

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

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GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

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Statement of
MARY ALICE EVANS, Interim Director

before the
HOUSE COMMITTEE ON HOUSING

Wednesday, March 13, 2024

10:00 AM

State Capitol, Conference Room 312

in consideration of
BILL NO SB2133
RELATING TO HOUSING.

Chair Evslin, Vice Chair Aiu, and Members of the House Committee on Housing:

The Office of Planning and Sustainable Development (OPSD) **supports** Senate Bill 2133, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to issue bonds for housing project infrastructure and to finance the development of regional state infrastructure projects.

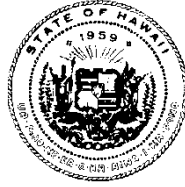
Per the Legislature's direction and funding in Act 88, SLH 2021, Sec. 39, OPSD recently completed the *TOD Infrastructure Finance and Delivery Strategy*, which underscored growing housing needs statewide, and outlined a strategy to target existing and new revenue sources to fund housing production and 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.

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

HOUSE COMMITTEE ON HOUSING
Wednesday, March 13, 2024 at 10:00 a.m.
State Capitol, Room 312

In consideration of
S.B. 2133
RELATING TO HOUSING.

Chair Evslin, Vice Chair Aiu, and members of the Committee.

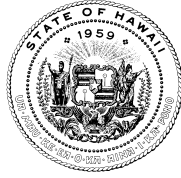
HHFDC **supports** SB 2133, which, among other things, authorizes HHFDC to issue bonds for housing project infrastructure and to finance the development of regional state infrastructure projects.

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 empowers HHFDC to facilitate the development of infrastructure required to support new housing projects needed across the state. Bonds issued by HHFDC to pay for housing project infrastructure would be repaid through various assessments.

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
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TESTIMONY OF KALI WATSON, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON HOUSING
HEARING ON MARCH 13, 2024 AT 10:00AM IN CR 312

SB 2133, RELATING TO HOUSING

March 13, 2024

Aloha Chair Evslin, Vice Chair Aiu, 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.

This bill will be beneficial to the DHHL which has a crucial responsibility to provide and repair infrastructure in order 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.



March 12, 2024

Representative Luke Evslin, Chair
Representative Micah Aiu, Vice Chair
Members of the House Housing Committee

RE: **SB 2133 – RELATING TO HOUSING**
Hearing date – March 13, 2024 at 10:00 AM

Aloha Chair Evslin, Vice Chair Aiu, and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony **SUPPORTING THE INTENT OF SB 2133 – 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.

SB 2133 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).

Representative Luke Evslin, Chair
Representative Micah Aiu, Vice Chair
March 12, 2024
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Accordingly, NAIOP Hawaii supports the intent of SB 2133 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