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Statement of
MARY ALICE EVANS
Director, Office of Planning before the
**HOUSE COMMITTEE ON TRANSPORTATION
AND
HOUSE COMMITTEE ON HOUSING**
Thursday, March 18, 2021
9:00 AM
Via Videoconference

in consideration of
SB 140, SD2
RELATING TO COMMUNITY DEVELOPMENT.

Chairs Aquino and Nakamura, Vice Chairs Ilagan and Hashimoto, and Members of the House Committees on Transportation and Housing.

The Office of Planning (OP) **supports the intent** and offers comments on SB 140, SD2, which would authorize the Hawai'i Community Development Authority (HCDA) to establish transit-oriented development (TOD) improvement zones, and a TOD zone improvement program with funding for temporary staff to administer the TOD zone improvement program.

State coordination and collaboration with the counties and public utilities on the delivery of needed infrastructure improvements is vital to the implementation of State TOD projects and provision of affordable housing in TOD-designated areas. This is as important on the Neighbor Islands as it is on Oahu. Coordinated infrastructure financing and delivery will facilitate both public and private development and investment in areas designated for TOD. HCDA has the tools necessary to lead this effort.

OP believes it would be more effective to provide HCDA with broad and flexible authority to coordinate—in collaboration with impacted State, county, and private sector stakeholders—the planning, financing, and delivery of regional infrastructure for TOD both on O'ahu and the Neighbor Islands. HCDA could act as the go-to resource for filling gaps in infrastructure financing and/or infrastructure project delivery, so as not to duplicate the efforts of individual TOD project sponsors and to promote the seamless handoff of infrastructure improvements to the functional agencies that will be responsible for operation and maintenance once infrastructure improvements are completed whether by HCDA or another entity.

HCDA will need flexibility in crafting and overseeing agreements among State and county agencies and private sector stakeholders on how infrastructure improvements for a TOD

area could be financed and in determining the appropriate cost-recovery mechanisms to offset the cost of State-funded infrastructure improvements.

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

1. We believe the focus of this proposal should be on the establishment of a TOD infrastructure program, and not the designation of development districts or zones over which HCDA would have jurisdiction. Thus, it would be clearer to set out the TOD infrastructure improvement provisions in a new part or section of Chapter 206E, so that the authority and administration of the new program is seen to be solely focused on facilitating the delivery of regional infrastructure in support of TOD.
2. If this new role is strictly limited to addressing the delivery of offsite regional infrastructure needed for areas designated as TOD by the State and counties, two things could happen. First, lands under jurisdiction of another State agency wouldn't need to be excluded, freeing the individual agencies to focus their efforts on vertical construction of their individual projects, with HCDA managing horizontal construction of offsite supportive infrastructure. Second, this role could be broadly applied statewide in areas jointly designated as TOD by the counties and State, thereby providing State assistance to Neighbor Island counties with managing regional infrastructure to support TOD nodes.

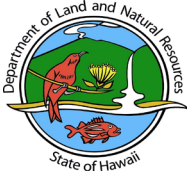
This would be enabled by amending the bill to: (a) delete the provision on page 14 that excludes lands under other agencies' jurisdictions; (b) remove any language putting lands, zones, or State assets under HCDA jurisdiction, except for the purpose of identifying, as may be needed, those lands that might be subject to real property assessments or other cost recovery mechanisms adopted by the Authority; and (c) clarify that fixed transit stations may be rail or bus transit hubs connecting regional service lines.

3. As noted earlier, more flexibility is needed for the recovery of the cost of TOD infrastructure improvements than is currently provided in the bill. Rather than solely relying on assessments against real property benefited, HCDA should be given the ability 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 and lead to more equitable allocation of costs among the State, the affected county, and other stakeholders benefitting from State investment in needed TOD infrastructure.

If recast in this way, HCDA could become an agent for accelerating regional infrastructure investments in support of TOD projects where they are needed, as they are needed.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committees on
TRANSPORTATION
and
HOUSING**

**Thursday, March 18, 2021
9:00 AM**

State Capitol, Via Videoconference, Conference Room 423

**In consideration of
SENATE BILL 140, SENATE DRAFT 2
RELATING TO COMMUNITY DEVELOPMENT**

Senate Bill 140, Senate Draft 2 proposes to require the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development (TOD) zone improvement program. The measure also proposes to authorize the HCDA to establish TOD zones for certain state lands within a one-half mile radius around fixed transit stations; and appropriate funds to HCDA for staff necessary to develop and manage the TOD zone improvement program. **The Department of Land and Natural Resources (Department) supports this measure.**

