JOSH GREEN, M.D. GOVERNOR

> SYLVIA LUKE LT. GOVERNOR



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 WATER & LAND AND

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

February 11, 2025 at 10:00 a.m. State Capitol, Room 411

In consideration of
H.B. 742 HD1
RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

Chairs Hashem and Lowen, Vice Chairs Lamosao and Perruso, and members of the Committees.

HHFDC has **comments** on HB 742 HD1, which requires the Hawaii Community Development Authority (HCDA) to prepare environmental impact statements (EIS) for the lwilei/Kapalama and University of Hawai'i West Oahu transit-oriented development (TOD) infrastructure improvement districts on the island of Oahu.

Note that HHFDC has prepared an infrastructure master plan for the Iwilei-Kapalama area, the boundary for which is shown in the attached figure. The *Draft Iwilei Infrastructure Master Plan and Liliha Civic Center EIS* was published in *The Environmental Notice* on September 23, 2024. If infrastructure improvements are contemplated beyond the boundary covered by HHFDC's EIS, HCDA could prepare additional environmental review documents for infrastructure improvements beyond this area.

Thank you for the opportunity to testify on this bill.



STATE OF HAWAI'I OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.

SYLVIA LUKE LT. GOVERNOR

MARY ALICE EVANS

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 WATER AND LAND

Tuesday, February 11, 2025 10:00 AM State Capitol, Conference Room 411

in consideration of HB 742, HD1 RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

Chair Hashem, Vice Chair Lamosao, and Members of the Committee.

The Office of Planning and Sustainable Development (OPSD) offers **comments** on HB 742, HD1, which requires the Hawai'i Community Development Authority (HCDA) to prepare environmental impact statements (EIS) for the Iwilei-Kapālama and University of Hawai'i West O'ahu (UH-WO) transit-oriented development areas on O'ahu. The tasks outlined in this measure direct HCDA to undertake work that is already underway.

For the Iwilei area, the Hawai'i Housing Finance and Development Corporation (HHFDC) is currently preparing a programmatic EIS for infrastructure needs to support buildout that were identified in the State *Infrastructure Improvement Master Plan for the Iwilei Area* (2023), prepared for HHFDC and the Department of Accounting and General Services (DAGS). The programmatic EIS is expected to cover Hawai'i Revised Statutes Chapter 343 environmental review requirements for the infrastructure projects listed in the Iwilei Infrastructure Improvement Master Plan.

For the East Kapolei TOD area—which includes UH-WO and other State lands—HCDA and OPSD are currently working on an *East Kapolei Infrastructure Implementation Master Plan* (EKMP) with funds appropriated to HCDA in Act 164, Session Laws of Hawai'i 2023. The EKMP will provide an implementation plan for construction of region-serving infrastructure to support development on State and other lands surrounding the Honolulu Skyline East Kapolei rail stations. OPSD staff is managing the EKMP project, which is expected to be completed in 2026. OPSD proposes to prepare a programmatic EIS for the EKMP when the master plan is completed and has requested \$500,000 in CIP funds for Fiscal Year 2025-2026 (BED144, Item K.2), which will be critical for the timely preparation of a programmatic EIS for the EKMP.

Thank you for the opportunity to testify on this measure.

Testimony Presented Before the House Committee on Water & Land February 11, 2025 at 10:00 a.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer

University of Hawai'i System

HB 742 HD1 – RELATING TO TRANSIT-ORIENTED DEVELOPMENT

Chair Hashem, Vice Chair Lamosao, and Members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) supports House Bill (HB) No. 742 HD1, Relating to Transit-Oriented Development. HB 742 HD1 requires the Hawai'i Community Development Authority (HCDA) to prepare environmental impact statements (EIS) for the Iwilei/Kapālama and UH West O'ahu (UHWO) transit-oriented development (TOD) infrastructure improvement districts. UH owns lands within both TOD infrastructure improvement districts, including the UHWO and Honolulu Community College campuses.

