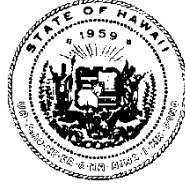


JOSH GREEN, M.D.
GOVERNOR

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

January 29, 2025 at 9:15 a.m.
State Capitol, Room 430

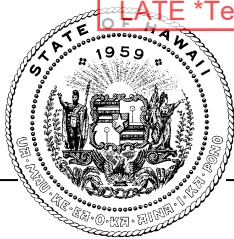
In consideration of
H.B. 1409
RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

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

HHFDC **supports** HB 1409, which establishes standards for transit-oriented development (TOD) and incentivizes development in county-designated TOD areas or zones. It also prioritizes the allocation of a minimum percentage of the Rental Housing Revolving Fund (RHRF) for certain mixed-income rental housing projects or units.

HHFDC supports the development of high-density communities near transit stations, and particularly stations near a locally preferred alternative for a mass transit project. TOD has the potential to lower transportation costs for residents, reduce traffic congestion, improve accessibility to businesses and services, efficiently use infrastructure, and create healthier, walkable communities. The bill promotes high density TOD neighborhoods by incentivizing the counties to adopt high-density standards to receive prioritization of RHRF funding.

Thank you for the opportunity to testify on this bill.



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

**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 HOUSING
Wednesday, January 29, 2025
9:15 AM
State Capitol, Conference Room 430

in consideration of
HB 1409
RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

Chair Evslin, Vice Chair Miyake, and Members of the Committee:

The Office of Planning and Sustainable Development (OPSD) **supports the bill's intent and offers comments** on HB 1409, which establishes what constitutes transit-oriented development (TOD) and incentivizes housing development in county-designated transit-oriented development areas or zones.

OPSD believes that directing housing to TOD areas enables the creation of more walkable, vibrant communities in areas with transit service and where infrastructure exists, or can be improved, to accommodate additional growth.

In particular, OPSD **strongly supports** the amendments to Hawai'i Revised Statutes § 226--63, which would define TOD and provide clarity for statewide TOD implementation as to what constitutes county-designated TOD areas. This bill also directs the TOD Council to ensure the [*State Strategic Plan for Transit-Oriented Development*](#) incorporates the county-designated TOD areas of the Counties to facilitate coordination and collaboration in the implementation of shared TOD initiatives.

Thank you for the opportunity to testify on this measure.

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 • WEBSITE: honolulu.gov/dpp

RICK BLANGIARDI
MAYOR
MEIA



DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

BRYAN GALLAGHER, P.E.
DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

January 29, 2025

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

**Subject: House Bill No. 1409
Relating to Transit-Oriented Development (TOD)**

Dear Chair Evslin and Committee Members:

The Department of Planning and Permitting (DPP) offers **comments, with a suggested amendment**, on House Bill No. 1409. The Bill defines TOD for purposes of state implementation of TOD, incentivizes development in county-designated TOD areas, and allocates a minimum percentage of the rental housing revolving fund (RHRF) for certain mixed-income rental housing projects or units.

As we understand, development in TOD areas could receive priority for RHRF financing based on meeting certain criteria, including ministerial processing of applicable permits and a minimum floor area ratio (FAR). Therefore, we note the following:

- The Bill's definition of "ministerial" is different than the DPP's use of the term, which entails no discretionary review of permits, and only partially aligns with the City's TOD permitting procedures. For example, catalytic projects seeking a Planned Development-Transit permit for maximum flexibility, such as to modify density, height, and height setbacks, are currently reviewed and approved by the Honolulu City Council due to their potential to impact the surroundings. The remaining TOD permits are only reviewed and approved by the DPP Director.

The Honorable Luke A. Evslin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
House Bill No. 1409
January 29, 2025
Page 2

- The Bill prescribes the maximum FAR allowed by the adopted TOD Special District or applicable TOD plan, but no less than 7.0 FAR, within ¼-mile of a rail station; and no less than 6.0 FAR for areas between ¼-mile and ½-mile of a rail station. These thresholds align with the allowable FAR through the City's TOD regulations.

