

# SB2822

Measure Title:	RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.
Report Title:	Hawaii Housing Finance and Development Corporation; Mixed-use developments
Description:	Enables the Hawaii Housing Finance and Development Corporation to develop mixed-use developments in partnership with state and county departments and agencies. Effective 7/1/2016.
Companion:	<a href="#"><u>HB2293</u></a>
Package:	Governor
Current Referral:	HOU/PSM, WAM
Introducer(s):	KOUCHI (Introduced by request of another party)



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development and Tourism  
before the

**SENATE COMMITTEE ON HOUSING**

**SENATE COMMITTEE ON PUBLIC SAFETY,  
INTERGOVERNMENTAL, AND MILITARY AFFAIRS**

February 9, 2016 at 2:45 p.m.  
State Capitol, Room 225

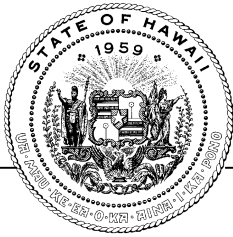
In consideration of  
**S.B. 2822**  
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION.**

Chair Harimoto, Vice Chair Galuteria, Chair Nishihara, Vice Chair Espero, and members of the Senate Committees on Housing, and Public Safety, Intergovernmental, and Military Affairs.

DBEDT supports S.B. 2822, an Administration bill.

S.B. 2822 enables the Hawaii Housing Finance and Development Corporation (HHFDC) to engage in mixed-use developments. DBEDT believes that this modest expansion of HHFDC's development powers can help ensure that affordable housing, particularly, affordable rental housing, is a component of transit-oriented development projects.

Thank you for the opportunity to testify.



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OFFICE OF PLANNING

Statement of  
**LEO R. ASUNCION**  
Director, Office of Planning  
before the  
**SENATE COMMITTEES ON HOUSING AND  
PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS**

Tuesday, February 9, 2016  
2:45 PM

State Capitol, Conference Room 225

in consideration of  
**SB 2822**  
**RELATING TO THE HAWAII HOUSING FINANCE AND  
DEVELOPMENT CORPORATION.**

Chairs Harimoto and Nishihara, Vice Chairs Galuteria and Espero, and Members of the Senate Committees on Housing and Public Safety, Intergovernmental, and Military Affairs.

The Office of Planning (OP) strongly supports SB 2822, an Administration Bill, which enables the Hawaii Housing Finance and Development Corporation (HHFDC) to develop mixed-use developments in partnership with State and county departments and agencies.

OP is coordinating with HHFDC and the various State agencies with land holdings and jurisdictions to promote development and redevelopment in the transit-oriented development (TOD) corridor of the Honolulu Rail Transit Project. The TOD areas surrounding rail stations along this corridor hold the greatest opportunity for addressing the needs of future growth, development and affordable housing for Oahu.

SB 2822 will enable HHFDC to extend the reach of their housing and financial programs to engage in joint development efforts with other agencies and the private sector to develop residential, commercial, office and public facilities in a mixed use context which is integral to developing compact, walkable, and more livable communities.

Thank you for the opportunity to testify on this measure.



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON HOUSING**

**SENATE COMMITTEE ON PUBLIC SAFETY,  
INTERGOVERNMENTAL, AND MILITARY AFFAIRS**

February 9, 2016 at 2:45 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 2822**  
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION.**

The HHFDC ***strongly supports*** S.B. 2822, an Administration bill. S.B. 2822 would broaden HHFDC's development powers to allow us to pursue mixed-use developments, as well as partnerships with other state and county departments and agencies.

S.B. 2822 will allow HHFDC to take advantage of mixed-use zoning, and encourage the development of communities that promote walking and active areas by locating affordable housing, jobs, shops, and governmental services within close proximity on state and county lands. It will also allow HHFDC to develop affordable rental housing in mixed-use communities.

For these reasons, HHFDC respectfully requests that the Committee support this bill. Thank you for the opportunity to testify.



LAND USE RESEARCH  
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February 6, 2016

Senator Breene Harimoto, Chair  
Senator Brickwood Galuteria, Vice Chair  
Senate Committee on Housing

Senator Clarence K. Nishihara, Chair  
Senator Will Espero, Vice Chair  
Senate Committee on Public Safety,  
Intergovernmental and Military Affairs

**Testimony in Support of SB 2822 Relating to the Hawaii Housing Finance and Development Corporation. (Enables the Hawaii Housing Finance and Development Corporation to develop mixed-use developments in partnership with state and county departments and agencies.)**

**Tuesday, February 9, 2016, 2:45 p.m., in Conference Room 225**

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 a utility company. LURF's mission 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 **strongly supports SB 2822**, which proposes to enable the Hawaii Housing Finance and Development Corporation (HHFDC) to develop mixed-use developments in partnership with other state and county departments and agencies.

**SB 2822.** This purpose of this bill is to enable the HHFDC to develop mixed-use developments in partnership with other state and county departments and agencies, as well as to further the objective of encouraging walking and active areas by locating affordable housing, jobs, shops, and services within close proximity. This bill defines "Mixed-use development" as a development that contains affordable residential dwelling units that may be combined with governmental, educational, commercial, cultural, institutional, or industrial uses; is approved by the county in which the project is located; and is subject to: chapter 104, 40 United States Code sections 3141, 3142, 3143, 3144, 3146, and 3147; or a project labor agreement by law or contract in the construction of the project.