UH has an accepted Final EIS dated February 7, 2007 (Accepted FEIS) for 500-acres at UHWO. The Accepted FEIS projected a 7,600-student UHWO campus, 4,041 residential units, and 842,886 square feet of commercial. The Accepted FEIS includes lands that are within the UHWO TOD infrastructure improvement district. UH's currently planned projects are consistent with the Accepted FEIS, including a \$35 million UHWO on-site infrastructure project with HCDA. UH is open to working with HCDA on the preparation of a new EIS that would evaluate higher density development within the TOD infrastructure improvement districts.

Thank you for the opportunity to present testimony today.



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.

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Josh Wisch President & Executive Director

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Page 1 of 1

Committee: House Committee on Water and Land

Bill Number: HB 742 HD1, Relating to Transit-Oriented Development

Hearing Date and Time: February 11, 2025, 10:00am (Room 411)

Re: Testimony of Holomua Collaborative - Support

Aloha Chair Hashem, Vice Chair Lamosao, and members of the Committee:

Mahalo for the opportunity to submit testimony **in support** of HB742 HD1, 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.

One key component of keeping our local families in Hawaiʻi is building housing that is affordable and attainable, especially along transit-oriented development (TOD) corridors. A common roadblock to building housing in certain places is the time and cost associated with completing environmental impact statements (EIS). Typically, the cost of conducting these EIS's is borne by homebuilders who, in turn, pass the costs on to homebuyers, ultimately raising the cost of housing for local residents. Additionally, the effort needed to complete individual EISs for each individual housing development often result in delayed and more costly housing.

This bill proposes that the Hawai'i Community Development Authority (HCDA) prepare EISs for designated TOD corridors. Having a single agency fund and complete EISs to which home builders can build to will lift some of the cost and regulatory burdens facing them. And builders moving projects forward more quickly will save money and increase the supply of attainable housing for local families.

Additionally, the Iwilei/Kapālama and University of Hawai'i West Oʻahu Districts each present valuable opportunities for making an impact on building attainable housing for local families. If this approach is successful in these districts, it can be more-widely implemented across the State.

Sincerely,

Joshua Wisch

President & Executive Director

¹ https://holomuacollective.org/survey/





Honolulu, HI 96814 hawaiiyimby.org info@hawaiiyimby.org

February 11, 2025

House Committee on Water and Land Hawaiʻi State Capitol Honolulu, HI 96813

RE: SUPPORT for HB 742 HD1 - RELATING TO TRANSIT-ORIENTED DEVELOPMENT

Aloha Chair Hashem, Vice Chair Lamosao, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 742 HD1** which would require the Hawai'i Community Development Authority to prepare environmental impact statements for the Iwilei/Kapālama and U.H. West O'ahu Transit-Oriented Development (TOD) districts. With these EISs prepared, we can ensure appropriate considerations for the natural environment, while expediting our response to the housing crisis. Expediting building more homes in these TOD districts will put more housing in already developed areas targeted for redevelopment with direct access to transit.

We believe in streamlining permitting. Arduous and complicated permitting processes have slowed down housing production and contributed to the current shortage.

Streamlining these processes, where appropriate, can help us catch up and build much needed housing. The environmental review process is a vitally necessary and costly part of building more homes. By having an EIS for the entire district, we can expedite permitting and reduce costs of homes while still protecting the environment.

In the ongoing conversation around the housing crisis, many (in support and opposed to housing development) say that housing should go along the rail, it's time that we do that.

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



Hawai'i YIMBY

Honolulu, HI 96814 hawaiiyimby.org info@hawaiiyimby.org

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.

Sincerely,

Damien Waikoloa

Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega Chapter Lead, Hawaiʻi YIMBY



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice Support for HB742 HD1– TRANSIT ORIENTED DEVELOPMENT

House Committee on Water & Land Tuesday, February 11, 2025 at 10:00AM Conf. Rm. 411 and via Videoconference

Aloha Chair Hashem, Vice Chair Lamosao, and members of the committee;

Mahalo for the opportunity to testify in **strong support of HB742 HD1**, which would require the Hawaii Community Development Authority (HCDA) to prepare environmental impact statements for the Iwilei/Kapalama and University of Hawaii West Oahu transit-oriented development infrastructure improvement districts, both areas where both state and county own a large portion of surrounding lands in proximity to proposed and existing rail stations¹.