As background, these components were developed through significant input from the TOD neighborhood planning process that included community outreach, consultant and staff analyses, and City Council deliberations.

Furthermore, we understand that based on the Bill's definition of "county-designated transit-oriented development areas," there is deference to counties on designation of the TOD areas. However, we noticed a potential conflict and inconsistent use of the term on page 16 of the Bill, and ask that this be clarified as follows:

"(6) Delineate for each county, [~~county-designated~~] transit-oriented development areas within which transit-rich, pedestrian-oriented development is desired and investment in transit-oriented development and supporting infrastructure is to be directed."

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna
Director Designate



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB 1409– RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

House Committee on Housing
Wednesday, January 30, 2025 at 9:15AM Conf. Rm. 430 and via Videoconference

Aloha Chair Evlsin, Vice Chair Miyake, and members of the committee,

Mahalo for the opportunity to testify in strong support of **HB1409**, which establishes a framework for transit-oriented development (TOD) within the HRS and prioritizes the development of mixed-income housing in county-designated TOD zones.

Hawaii faces one of the most severe housing shortages in the nation, with thousands of families struggling to secure safe and affordable housing¹. At the same time, rising transportation costs disproportionately burden low- and moderate-income households. Increasing density in TOD areas provides a comprehensive solution to these challenges by creating affordable housing near transit hubs, which reduces reliance on private vehicles and promotes equitable access to jobs, schools, and essential services.

Increased density in TOD areas directly benefits vulnerable communities by expanding affordable housing options in transit-rich locations. By defining TOD density, this bill would incentivize counties to adopt a density standard which would benefit residents with limited financial means and reduce their housing and transportation costs, two of the largest household expenses². For families living paycheck to paycheck, this represents a lifeline, offering more disposable income for necessities like food, healthcare, and education.

Moreover, TOD promotes inclusivity and diversity by integrating affordable housing into high-opportunity areas, counteracting the historical patterns of segregation and displacement caused by exclusionary zoning and gentrification. Mixed-income developments, as incentivized by this bill, foster vibrant, integrated communities where people of different economic backgrounds can live, work, and thrive together³.

Increased density in TOD zones also brings significant economic benefits by creating opportunities for local businesses and reducing public infrastructure costs⁴. Compact, transit-supportive developments make more efficient use of land and infrastructure, lowering the per-capita cost of services like roads, utilities, and public transit. Furthermore, higher residential density increases ridership on public transit systems, making them more sustainable and

¹ <https://uhero.hawaii.edu/wp-content/uploads/2024/05/HawaiiHousingFactbook2024.pdf>

²

<https://iri.hks.harvard.edu/files/iri/files/fostering-equitable-and-sustainable-transit-oriented-development.pdf>

³

<https://housingmatters.urban.org/research-summary/how-transit-oriented-development-can-promote-equitable-healthy-communities>

⁴ <https://tod.itdp.org/why-tod-matters.html>



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for HB 1409– RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

House Committee on Housing
Wednesday, January 30, 2025 at 9:15AM Conf. Rm. 430 and via Videoconference

reducing Hawaii's reliance on imported fossil fuels, aligning with the State's climate goals to reduce VMT by 2050⁵.

Additionally Hawaii Appleseed supports incentivizing adoption of TOD standards through prioritizing the Rental Housing Revolving Fund (RHRF). The RHRF is a critical resource for financing price-restricted rental housing that serves low- and moderate-income families. Prioritizing the allocation of RHRF funds to counties that adopt state TOD standards within their TOD districts is an effective incentive.

Directing RHRF resources toward TOD locations ensures that affordable housing is built near transit hubs, where it can have the greatest impact. Low-income renters, who are the primary beneficiaries of price-restricted rentals, are also the most likely to rely on public transit. By living in TOD areas, these renters can reduce their transportation costs while gaining improved access to jobs, education, and essential services.

