

**STATE OF HAWAI'I
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
Web: <https://planning.hawaii.gov/>

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 SB2337, SD2
RELATING TO HOUSING.**

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

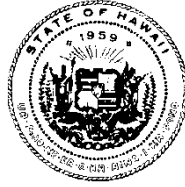
The Office of Planning and Sustainable Development (OPSD) **supports** SB2337, SD2, which expands the counties' authorization to exercise the same powers as the Hawai'i Housing Finance and Development Corporation for purposes of developing, constructing, financing, refinancing, or providing mixed-use 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.

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

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

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

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

HHFDC **supports** SB 2337 SD2, 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 and sunset on June 30, 2028.

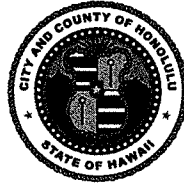
Specifically, this bill would allow the counties authorization to use affordable-housing bonds to develop mixed-use housing projects, especially in transit-oriented development areas.

Thank you for the opportunity to testify on this bill.

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

March 13, 2024

The Honorable Luke A. Evslin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

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

Dear Chair Evslin and Committee Members:

The Department of Planning and Permitting (DPP) **strongly supports** Senate Bill No. 2337, SD 2, which expands the counties' authority to facilitate the development, construction, financing, refinancing, or other provision of mixed-income projects and mixed-use developments, including low- and moderate-income housing projects, and issue bonds for this purpose.

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

The Honorable Luke A. Evslin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
Senate Bill No. 2337, SD 2
March 13, 2024
Page 2

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, consisting of a stylized 'D' followed by a series of loops and a long horizontal stroke extending to the right.

Dawn Takeuchi Apuna
Director

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

RICK BLANGIARDI
MAYOR
MEIA



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

KEVIN AUGER
DEPUTY DIRECTOR
HOPE PO'O

2024-HOU-016

March 11, 2024

The Honorable Luke Evslin, Chair
The Honorable Micah Aiu, Vice Chair
and Members of the House Committee on Housing
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Evslin, Vice Chair Aiu, and Committee Members:

SUBJECT: Testimony in **Strong Support** of SB2337, SD2 – Relating to Housing
Hearing: Wed., March 13, 2024, 10:00 a.m. at the State Capitol, Rm. 312

The City and County of Honolulu **strongly supports SB2337, SD2**, 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). We respectfully request this measure be amended to remove the sunset date inserted in the SD2 to ensure that the counties can utilize this ability and be in compliance with bond restrictions in the short- and long-term.

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

The Honorable Luke Evslin, Chair
The Honorable Micah Aiu, Vice Chair
and Members of the House Committee on Housing
March 11, 2024
Page 2

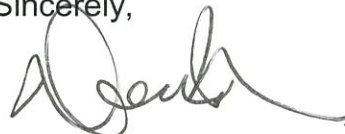
examples of this are the city's recently acquired properties in the Iwilei TOD area – the First Hawaiian Bank property and the Iwilei Center – which closed in December 2023 and January 2024, respectively. The two properties total nearly five acres of land and a combined purchase price of nearly \$60 million. These acquisitions will form the catalyst 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

APPROVED:

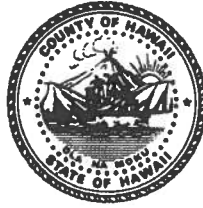


Michael D. Formby
Managing Director

Mitchell D. Roth
Mayor

Deanna S. Sako
Managing Director

Robert H. Command
Deputy Managing Director



Susan K. Kunz
Housing Administrator

Harry M. Yada
Assistant Housing Administrator

County of Hawai'i
Office of Housing and Community Development

1990 Kino'ole Street, Suite 102 • Hilo, Hawai'i 96720 • (808) 961-8379 • Fax (808) 961-8685
Existing Housing: (808) 959-4642 • Fax (808) 959-9308
Kona: (808) 323-4300 • Fax (808) 323-4301

