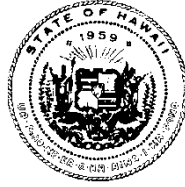


**JOSH GREEN, M.D.**  
GOVERNOR

**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**

April 02, 2024 at 4:00 p.m.  
State Capitol, Room 308

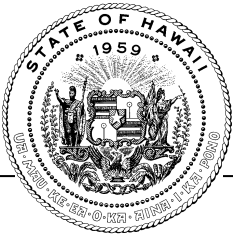
In consideration of  
**S.B. 2337 SD2 HD1**  
**RELATING TO HOUSING.**

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee.

HHFDC **supports** SB 2337 SD2 HD1, which expands the counties' authorization to exercise the same powers as HHFDC for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments. These expanded powers apply to bond proceeds expended by a county after December 31, 2023.

Specifically, this bill would allow the counties authorization to issue bonds to develop mixed-use housing projects. This would be especially beneficial to support transit-oriented development.

Thank you for the opportunity to testify on this bill.



**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, Hawai'i 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

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

Statement of  
**MARY ALICE EVANS, Director**

before the  
**HOUSE COMMITTEE ON FINANCE**

Tuesday, April 2, 2024

4:00 PM

State Capitol, Conference Room 308

in consideration of  
**BILL NO SB2337, SD2, 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) **supports** SB2337, SD2, HD1, which expands the counties' authorization to exercise the same powers as the Hawai'i Housing Finance and Development Corporation for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments.

This bill would authorize the counties to use affordable-housing bonds to develop mixed-use housing projects, especially in transit-oriented development areas statewide. As recommended in the *State Strategic Plan for Transit-Oriented Development (2018)*, the State, counties, and private sector developers are working together to create new neighborhoods that mix affordable housing, stores and offices, commercial and community facilities, to create real neighborhoods where families can live, work, and connect. This often means that the lower floors of affordable housing projects will include retail and offices, providing jobs and services, and helping to offset the operating costs of the housing development. The counties should have the same authorization as HHFDC to build fully integrated projects that will help create livable neighborhoods.

Thank you for the opportunity to testify on this measure.



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

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-4675 • FAX: (808) 768-4242 • WEBSITE: [www.honolulu.gov/housing](http://www.honolulu.gov/housing)

RICK BLANGIARDI  
MAYOR  
MEIA



DENISE ISERI-MATSUBARA  
EXECUTIVE DIRECTOR  
PO'O HO'OKO

KEVIN AUGER  
DEPUTY DIRECTOR  
HOPE PO'O

April 1, 2024

2024-HOU-022

The Honorable Kyle Yamashita, Chair  
The Honorable Lisa Kitagawa, Vice Chair  
and Members of the House Committee on Finance  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

Dear Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

SUBJECT: Testimony in **Strong Support** of SB2337, SD2, HD1 – Relating to  
Housing

Hearing: Tues., April 2, 2024, 4:00 p.m. at the State Capitol, Rm. 308

The City and County of Honolulu **strongly supports SB2337, SD2, HD1**, which seeks to expand the counties' authority to facilitate the development, construction, financing, or refinancing 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.

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 were adopted by the communities that surround the 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

The Honorable Kyle Yamashita, Chair  
The Honorable Lisa Kitagawa, Vice Chair  
and Members of the House Committee on Finance  
April 1, 2024  
Page 2

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 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 in other TOD communities. As a policy principle, the City and County of Honolulu does not believe those purchasing affordable housing in city-facilitated projects on city land should be denied direct access to governmental, educational, commercial, cultural, institutional, or industrial uses on property, however, that is the limitation of the current law.

We respectfully ask for your support this session in passing this measure to allow the counties to have the ability to engage in mixed-use development as part of their overall housing and development plans. By including mixed-use development in their housing strategies, counties can implement their general plans and offer residents a choice of housing options that are in close proximity to schools, recreation, and commercial centers that are adequately served by multi-modal transportation networks.

Thank you for the opportunity to testify.