This approach not only promotes equity but also maximizes the social and economic value of public investments in transit infrastructure. **It incentivizes counties to adopt state TOD standards, encouraging compact, walkable, and transit-supportive communities.** By fostering development in TOD districts, we can reduce urban sprawl, lower greenhouse gas emissions, and build vibrant neighborhoods that are socially, economically, and environmentally sustainable.

HB1409 promotes a sensible and equitable vision for Hawaii's TOD future. By increasing density in TOD zones and prioritizing the development of affordable housing in these areas, this bill addresses the housing crisis, reduces social inequities, and supports sustainable, connected communities. I strongly urge the committee to pass this measure.

Mahalo for the opportunity to testify.



Hawai'i YIMBY

Honolulu, HI 96814

hawaiiyimby.org

info@hawaiiyimby.org

January 29, 2025

House Committee on Housing

Hawai'i State Capitol

Honolulu, HI 96813

RE: SUPPORT for HB 1409 - RELATING TO TRANSIT-ORIENTED DEVELOPMENT

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 1409** which would better define what constitutes Transit-Oriented Development (TOD) and allocate Rental Housing Revolving Fund funds to incentivize more dense housing development within county-designated TOD areas.

We believe in fixing incentives. This includes adding new incentives to target housing development towards places that we have said for so long that we want the housing to go. We can and should prioritize our more abundant and dense housing efforts towards those areas that will be best suited for the increase in density, our TOD districts.

In the ongoing conversation around the housing crisis, both supporters and opponents of housing development say that housing should go along the rail, it is time to increase the stock of dense housing in areas served by transit.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.



Hawai'i YIMBY

Honolulu, HI 96814

hawaiiyimby.org

info@hawaiiyimby.org

Sincerely,

Damien Waikoloa

Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega

Chapter Lead, Hawai'i YIMBY



Jan. 29, 2025, 9:15 a.m.
Hawaii State Capitol
Conference Room 430 and Videoconference

To: House Committee on Housing
Rep. Luke Evslin, Chair
Rep. Tyson Miyake, Vice-Chair

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

RE: HB1409 — RELATING TO TRANSIT-ORIENTED DEVELOPMENT

Aloha Chair Evslin, Vice-Chair Miyake and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [HB1409](#), which would encourage the construction of higher-density buildings in county-established transit-oriented development zones or districts.

Specifically, the bill would prioritize funding from the Hawaii Housing Finance and Development Corp. to projects in TOD areas, as long as the county where the project is proposed allows permits for such projects to be processed ministerially, and as long as the county allows certain levels of density in its TOD areas.

These density levels would range from a floor-area ratio of 4.0 to 7.0 or the maximum FAR allowed by the county's TOD district or plan, depending on where the project would be located in the TOD zone.

This bill could have positive implications for Hawaii's housing market.

By encouraging dense, walkable neighborhoods in areas well-served by transit — such as near the Skyline — this bill would make Hawaii more vibrant and connected.

As Grassroot pointed out in a 2023 policy brief, “studies show that walkable neighborhoods also yield positive health outcomes. People lose weight, cardiovascular disease declines, and people report being happier.”¹

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

Economically speaking, it makes sense to build more housing in urban areas because water and wastewater infrastructure is usually already present, which could help lower capital expenditures for state and local governments.

Furthermore, individuals who have good access to transit can realize lower transportation costs. Research has found that households living in TOD areas in California save \$429 a year on transportation — equal to about 6% of the households' annual transportation spending.² For Hawaii families struggling with the high cost of living, any reduction in transportation spending would be a benefit.

The ministerial — otherwise known as by-right — permitting process proposed by the bill would make these types of developments more feasible.

According to the Economic Research Organization at the University of Hawai'i, Hawaii's housing regulations are the strictest in the country, and "approval delays" for housing developments are three times longer than the national average among communities surveyed.³ Likewise, UHERO researchers estimated that regulations comprise 58% of the cost of new condominium construction.⁴

UHERO has also pointed out that "by-right development ordinances have the potential to speed project approval and substantially reduce project costs by reducing opportunities for neighborhood opponents of specific or all affordable housing projects to stop their development."⁵

Likewise, increasing legal densities in TOD zones will support the creation of more housing units, helping projects pencil out and adding much-needed units.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

² Hongwei Dong, "[Evaluating the impacts of transit-oriented developments \(TODs\) on household transportation expenditures in California](#)," Journal of Transport Geography, Vol. 90, January 2021.