March 12, 2024

TESTIMONY FOR COMMENT IN SUPPORT OF SENATE BILL 2337, SD2
A BILL FOR AN ACT RELATED TO HOUSING
COMMITTEE ON HOUSING

Rep. Luke A. Evslin, Chair

Rep. Micah P.K. Aiu, Vice Chair

Hearing Date: Wednesday, March 13, 2024, at 10:00 AM

Place of Hearing: Conference Room 312 & Videoconference

Aloha Honorable Chairs Evslin and Aiu, and members of the Committee on Housing,

On behalf of the Office of Housing and Community Development of the County of Hawai'i, I am providing testimony in **support of Senate Bill 2337, SD2**, 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.

Chapter 201H-12, Hawai'i Revised Statutes, provides the HHFDC has the ability to plan, develop, construct, and finance housing projects, including mixed-use developments. However, as currently written, Chapter 46-15.1(a), Hawai'i Revised Statutes, limits the counties' ability to exercise these powers to the purpose of developing, constructing, and providing low- and moderate-income housing only.

Senate Bill 2337, SD2, seeks to remedy this inconsistency by providing the counties with the same authority as the HHFDC with respect to mixed-use development.

By including mixed-use development in their housing strategies, the counties can implement their general plans and create Live-Work-Play communities that offer residents a choice of housing options that are in close proximity to schools, recreation, and commercial centers.

In concurrence with the City and County of Honolulu Office of Housing, the County of Hawai'i Office of Housing and Community Development respectfully requests this measure be amended to remove the sunset date to ensure that the counties can utilize this ability and be in compliance with bond restrictions in the short- and long-term.



Page 2

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

Mahalo,

A handwritten signature in black ink, appearing to read 'Susan K. Kunz', written over a horizontal line.

Susan K. Kunz
Housing Administrator

March 13, 2024, 10 a.m.
Hawaii State Capitol
Conference Room 312 and Videoconference

To: House Committee on Housing

Rep. Luke A. Evslin, Chair

Rep. Micah P.K. Aiu, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SB2337 SD2 — RELATING TO HOUSING

Comments only

Aloha Chair Evslin, Vice-Chair Aiu and members of the Committee,

Thank you for considering [SB2337 SD2](#), 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.”¹

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.

Testimony of
Pacific Resource Partnership

House Committee On Housing
Representative Luke A. Evslin, Chair
Representative Micah P.K. Aiu, Vice Chair

SB 2337, SD2—Relating To Housing
Wednesday, March 13, 2024
10:00 A.M.

Aloha Chair Evslin, Vice Chair Aiu, and Members of the Committee:

Pacific Resource Partnership (PRP) is a nonprofit organization that represents the Hawai'i Regional Council of Carpenters, the largest construction union in the state with approximately 6,000 members, in addition to more than 240 diverse contractors ranging from mom-and-pop owned businesses to national companies.

PRP writes in **strong support** of SB 2337 SD2, which allows counties to facilitate the development, construction, financing, refinancing, or other provision of mixed-income projects and mixed-use developments and issue bonds for this purpose.

Currently, the law as written, does not allow the counties to use affordable housing bonds to develop affordable housing projects in TOD communities, where our residents have access to commercial retail services, institutional, educational, industrial, and governmental uses. Essentially, for affordable housing projects, the counties need the same development potential as Hawai'i Housing Finance & Development Corporation.

As such, we respectfully request your favorable decision on this measure. Thank you for this opportunity to submit written testimony.





MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 312
Wednesday, March 13, 2024 AT 10:00 A.M.

To The Honorable Luke A. Evslin, Chair
The Honorable Micah P.K. Aiu, Vice Chair
Members of the Committee on Housing

SUPPORT SB2337 SD2 RELATING TO HOUSING

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

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 the 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** 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.

SB-2337-SD-2

Submitted on: 3/12/2024 7:37:03 AM

Testimony for HSG on 3/13/2024 10:00:00 AM

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

Comments:

STRONG SUPPORT.

MAHALO!