



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



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STATEMENT OF
AEDWARD LOS BANOS, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Before the
SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON TRANSPORTATION

Friday, February 8, 2019
2:30 P.M.
State Capitol, Conference Room 225

in consideration of

SB 872
RELATING TO COMMUNITY DEVELOPMENT

Chairs Chang and Inouye, Vice Chairs Kanuha and Harimoto, and

Members of the Committees.

The Hawaii Community Development Authority (HCDA) **supports** SB872 **with proposed amendments** that provide resources to carry out the intent of the bill.

In part, SB 872 requires HCDA to develop a transit-oriented development (TOD) zone improvement program to foster community development by strategically investing in public facilities.

HCDA estimates needing one new FTE at \$60,000 for the second half of fiscal year 2019-2020 and \$120,000 for fiscal year 2020-2021 to manage the new transit-oriented development zone improvement program, plus \$50,000 annual operating costs.

Thank you for the opportunity to offer comments on SB 872.



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Statement of
RODNEY FUNAKOSHI
Planning Program Administrator, Office of Planning
before the
**SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON TRANSPORTATION**
Friday, February 8, 2019
2:30 PM
State Capitol, Conference Room 225

in consideration of
SB 872
RELATING TO COMMUNITY DEVELOPMENT.

Chairs Chang and Inouye, Vice Chairs Kanuha and Harimoto, and Members of the Senate Committees on Housing and Transportation.

The Office of Planning (OP) offers **comments** on SB 872, which would authorize the Hawaii Community Development Authority (HCDA) to establish transit-oriented development (TOD) zones and a TOD zone improvement program, and provide funds for temporary staff at HCDA to administer the TOD zone improvement program.

OP prefers SB 1389 as a vehicle for this initiative, as it provides greater clarity for a framework for expediting the delivery of needed infrastructure improvements in support of State TOD projects and affordable housing in TOD-designated areas—which is an issue on the Neighbor Islands as well as on Oahu.

In order to achieve the potential for expediting delivery of regional infrastructure in support of affordable housing in TOD areas Statewide, it is critical that there exists a strong collaborative partnership between the State and the counties—particularly between the project sponsors and the functional agencies that will be responsible for the operation and maintenance of these systems once the infrastructure construction and delivery phase is completed. This also requires a flexible framework for financing or recovering the cost of State infrastructure investments in TOD communities.

Considering this, OP offers the following comments regarding this measure should it move forward.

1. It would be clearer to set out the TOD infrastructure improvement zone provisions in a new section, so that the authority and administration of the new program is seen to be solely focused on expediting the delivery of regional infrastructure in support of TOD.
2. Greater flexibility is needed for the recovery of the cost of TOD infrastructure improvements than is currently provided in HRS § 206E-6, as amended by the bill. Rather than relying solely on assessments against real property benefited, HCDA should be given the flexibility to determine—in consultation with the county—the appropriate mechanisms to be used to pay for the cost of the State infrastructure investment. This will enable more effective use of alternative delivery systems and value-capture tools for this purpose.
3. Through this proposal, HCDA would become an agent for accelerating regional infrastructure investments that increase infrastructure capacity in support of TOD projects where they are needed, as they are needed. In the long-run, HCDA would be able to respond more effectively to regional infrastructure improvement needs if bill language did not limit the use of such zones to Oahu.

Thank you for this opportunity to testify.



**TESTIMONY TO THE SENATE COMMITTEES HOUSING, AND TRANSPORTATION
State Capitol, Conference Room 225
415 South Beretania Street
2:30 PM**

February 8, 2019

RE: SENATE BILL NO. 872, RELATING TO COMMUNITY DEVELOPMENT

Chairs Chang and Inouye, Vice Chairs Kanuha and Harimoto, and members of the committees:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities that people call home.

BIA-Hawaii supports the intent of S.B. 872, which proposes to amend Chapter 206E HRS by requiring the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development (TOD) zone improvement program to foster community development by strategically investing in public facilities. The bill also appropriates funds to HCDA for staff necessary to develop and manage the TOD zone improvement program.

Chapter 206E defines "public facilities" as streets, utility and service corridors, and utility lines where applicable, sufficient to adequately service developable improvements in the district, sites for schools, parks, parking garage, sidewalks, pedestrian ways, and other community facilities. "Public facilities" shall also include public highways, as defined by statute, storm drainage systems, water systems, street lighting systems, off-street parking facilities, and sanitary sewerage systems.

Basically, the proposed bill will allow HCDA to create TOD zones and focus on developing infrastructure capacity to service the public owned improvements within the newly designated zones. The bill excludes land under the jurisdiction of HPHA and the Stadium Authority. It also excludes any existing designated community development district.

We support the intent of this measure, but believe that the bill does not go far enough to optimize the use of the state-owned lands within the ½ mile radius of a transit station. We believe the bill should give HCDA the overall long term (50+ years) master planning and zoning authority over the state-owned lands within each of the TODs. This would address one of the glaring problems the State has in planning for its assets along the transit corridor, which currently states that no single entity has the authority to re-develop the State's assets along the transit corridor "in the best interest of the State of Hawaii."



Each user agency plans for development/redevelopment with its own mission in mind. No one entity is looking to replace existing uses or combine uses to maximize the use of the property for the benefit of State of Hawaii. Without a master plan that optimizes the use of the state-owned lands, the infrastructure will not be sized correctly to take advantage of redevelopment opportunities in the future.

HCDA is the appropriate entity to re-develop the state-owned lands at each of the transit stations. Essentially, each station could be viewed as another Kakaako, but with a lot more state-owned land available for redevelopment. HCDA should use its authority to enhance the value of the state-owned lands at each of the transit stations.

We support the intent of S.B. 872 and appreciate the opportunity provide comments.



**Testimony to the Senate Committees on Housing & Transportation
Friday, February 8, 2019 at 2:30 P.M.
Conference Room 225, State Capitol**

RE: SENATE BILL 872 RELATING TO COMMUNITY DEVELOPMENT

Chairs Chang & Inouye, Vice Chairs Kanuha & Harimoto, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") supports the intent of SB 872, which proposes to amend Chapter 206E HRS by requiring the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development (TOD) zone improvement program to foster community development by strategically investing in public facilities. The bill also appropriates funds to HCDA for staff necessary to develop and manage the TOD zone improvement program.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

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Basically, the proposed bill will allow HCDA to create TOD zones and focus on developing infrastructure capacity to service the public owned improvements within the newly designated zones. The bill excludes land under the jurisdiction of HPHA and the Stadium Authority. It also excludes any existing designated community development district.

We support the intent but believe that the bill does not go far enough to optimize the use of the State owned lands within the ½ mile radius of a transit station. We believe the bill should give HCDA the overall master planning and zoning authority over the State owned lands within each of the TOD's. This would address one of the glaring problems the State has in planning for its assets along the transit corridor, which is no one entity has the authority to



Chamber of Commerce HAWAII

The Voice of Business

redevelop the State's assets along the transit corridor "in the best interest of the State of Hawaii." Each user agency plans for development/redevelopment with its own mission in mind. No one entity is looking to replace existing uses or combine uses to maximize the use of the property for the benefit of State of Hawaii.

HCDA is the appropriate entity to redevelop the State owned lands at each of the transit stations. Essentially each station could be viewed as another "Kakaako" but with a lot more State owned land available for redevelopment. HCDA should use its authority to enhance the value of the State owned lands at each of the transit stations.

Thank you for the opportunity to testify.