**LURF's Position.** SB 2822 will enable the HHFDC to develop “mixed use” developments in partnership with other state and county departments and agencies to create communities with housing, retail, commercial and industrial jobs, transportation, and government services located in close proximity.

Under current law, the HHFDC is authorized to develop certain types of housing and facilities in partnership with only two government agencies: the Department of Education and the Department of Accounting and General Services. This measure would expand this authority to partner with other state and county governmental agencies, and would enable HHFDC to use its development powers in partnership with any governmental agency that holds developable land.

Also, pursuant to section 201H-44, Hawaii Revised Statutes, the HHFDC is authorized to develop commercial, industrial, and other properties in connection with the development of any dwelling units if it determines that the uses can be "an integral part of the development and can help to preserve the lifestyles of the purchasers of dwelling units in the development." This bill proposes an “update” to include “mixed use developments,” which encourages smart growth, and the development of compact, higher-density communities consisting of walkable areas with housing, jobs, shops, and services located within close proximity. Mixed-use developments are especially beneficial for low- and moderate-income households because they reduce transportation costs, traffic congestion, and the number of vehicles miles traveled by community residents. This measure will broaden HHFDC’s authority to include development of multifamily rental housing would further enable the corporation to facilitate the development of affordable dwelling units in areas with mixed-use zoning.

For the reasons set forth above, LURF is **in strong support of SB 2822**, and respectfully urges your favorable consideration of this bill.

Thank you for the opportunity to present testimony regarding this measure.



**Testimony to the Senate Committee on Housing and Committee on Public  
Safety, Intergovernmental, and Military Affairs  
Tuesday, February 9, 2016 at 2:45 P.M.  
Conference Room 225, State Capitol**

**RE: SENATE BILL 2822 RELATING TO THE HAWAII HOUSING FINANCE AND  
DEVELOPMENT CORPORATION**

Chairs Harimoto and Nishihara, Vice Chairs Galuteria and Espero, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports** SB 2822 which proposes to allow the Hawaii Housing Finance and Development Corporation (HHFDC) to develop mixed-use developments in partnership with state and county departments and agencies.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 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.

The Hawaii Chamber of Commerce of Hawaii and the Building Industry Association of Hawaii convened a conference (Houseless in Honolulu) in November of 2015 to raise awareness of one of Hawaii's most pressing issues - home affordability. With the median home price in the Islands now \$730,000, the repercussions are having a major impact on Honolulu's economy.

Without a solution to the State's shortage of residences, the number will soon surpass a million dollars. Every uptick in prices has increasing economic impact. Housing at all price points is desperately needed if we are to maintain the State's economic equilibrium. If potential employees cannot find affordable homes they will choose not to move to Hawaii and current residents affected by stratospheric home prices will leave. Employers across all spectrum of enterprises are already feeling the pinch. Mid-level employees are especially hard hit. Educators, medical professionals, and small businesses are especially hard hit.

The Department of Business, Economic Development and Tourism forecasted demand for additional housing units by county is 25,847 units for Honolulu, 19,610 for Hawaii, 13,949 for Maui, and 5,287 for Kauai during the 2015-2025 period (DBEDT Report—Measuring Housing Demand in Hawaii, 2015-2025).

We believe that in order to address the current "Housing Crisis," there needs to be a shift in the focus of how government views housing development and move from our current "Regulatory" stance to a more "Production Oriented" stance. For example, this shift would have



the City and County of Honolulu adopt a goal of approving an average of 2,500 new residential units each year over the next 10 year period to address the projected 25,847 unit demand.

The most significant barrier to increasing the supply of housing at all price points is the lack of infrastructure capacity. The proposed bill will allow HHFDC to assist in developing infrastructure needed to support future growth especially along the 20 mile transit corridor on Oahu.

We are in strong support of SB 2822 and appreciate the opportunity to express our views on this matter.



February 9, 2016

**The Honorable Breen Harimoto, Chair**

Senate Committee on Housing

**The Honorable Clarence K. Nishihara, Chair**

Senate Committee on Public Safety, Intergovernmental, and Military Affairs

State Capitol, Room 225

Honolulu, Hawaii 96813

**RE: S.B. 2820, Relating to the Housing Finance Development Corporation**

**HEARING: Tuesday, February 9, 2016 at 2:45 p.m.**

Aloha Chair Harimoto, Chair Nishihara, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its 8,800 members. HAR **supports** S.B. 2820 which enables the Hawaii Housing Finance and Development Corporation to develop mixed-use developments in partnership with State and County Departments and agencies.

Hawai'i is in a dire need for housing. According to the Department of Business and Economic Development and Tourism, nearly 66,000 housing units are needed to meet long-term demand over the next 10 years.

In November 2015, HAR worked with the State, City and County of Honolulu, and various social service providers to host a Landlord Summit. The goal was to educate landlords on the various government and social service programs that are available. Through the process, it is clear that not only is there a dire need for both affordable housing and rentals, but we need to work together on creative solutions to address housing and homelessness.

As such, HAR believes this measure is an important step in addressing our housing crisis through partnership and collaboration between various agencies and departments. Mixed-use developments integrate housing, jobs, shops and services within a close proximity to transportation. This will help to facilitate walkable, sustainable communities where people have housing and transportation choices for all income levels and housing needs.

We need to meet today's housing needs of our working individuals and families, but also think about having a place where our keiki can call home in the future.

Mahalo for the opportunity to testify.