³ Rachel Inafuku, Justin Tyndall and Carl Bonham, "[Measuring the Burden of Housing Regulation in Hawaii](#)," Economic Research Organization at the University of Hawai'i, April 14, 2022, p. 6.

⁴ Justin Tyndall and Emi Kim, "[Why are Condominiums so Expensive in Hawai'i?](#)" Economic Research Organization at the University of Hawai'i, May 2024, p. 11.

⁵ Carl Bonham and Sumner La Croix, "[The Maui County Comprehensive Affordable Housing Plan: Understanding its Pros and Cons and Ideas for How to Improve it](#)," Economic Research Organization at the University of Hawai'i, Oct. 21, 2021, p. 5.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Brad Nicolai
Mike Pietsch
Sunshine Topping

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

827 Fort Street Mall, 2nd Floor
Honolulu, Hawai'i 96813

+1 (808) 542-4089
info@holomuacollaborative.org

HolomuaCollaborative.org

Committee:

House Committee on Energy and Environmental Protection

Bill Number:

HB 1409, Relating to Transit-Oriented Development

Hearing Date and Time:

January 29, 2025, 09:15am (Room 430)

Re:

Testimony of Holomua Collaborative – Support

Aloha Chair Evslin, Vice Chair Miyake, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of HB1409, Relating to Transit-Oriented Development.

Hawai'i's housing crisis continues to drive local families to move to the continent. In October 2024, a survey¹ gathering information about the day-to-day financial experience of local workers was released and it suggests this growing crisis has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive “no,” while sixty-nine percent said “yes” or “unsure.” And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawai'i. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

A prime opportunity for further housing development that would afford local working families the opportunity to stay in Hawai'i is in transit-oriented development (TOD) areas. TOD is a proven model for creating sustainable, walkable communities. By focusing development near transit hubs, we are investing in the future of our state in a way that maximizes the use of public transit infrastructure. TOD encourages mixed-use development that includes housing, office space, retail, and community services—all within walking distance of transit stations. This not only makes it easier for people to access jobs, education, healthcare, and other essential services but also reduces the reliance on cars, ultimately lowering traffic congestion, reducing carbon emissions, and promoting a healthier environment.

There is room for improvement in housing development in transit-oriented development areas. We can do better both in: (a) making the most of the space for housing in these areas; and (b) helping to make the housing pencil out for the people who are going to build these new units. Specifically, this bill addresses the challenge that current maximum floor area ratios limit the volume of housing units that can be built in TOD housing areas.

Because of these limitations, development is often spread out, causing issues like higher costs for building roads and providing services. Allowing for Rental Housing Revolving Funds to be used for mixed-income housing projects in TOD districts with increased floor area ratios that support transit-oriented development is an efficient and impactful use of taxpayer moneys. It will result in more units being built at prices that are attainable for local families.

¹ <https://holomuacollective.org/survey/>

Additionally, this bill would expedite transit-oriented development by streamlining the permitting process. By ensuring that developments in TOD areas are processed as ministerial permits, this measure removes unnecessary bureaucratic obstacles that slow down critical housing projects. This will allow homebuilders to move forward more quickly, reducing costs and enabling more housing units to be brought online in a timely manner.

House Bill 1409 is a comprehensive and forward-thinking approach to addressing Hawai'i's housing needs, economic growth, and environmental sustainability. By prioritizing transit-oriented development in key areas, encouraging affordable housing, and streamlining the development process, we are laying the groundwork for a future that benefits everyone—families, communities, and our state as a whole.

Sincerely,



Joshua Wisch
President & Executive Director



Housing Hawai'i's Future
PO Box 3043
Honolulu, HI 96802-3043

January 29, 2025

TO: Chair Evslin and members of the House Housing Committee
RE: HB 1409 RELATING TO HOUSING.