The Department has four parcels adjacent or in close proximity to the University of Hawaii West Oahu (UHWO) rail station in East Kapolei which could be benefitted by this measure. The Department's objective is to lease the parcels to generate critically needed income to support the Department's natural resource management and protection programs. Planned uses for the parcels include commercial, retail, office, light industrial, mixed use and affordable housing purposes. Additionally, the East Kapolei Neighborhood TOD Plan has accepted the Department's proposed uses for the parcels. In order to successfully develop and utilize these parcels, infrastructure would need to be developed at significant cost. The Department is committed to working collaboratively with other stakeholder agencies to address infrastructure needs in a collaborative and cost-effective manner. The Department believes that this measure could potentially contribute significantly to that objective and offers its support.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

SB-140-SD-2

Submitted on: 3/16/2021 9:50:35 PM

Testimony for TRN on 3/18/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Russell Tsuji	DLNR	Support	No

Comments:

I am available for questions. Please allow me Zoom access. Thank you.



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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DAVID Y. IGE
GOVERNOR

JOHN WHALEN
CHAIR

DEEPAK NEUPANE, P.E., AIA
EXECUTIVE DIRECTOR

Statement of
DEEPAK NEUPANE, P.E., AIA
Executive Director
Hawaii Community Development Authority
before the

**HOUSE COMMITTEE ON TRANSPORTATION
and
HOUSE COMMITTEE ON HOUSING**

Thursday, March 18, 2021, 9:00 A.M.
Conference Room 423 & Videoconference

In consideration of
SB 140, SD2
RELATING TO COMMUNITY DEVELOPMENT.

Chairpersons Aquino and Nakamura, Vice Chairpersons Ilagan and Hashimoto, and members of the House Committees. The Hawaii Community Development Authority (HCDA) **supports SB 140, SD 2** and respectfully offers the following general and specific suggestions to facilitate the development of infrastructure in support of transit-oriented development (TOD).

1. General Comments:

A. Administration of the transit-oriented development improvement program. In general, we suggest establishing the transit-oriented development zone improvement program in a separate and new part of Chapter 206E so that the administration and authority over the program is focused on the development of infrastructure supporting transit-oriented development.

B. “State-owned Lands”. Infrastructure development could also benefit non state-owned lands so we suggest that references to development of infrastructure on “state-owned” lands be revised to merely refer to “lands” (Section 1, Page 2, Line 9).

C. Applicability of the TOD Improvement Program. Transit-oriented development potential should be applied statewide and to all counties and we suggest that language in the findings and purposes (Section 1, Page 1, Line 8 and 9) be revised to read as follows: “. . . areas designated for transit-oriented development by the State and all counties. . . .”

D. Delivery of Public Facilities and Needed Infrastructure. HCDA’s role should be to deliver the needed public facilities and infrastructure and not to consolidate zoning or planning within HCDA (Section 1, page 2, Line 8).

2. Definition, Section 2, Page 2: We suggest that the definition of transit-oriented development zone be revised to reflect that the TOD zones shall be the county-designated zones, or in the absence of such a designation, an approximately one-half mile radius area surrounding proposed or existing transit stations, as follows:

206E-__ Definition. Transit-oriented development zone means the parcels of land within county-designated transit-oriented development zones, or within an approximately one-half mile radius around [a] proposed or existing [~~fixed~~] transit stations if the county has not designated transit-oriented development zones, as determined by the authority, taking into account proximity, walkability, adopted county plans, and other relevant factors.

3. Governance; Transit-Oriented Development Zone, Section 3, Pages 2 to 9: We suggest that the voting members for matters affecting transit-oriented development zones consist of both co-chairs of Hawaii Interagency Council for Transit-Oriented Development instead of just the Director of State Office of Planning.

4. Powers; Generally, Section 4, Page 14 and 15, Line 18. Transit-oriented development is a planning tool that should be applicable to all lands within the designated Transit-Oriented Development Zones. Thus, we suggest that the new subsection 19 be revised as follows:

(19) [~~Create~~] Establish transit-oriented development zones and transit-oriented development zone improvement programs[;]. [~~provided that transit-oriented development zones shall not be established on lands administered by the Hawaii public housing authority, lands administered by the stadium authority, nor any community development districts designated pursuant to section 206E-5.~~]

5. Improvement Programs. Section 5, Page 15 to 17. We suggest placing the transit-oriented development zone improvement program in a separate section to provide clarity and distinction from our district-wide improvement program.

Thank you for the opportunity to submit testimony in support of this bill.