Sincerely,



Denise Iseri-Matsubara  
Executive Director  
Office of Housing

APPROVED:



Michael D. Formby  
Managing Director

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](http://www.MauiCounty.us)

April 1, 2024

TO: The Honorable Kyle T. Yamashita, Chair, and  
Members of the Committee on Finance

FROM: Alice L. Lee  
Council Chair 

SUBJECT: **HEARING OF APRIL 2, 2024; TESTIMONY IN SUPPORT OF SB2337,  
SD2, HD1, RELATING TO HOUSING**

I **support** this measure to authorize the counties to exercise the same powers as the Hawaii Housing Finance and Development Corporation for mixed-use developments.

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

I support this measure for the following reasons:

1. The measure would provide opportunities for counties to expand our capacity to develop new units and rehabilitate existing housing units to address housing shortages. It will likely have a positive impact on housing affordability.
2. The additional option given to the counties to develop mixed-use projects will be beneficial in securing financing and in ensuring long-term sustainability of the created housing.
3. It would also support transit-oriented development, such as the Ka'ahumanu Ave Community Corridor and the West Maui Community Corridor.
4. Providing the counties with the same development authority as Hawaii Housing Finance and Development Corporation may attract more public-private partnerships for affordable housing.

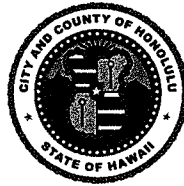
Thank you for your consideration.



**DEPARTMENT OF PLANNING AND PERMITTING**  
**KA 'OIHANA HO'OLĀLĀ A ME NĀ PALAPALA 'AE**  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8000 • FAX: (808) 768-6041 • WEB: honolulu.gov/dpp

RICK BLANGIARDI  
MAYOR  
MEIA



DAWN TAKEUCHI APUNA  
DIRECTOR  
PO'O

JIRO A. SUMADA  
DEPUTY DIRECTOR  
HOPE PO'O

April 2, 2024

The Honorable Kyle T. Yamashita, Chair  
and Members of the Committee on Finance  
Hawai'i House of Representatives  
Hawai'i State Capitol  
415 South Beretania Street  
Honolulu, Hawai'i 96813

**Subject: Senate Bill No. 2337, SD 2, HD 1**  
**Relating to Housing**

Dear Chair Yamashita and Committee Members:

The Department of Planning and Permitting (DPP) **strongly supports** Senate Bill No. 2337, SD 2, HD 1, which expands the counties' authorization to exercise the same powers as the Hawai'i Housing Finance and Development Corporation (HHFDC) for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments. This applies to bond proceeds expended by a county after Dec. 31, 2023.

In particular, the ability for counties to utilize bonds for mixed-used development will greatly facilitate transit-oriented development (TOD) on O'ahu. This Bill's objectives support various City & County of Honolulu land use policies, including the O'ahu General Plan, regional development/sustainable communities plans, and neighborhood TOD plans, as well as its Housing Plan.

In addition to TOD, mixed-use developments can further contribute toward affordable housing. Proceeds from commercial uses that are applied to building maintenance can allow for reduced fees assessed on the residential units. At the same time, co-locating commercial and residential uses next to each other reduces residents' reliance on travel, saving them time and money that would otherwise go toward a transit fare or the myriad costs of automobile ownership.

There has been a coordinated effort between City and State agencies to implement TOD, based on years of planning and targeted investments. This Bill provides parity between the counties and State, since the Hawai'i Housing and Finance

The Honorable Kyle T. Yamashita, Chair  
and Members of the Committee on Finance  
Hawai'i House of Representatives  
Senate Bill No. 2337, SD 2, HD 1  
April 2, 2024  
Page 2

Development Corporation already has authorization, and allow counties to also contribute toward affordable living and smart growth in Hawai'i.

Thank you for the opportunity to testify.

Very truly yours,

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

Dawn Takeuchi Apuna  
Director





# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308  
Tuesday, April 2, 2024 AT 4:00 P.M.