HB742 HD1 offers a more comprehensive and strategic approach to environmental review by requiring an impact assessment that addresses both the necessary infrastructure improvements and the potential impact of building to a district's maximum capacity. This approach will enhance community planning and support future development in key areas projected to deliver tens of thousands of much-needed housing units on Oahu². Utilizing state- and county-owned land in these areas would further facilitate the development of residential-restricted and affordable housing projects.

Traditional EIS processes typically examine individual development projects in isolation. In contrast, HCDA's district-wide approach would evaluate cumulative impacts across the entirety of a TOD area, providing a more complete understanding of environmental effects and *future effects* from increased infrastructure and development.

The benefit of this bill will be its potential in streamlining future development. By conducting the environmental review upfront - including an analysis of all necessary infrastructure improvements and "building to the maximum extent of the entire zoned capacity" - this would expedite future development, as major environmental impacts and mitigation measures would already be identified and assessed at a district scale.

The district-wide EIS approach could offer significant time and cost advantages by eliminating duplicate studies of the same geographic area and reducing the need for multiple overlapping EIS processes within the same district. It would also consolidate expenses for shared technical studies, such as those related to traffic and infrastructure capacity, while creating economies of scale in environmental and infrastructure assessments.

¹ https://planning.hawaii.gov/wp-content/uploads/State-TOD-Strategic-Plan Dec-2017-Rev-Aug-2018.pdf

² Ibid.



Testimony of the Hawai'i Appleseed Center for Law and Economic Justice Support for HB742 HD1– TRANSIT ORIENTED DEVELOPMENT

House Committee on Water & Land Tuesday, February 11, 2025 at 10:00AM Conf. Rm. 411 and via Videoconference

Rather than the piecemeal analysis that occurs in project-by-project review, this district wide, forward-looking approach will provide a clearer understanding of full build-out scenarios and their implications, and provide greater predictability for future development potential.

We strongly urge the committee to pass HB742 HD1 to support more coordinated, cost-effective, and time-efficient development processes.

Mahalo for the opportunity to testify.



JOSH GREEN, M.D. GOVERNOR

> SYLVIA LUKE LT. GOVERNOR

STERLING HIGA CHAIRPERSON

CRAIG K. NAKAMOTO EXECUTIVE DIRECTOR

Statement of CRAIG K. NAKAMOTO Executive Director

Hawai'i Community Development Authority before the

HOUSE COMMITTEE ON WATER & LAND

And the

HOUSE COMMITTEE ON ENERGY & ENVIRONMENTAL PROTECTION

Tuesday, February 11, 2025 10:00 AM State Capitol, Conference Room 441 & Videoconference

In consideration of HB 742, HD1
RELATING TO TRANSIT-ORIENTED DEVELOPMENT.

Chairs Hashem and Lowen, Vice Chairs Lamosao and Perruso, and members of the Committees.

The Hawai'i Community Development Authority (HCDA) respectfully offers comments on HB 742, HD1 for the committee's consideration.

The Hawai'i Interagency Council for Transit-Oriented Development identified three areas on the island of Oʻahu as priority development areas: East Kapolei, Iwilei-Kapālama, and Halawa. In 2024 the Legislature funded HCDA, under Chapter 206E, Part X, with \$25 million to make Iwilei-Kapālama electrical infrastructure upgrades and \$35 million for the design and construction of a new University of Hawaiʻi (UH) West Oʻahu on-site road and related improvements.

