relating to county housing powers provides the counties the ability to exercise the same powers as those granted to HHFDC pursuant to 201H, but only for the purpose of developing, constructing, and providing low- and moderate-income housing.

Under existing law, the counties are not authorized to use affordable housing bonds to develop mixed-use affordable housing projects. The proposed bill remedies this inconsistency by providing the counties with the same authority as HHFDC with respect to mixed-use development.

The Honorable Luke Evslin, Chair
The Honorable Linda Ichiyama, Chair
The Honorable Micah Aiu, Vice-Chair
The Honorable Mahina Poepoe, Vice-Chair
Members of the House Committee on Housing
and Members of the House Committee on Water & Land
February 6, 2024
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To achieve this, we suggest the joint committee consider including provisions from HB1808 as follows:

1) Amend Section 1, 1(a) to reflect Section 2, 1(a) of HB1808 to add refinancing and mixed-income projects to the list of county powers.

(a) Notwithstanding any law to the contrary, any county shall have and may exercise the same powers, subject to applicable limitations, as those granted the Hawaii housing finance and development corporation pursuant to chapter 201H insofar as those powers may be reasonably construed to be exercisable by a county for the purpose of developing, constructing, ~~[and]~~ financing, refinancing, or otherwise providing low- and moderate-income housing[+] projects, mixed-income projects, and mixed-use developments;

2) Add language at the end of Section 1, 1(a)(9) to reflect the language at the end of Section 2, 1(a)(9) in HB1808 to ensure that projects can achieve full occupancy.

If there is an insufficient number of persons or families who meet the income qualifying criteria for a particular low- and moderate-income housing project, then the income-restricted housing units may be made available to households with higher incomes to ensure full occupancy of the housing project.

The Honorable Luke Evslin, Chair
The Honorable Linda Ichiyama, Chair
The Honorable Micah Aiu, Vice-Chair
The Honorable Mahina Poepoe, Vice-Chair
Members of the House Committee on Housing
and Members of the House Committee on Water & Land
February 6, 2024
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3) Amend Section 1, 2(f) to reflect Section 2, 2(f) of HB1808 to add refinancing and mixed-income projects to the list of county powers.

(f) The provisions of this section shall be construed liberally so as to effectuate the purpose of this section in facilitating the development, construction, ~~[and provision of]~~ financing, refinancing, or other provision of low- and moderate-income housing projects, mixed-income projects, and mixed-use developments by the various counties.

4) Add a definition for “mixed-income project” in Section 1, 2(g) to reflect Section 2, 2(g) in HB1808.

“Mixed-income project” means any housing project that, in addition to low- and moderate-income housing units, includes housing units for households with incomes higher than provided under section 39A-281.

5) Amend Section 4 to reflect Section 4 in HB1808 to include language that allows the county to apply bond proceeds to recent land acquisitions.

SECTION 4. This Act shall take effect upon its approval and **shall apply to bond proceeds expended by a county after December 31, 2023.**

With the commencement of operations of the city’s new rail system in June 2023, the Blangiardi Administration is working to activate Transit-Oriented Development (TOD) plans that have been adopted by communities surrounding key rail stations. Good examples of this are the city’s recently acquired properties in the Iwilei TOD area – the First Hawaiian Bank property and the Iwilei Center – which closed in December 2023 and January 2024, respectively. The two properties total nearly five acres of land and a combined purchase price of nearly \$60 million. These acquisitions will form the catalyst

The Honorable Luke Evslin, Chair
The Honorable Linda Ichiyama, Chair
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of the city's redevelopment and revitalization efforts around the Kuwili Rail Station consistent with the area's TOD Neighborhood Plan.

Given our substantial investment in this area, the ability to plan, design, and construct mixed-use development is essential to the city's efforts to develop iconic affordable housing projects in Iwilei, and other TOD communities. Providing our residents access to commercial, retail, institutional, educational, and governmental services, combined with convenient access and close proximity to multi-modal transportation networks, will be vital to the success of these projects.

Accordingly, it is essential that the counties possess the same development authority as HHFDC as it relates to mixed-use development and we respectfully ask for your support this session to pass these critical amendments.

Thank you for the opportunity to testify.

Sincerely



Denise Iseri-Matsubara
Executive Director

APPROVED:



Michael D. Formby
Managing Director

Feb. 7, 2024, 8:30 a.m.
Hawaii State Capitol
Conference Room 430 and Videoconference

To: House Committee on Housing

Luke Evslin, Chair
Micah Aiu, Vice-Chair

To: House Committee on Water and Land

Linda Ichiyama, Chair
Mahina Poepoe, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

COMMENTS IN SUPPORT OF HB1988 — RELATING TO COUNTY HOUSING POWERS

Aloha Chairs Evslin and Ichiyama, Vice-Chairs Aiu and Poepoe, and members of the Committees,

The Grassroot Institute of Hawaii would like to offers its comments in support of [HB1988](#), which would allow the counties to finance, develop and construct mixed-use housing projects — just as the Hawaii Housing Finance and Development Corp. is allowed to do.

Grassroot doesn't necessarily support the idea that government agencies should be in the business of financing, developing and constructing mixed-use housing projects. But since the state is already doing this, giving the counties the flexibility to finance these types of developments as well could nevertheless increase housing supply in urban areas and areas near public transit

More mixed-use neighborhoods also would increase businesses opportunities, help protect the environment and promote neighborhood walkability.

As the Grassroot Institute noted in its recent report "How to facilitate more homebuilding in Hawaii," "if neighborhoods were more walkable, fewer people would use their cars, which would mean less traffic, less air

pollution and less wear and tear on city streets. Also, residents who give up on driving likely would save money on gas, repairs, insurance and other car-related expenses.”¹

In addition, research shows that walkable neighborhoods “yield positive health outcomes. People lose weight, cardiovascular disease declines, and people report being happier.”²

These are all positive outcomes that could result from enactment of this bill — which also shows, by the way, that when it comes to trying to promote more homebuilding, the state even manages to get in its own way by barring the counties from engaging in mixed-use development.

The existing situation is a great example of why Hawaii must reform its laws related to housing growth for the public sector as well as the private sector.

Thank you for the opportunity to testify.

Ted Kefalas
Director of strategic campaigns
Grassroot Institute of Hawaii

¹ Jonathan Helton, “[How to facilitate more homebuilding in Hawaii](#),” Grassroot Institute of Hawaii, December 2023, pp. 15-16.

² [Ibid.](#)



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**The State Legislature
House Committee on Housing
House Committee on Water and Land
Wednesday, Feb 7, 2024
Conference Room 430, 8:30 a.m.**

TO: The Honorable Luke Evslin, Chair
The Honorable Linda Ichiyama, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Support for H.B. 1988-Relating to County Housing Powers

Aloha Chairs Evslin and Ichiyama, and Members of the Committees:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports H.B. 1988 which expands the housing powers of the counties to include the planning, development, construction, financing and providing of housing projects, including low and moderate income housing and mixed used developments.

Hawaii's high cost of housing is making it unaffordable for many, but especially for those at low or fixed income. These residents are more vulnerable of becoming dependent on other family members for shelter, or face homelessness. AARP is keenly concerned about Hawaii's older residents. According to AARP/Statista analysis, close to 970 older adults (age 55+) are expected to be evicted in 2024 and more than 1500 older (55+) may experience homelessness in Hawaii this year. It is important that the State continues to support opportunities and avenues that will increase the housing inventory for Hawaii residents. Expanding the housing powers of the counties to expedite housing developments is a positive step in the right direction.

Thank you very much for the opportunity to testify in support **H.B 1988**.