To The Honorable Representative Kyle T. Yamashita, Chair  
The Honorable Representative Lisa Kitagawa, Vice Chair  
Members of the Committee on Finance

## SUPPORT SB2337 SD2 HD1 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS SB2337 SD2 HD1.**

The Chamber notes that we are in a housing crisis and need significant support to build units as expeditiously as possible. We applaud the legislature for giving the counties the same powers as HHFDC for building housing. It is urgent to expedite housing and provide incentives to home builders before prices continue to increase.

We also supported the clause in the original version of the bill that allows households with higher incomes to purchase units if there are insufficient number of people to purchase at the initial income range. **There are a lot of times where a person or family are in between AMI levels where they cannot afford to buy or rent at their current AMI level but could make it work for the next AMI level below. Unfortunately, this clause was removed by a previous committee. We would respectfully ask that it be returned to the next draft of the bill along with language that puts time limits for selling at the next AMI below.** We are requesting this because developers have carrying costs and still need to sell the units. We don't want to extend that time too long, but if this language was added, they could also have a backup list of people at the next level ready to purchase. This would still **achieve affordability for residents instead of the unit going into market rate.**

We note that this is another tool in the affordable housing tool box. As many tools as we can get can only help increase the supply of affordable housing.

For these reasons, we **support SB2337 SD2 HD1** with the amendments we have suggested.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

April 2, 2024, 4 p.m.  
Hawaii State Capitol  
Conference Room 308 and Videoconference

**To: House Committee on Finance**  
**Rep. Kyle T. Yamashita, Chair**  
**Rep. Lisa Kitagawa, Vice-Chair**

**From: Grassroot Institute of Hawaii**  
**Ted Kefalas, Director of Strategic Campaigns**

RE: SB2337 SD2 HD1 — RELATING TO HOUSING

*Comments only*

Aloha Chair Yamashita, Vice-Chair Kitagawa and other members of the Committee,

Thank you for considering [SB2337 SD2 HD1](#), which would allow the counties to finance, refinance and develop mixed-use housing projects just as the Hawaii Housing Finance and Development Corp. is allowed to do.

Giving the counties the flexibility to finance these types of developments could increase the housing stock and business opportunities in urban areas and areas near public transit.

In a recent report, the Grassroot Institute of Hawaii discussed how mixed-use buildings also boost neighborhood walkability, which “yield positive health outcomes. People lose weight, cardiovascular disease declines, and people report being happier.”<sup>1</sup>

Thank you for the opportunity to testify.

Ted Kefalas,  
Director of strategic campaigns  
Grassroot Institute of Hawaii

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

**SB-2337-HD-1**

Submitted on: 4/2/2024 3:38:53 PM

Testimony for FIN on 4/2/2024 4:00:00 PM

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

Comments:

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

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 SB 2337, SD2, HD1, Relating to Housing**, which expands the counties' authorization to exercise the same powers as the Hawai'i Housing Finance and Development Corporation (HHFDC) for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments; and applies to bond proceeds expended by a counties after 12/31/23. Its current effective date is 7/1/2050 (HD1)

LURF understands that while the HHFDC may facilitate the development, construction, financing, refinancing, or other provision of mixed-use and mixed income developments, including low- and moderate-income housing projects, the counties are not allowed to facilitate mixed-use, mixed-income developments.

The purpose of this measure is to provide the counties with the same authority as HHFDC, to facilitate the development, construction, financing, refinancing, or other provision of mixed-use developments, including low- and moderate-income housing projects, and the authority to issue county bonds for those purposes.

Providing the counties with the authority to facilitate and to provide financing alternatives for mixed-use and mixed-income housing projects will increase the supply of affordable housing in Hawaii and will increase housing opportunities for Hawaii's residents.

Based on the above reasons, LURF **strongly supports SB 2337, SD2, HD1**, and requests your favorable consideration and its adoption.

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

**SB-2337-HD-1**

Submitted on: 4/1/2024 8:56:02 AM

Testimony for FIN on 4/2/2024 4:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

MAKES SENSE FOR THE COUNTIES TO HAVE THE SAME POWERS IN THIS AREA. AT THE VERY LEAST, FOR CONSISTENCY.

MAHALO!