HCDA is a part of a multi-agency collaboration on UH lands next to the UH West Oʻahu campus. HCDA with its design-build contractor, will be constructing a roadway and related infrastructure, including electrical, water and sewer in phase 1, to support proposed affordable housing (500+ units) mixed-use projects by both UH and Hawaiʻi Housing Finance and Development Corporation (HHFDC).

HCDA, UH, and HHFDC have entered into a collaborative three-party agreement whereby UH provides its land, HCDA builds road and related improvements, and HHFDC will issue an RFP for a housing mixed-use project on UH lands.

An EIS was completed for the UH West Oahu area where this project is being implemented.

HCDA and the HHFDC are currently collaborating on the Iwilei-Kapālama electrical infrastructure upgrade project, phase 1. The upgrades will accommodate the anticipated growth of the proposed development at Mayor Wright Housing by the Hawai'i Public Housing Authority (approximately 2,100 housing units), Liliha Civic Center by the HHFDC (approximately 800 housing units), properties owned by the City, and private lands (approximately 3,500 housing units).

For phase 2 of the Iwilei-Kapālama infrastructure improvements, HCDA has a current budget request in HB300 and SB473, for the design and construction of infrastructure projects such as water, sewer, and drainage, to support affordable housing and mixed-use development in the area, for \$12 million in FY 2026 and \$50 million in FY2027.

In phase 2 of the UHWO project, HCDA will further extend new roadway and infrastructure on undeveloped land to support additional housing (1000+ units) and mixed-use development. There is a current budget request for phase 2, for \$5 million in FY2026 and \$45 million in FY2027.

An EIS for the lwilei-Kapālama area was drafted and is currently open for public comment. It shall be complete soon. Therefore, we don't this is needed.

Thank you for the opportunity to provide testimony.

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



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

February 11, 2025

TO: Chair Hashem and members of the Committee on Water & Land

RE: HB 742 RELATING TO TRANSIT-ORIENTED DEVELOPMENT

Chair Hashem and Members of the Committee::

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 742, a measure to streamline development in Iwilei-Kapālama and the University of Hawai'i at West O'ahu through Environmental Impact Statements.

Environmental Impact Statements for both regions will analyze potential infrastructure improvements while measuring maximum zoning capacities. In the context of increasing the supply of affordable, accessible housing in transit-oriented development (TOD) districts, this is a critical task.

Pursuant to Act 130, SLH 2016, the State of Hawai'i 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."

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.

We are grateful for your careful consideration of HB 742.

Thank you,

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

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



February 11, 2025

Testimony in support of HB 742 HD1, Relating to Transit-Oriented Development

Aloha Chair Hashem, Vice Chair Lamosao, and Committee Members,

We write in support of HB 742 HD1, Relating to Transit-Oriented Development, which would have the Hawai'i Community Development Authority (HCDA) prepare environmental impact statements for the Iwilei/Kapālama and University of Hawai'i West O'ahu transit-oriented development infrastructure improvement districts.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'aina family since 1896 and we are proud to employ over 250 residents who work in our branches across the state. As an organization that has worked for over a century to help connect local families with housing, we see firsthand the economic shift and lack of availability that is preventing local families from achieving the dream of homeownership.

As a title company, we are deeply invested in ensuring that homebuyers have access to clear, reliable property ownership. One of the most significant hurdles to affordable housing development in Hawai'i is the high cost and time-consuming process of completing environmental impact statements (EIS) for each new development. These costs ultimately get passed on to homebuyers, raising the price of housing and making it more difficult for local families to afford homes.

Having HCDA to take on the responsibility of preparing EISs for designated TOD corridors can eliminate the duplication of efforts, reduce costs for developers, and speed up the development process. This will make housing more affordable for local residents, maintain solid stewardship of our natural environment, reduce regulatory burdens on homebuilders, and ultimately help more families achieve homeownership.

It's a win-win for the entire community.