Dear Chair Evslin and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support HB 1409, a measure to incentivize greater density—and more affordable housing—in county-designated transit-oriented development (TOD) districts.

Pursuant to Act 130, SLH 2016, the State of Hawai'i Transit Oriented Development (TOD) Plan was drafted to provide Hawai'i with a roadmap for guiding future development in TOD communities. The State TOD Plan makes the case for maximizing housing density in county-designated TOD zones:

"The dire need and the lack of truly affordable housing statewide makes it imperative that the provision of affordable and rental housing be a priority consideration in the use and development of TOD properties. Mixed-use, higher density development is an excellent vehicle for the delivery of affordable and rental housing development, especially in areas close to public transit. Incorporating affordable housing in TOD enables residents to reside in opportunity- and amenity- based neighborhoods."¹

HB 1409's incentivization of a 'maximized' approach to housing construction in TOD areas is an environmentally sound and fiscally prudent approach to our housing crisis.

More housing in TOD zones means fewer cars on the road and less urban sprawl.

Limited, finite sources for financing infrastructure improvements in TOD zones means the State of Hawai'i, through investments in county-designated TOD zones, must strategically maximize the density of our TOD housing supply. Utilizing the Rental Housing Revolving Fund to promote this type of construction is an innovative mechanism for this task.

We are grateful for your careful consideration of HB 1409.

Thank you,

A stylized, circular signature in black ink, likely belonging to Lee Wang.

Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiiisfuture.org

A stylized, cursive signature in black ink, likely belonging to Perry Arrasmith.

Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiiisfuture.org

¹ Hawai'i Office of Planning and Hawai'i Housing Finance and Development Corporation. *State Transit-Oriented Development (TOD) Strategic Plan*. Honolulu: DBEDT, Updated October 2024. https://files.hawaii.gov/dbedt/op/lud/TODStratPlan_Aug2018_Current.pdf.

HB1409 RELATING TO TRANSIT-ORIENTED DEVELOPMENT
Housing Committee
Jan. 29, 2025

Aloha mai e Chair Evslin and members of the Committee,

I am a lecturer in law in Affordable Housing and a public-interest attorney. Mahalo for the opportunity to offer COMMENTS on HB 1409, which I provide in my personal capacity.

- 1. A State level definition of transit-oriented development should clarify if the mixed-use projects that will receive transit development bonus in the form of increased density, zoning use exemptions, and other relaxed regulations can include primary hotel use.**

While mixed-use generally includes business and commercial use along with residential that is often times not allowed in traditional Euclid zoning legal schemes, it may be necessary to clarify that hotel use is **not** intended as one of the primary mixed uses that is contemplated to be part of TOD that will receive development benefits.

When Honolulu County unveiled their Interim Planned Development-Transit permit, IPD-T, which offered developers density bonuses, high flexibility and use exemptions around the rail the first three, ([Manao'ana I](#), Manaolana II ([1500 Kapiolani](#)), [Sky Ala Moana](#)) and now [half of the total IPD-T transit projects](#) were to approve the development of hotels along Kapiolani Boulevard. If the intention is to provide TOD development bonuses to mixed-use projects that are not primarily hotel use, there should be clarification in the definition if hotel use is part of the TOD mixed-use.

- 2. The definition of transit-oriented development should clarify that the affordable housing component of mixed-use should be on site.**

As half of the transit projects are for primary hotel use, and several provide off-site or 'air rights' or cash to affordable housing, the definition of TOD should clarify that the affordable housing component of mixed-use projects should be on-site.

Respectfully, this committee may want to clarify if they believe hotel use to be appropriate primary use for mixed-use projects receiving development flexibility and bonuses in TOD, and if affordable housing should be on-site. Without such clarification, we can expect more of the projects approved for TOD to be for primary hotel use with affordable housing offsite.

Mahalo for the opportunity provide **COMMENTS** on this measure.

Deja Ostrowski, J.D.