Sincerely,

Mike B. Pietsch

President and Chief Operating Officer

Title Guaranty of Hawai'i





M^NA UP



Statement of Meli James Cofounder Mana Up

HB742 HD1, Relating to Transit-Oriented Development

Aloha Chair Hashem, Vice Chair Lamosao, and Committee Members,

We support HB742 HD1, which requires the Hawai'i Community Development Authority (HCDA) to prepare environmental impact statements (EIS) for transit-oriented development areas in Iwilei/Kapalama and University of Hawai'i West Oʻahu.

Mana Up is a statewide initiative that helps provide entrepreneurs in Hawai'i with the resources and tools to grow their business and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i. To keep these types of entrepreneurs in Hawai'i and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford.

We repeatedly hear from our entrepreneurs about the difficultly they have in finding attainable housing that provides them the safety and security necessary to focus on their business and family. Local entrepreneurs want to create and expand their business in Hawai'i, but far too often feel that opportunities for housing and business are better on the continent.

The preparation of EISs is a necessary step for proper development, but it is also a time-consuming and costly step. Having HCDA prepare EISs eliminates intermediaries and speeds up development in areas that could host a substantial volume of housing units for our local working families. Passing this bill will help the State deliver on the many housing units needed to meet our housing demand.

Sincerely,

Meli James | Cofounder, Mana Up



February 11, 2025

Committee: House Committee on Water and Land
Bill Number: HB 742 HD1, Relating to Transit-Oriented

Development

Hearing Date and Time: February 11, 2025, 10:00am

Re: Testimony of HPM Building Supply in Support

Dear Chair Hashem, Vice Chair Lamosao, and Committee Members:

I would like to submit this testimony in support of HB742 HD1, Relating to Transit-Oriented Development. The purpose of HB 742 HD1 is to require the Hawai'i Community Development Authority (HCDA) to prepare environmental impact statements for the Iwilei/Kapālama and University of Hawai'i West O'ahu transit-oriented development infrastructure improvement districts on the island of O'ahu.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawaii and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

As a building supply company, we are on the front lines of Hawai'i's housing development. We supply the materials needed to build homes, and we see the challenges homebuilders face when dealing with regulatory red tape, particularly the time and costs associated with environmental impact statements (EIS). These added costs are often passed on to homebuyers, which makes it harder for local families to afford homes in the areas where they work and live.

This bill is a positive step forward in addressing this issue. By allowing HCDA to take on the responsibility of preparing EISs for TOD corridors, we can reduce unnecessary costs and delays in the housing development process. This will enable homebuilders to bring more homes to market at a lower cost, increasing the supply of affordable housing for local families.

As a supplier, we support any initiative that helps streamline the construction process and supports the creation of more affordable homes. If this bill is successful in designated districts like lwilei/Kapālama and the University of Hawai'i West O'ahu District, it could serve as a model for statewide expansion, providing more affordable housing options to local families across Hawai'i.

Thank you for the opportunity to provide testimony in support of HB 742 HD1. I strongly encourage your support and passage of this measure.

Sincerely,

Jason Fujimoto Chairman & CEO



HB-742-HD-1

Submitted on: 2/10/2025 8:12:19 PM

Testimony for WAL on 2/11/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kyle Burchard	Individual	Support	Written Testimony Only

Comments:

I'm writing to support this legislation to promote transit-oriented development and make building faster, easier, and therefore more affordable by establishing State-funded Environmental Reviews in TOD Districts because it is a crucial step toward solving Hawai'i's housing crisis.

The Environmental Review Process is a vitally necessary and costly part of building more homes. With much of our new housing targeted to Transit Oriented Development districts, the required environmental review could be streamlined if completed by the Hawai'i Community Development Authority for the entire TOD district Any housing projects within those districts would be included in the Environmental Impact Statement completed for the entire district, rather than each individual project needing to complete their own EIS, adding to building costs.

Without this bill, TOD projects could face delays and uncertainty, preventing much-needed housing from being built. By supporting this bill, we are ensuring that our state can grow in a way that is both sustainable and responsive to the urgent demand for housing.

Please support this bill to help create more homes for local families and a better future for Hawai'i.

Mahalo for your time and consideration.