

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 1389
RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES

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

Members of the Committees.

The Hawaii Community Development Authority (HCDA) **supports** SB1389 **with proposed amendments** that provide resources to carry out the intent of the bill.

In part, SB 1389 requires HCDA to 1) establish a transit-oriented development infrastructure improvement zone program that includes the Aloha Stadium transit station, and 2) conduct a study of the current infrastructure of the Aloha Stadium transit station transit-oriented development infrastructure improvement zone with the executive director of the Hawaii housing finance and development corporation and the Hawaii interagency council for the transit-oriented development.

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 infrastructure improvement zone program that includes the Aloha Stadium transit station, plus \$50,000 annual operating costs. In addition, we estimate the cost of retaining outside expertise to assist in conducting a study of the current infrastructure of the Aloha Stadium transit station transit-oriented development infrastructure improvement zone be approximately \$325,000.

Thank you for the opportunity to offer comments on SB 1389.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

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

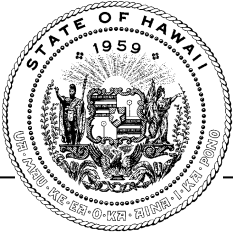
**SENATE COMMITTEE ON HOUSING
SENATE COMMITTEE ON TRANSPORTATION**

February 8, 2019 at 2:30 p.m.
State Capitol, Room 225

In consideration of
S.B. 1389
RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES.

The HHFDC *offers the following comments* on S.B. 1389. HHFDC supports the intent of this bill and is willing to establish and operate the transit-oriented development (TOD) infrastructure improvement zones subaccounts within the Dwelling Unit Revolving Fund as proposed herein. However, HHFDC concurs with the Office of Planning's comments that the proposed study duplicates efforts already underway.

Thank you for the opportunity to testify.



OFFICE OF PLANNING STATE OF HAWAII

DAVID Y. IGE
GOVERNOR

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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 1389
RELATING TO TRANSIT-ORIENTED DEVELOPMENT ZONES.

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

The Office of Planning (OP) **supports** SB 1389, provided that the bill's passage does not replace or adversely impact priorities indicated in the Administration's Executive Budget. SB 1389 would authorize, in part: (1) the designation of transit-oriented development (TOD) infrastructure improvement zones comprised of lands within a half-mile radius of county proposed or existing transit stations; (2) the Hawaii Community Development Authority (HCDA) to develop a transit-oriented development (TOD) infrastructure improvement zone program; (3) the establishment of TOD zone infrastructure improvement zone subaccounts in the Dwelling Unit Revolving Fund (DURF) administered by the Hawaii Housing Finance and Development Corporation (HHFDC) for public infrastructure financing in TOD zones; (4) the establishment of an TOD infrastructure improvement zone for the Halawa (Stadium) transit station and the conduct of an infrastructure study for the Halawa station area to be conducted by HHFDC; and (5) the appropriation of funds for temporary staff at HCDA to administer the TOD infrastructure improvement zone program.

The bill provides a workable framework for expediting the delivery of needed infrastructure improvements in support of State TOD projects in TOD-designated areas, as outlined in the *State Strategic Plan for Transit-Oriented Development (TOD Strategic Plan)* re-issued by the Hawaii Interagency Council for Transit-Oriented Development (TOD Council) in August 2018. As noted in the *TOD Strategic Plan*, the lack of infrastructure capacity is a major obstacle for State and county TOD and affordable housing projects Statewide.

It is clear, in both the interagency work being done in the State TOD Implementation Project on Oahu and for the *TOD Strategic Plan*, that State investment in regional infrastructure is critical to facilitating the production of affordable housing, particularly in TOD areas. In addition, the delivery of the regional infrastructure needed to support TOD projects on Oahu and the Neighbor Islands requires 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.

Considering this, OP offers the following comments regarding this measure.

1. It might 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 solely relying 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.
4. Section 7 requiring a study of the infrastructure requirements for the proposed TOD infrastructure improvement zone at the Halawa (Stadium) transit station would duplicate current study efforts under the OP-managed State TOD Implementation Plan Project, as well as studies to be conducted by the Department of Accounting and General Services/Stadium Authority master planning for stadium redevelopment now underway.
5. Additional edits and to enable applicability Statewide:
 - Page 21, lines 8-9, “transient-oriented” should be “transit-oriented.”
 - Page 4, line 17, delete “fixed rail”
 - Page 7, line 18, delete “fixed”

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. 1389, RELATING TO TRANSIT ORIENTED DEVELOPMENT ZONES

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. 1389, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC), at the request of the Hawaii Community Development Authority (HCDA), to establish and operate transit-oriented development infrastructure improvement zone sub-accounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a transit-oriented development infrastructure improvement zone.

The bill also requires HCDA to develop a transit-oriented development infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities. It also requires the executive director of HHFDC in collaboration with the executive director of HCDA and Hawaii interagency council for transit-oriented development to conduct a study examining the current infrastructure of a transit-oriented development infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development, and appropriates funds to HCDA for staff necessary to develop and manage the transit-oriented development infrastructure improvement zone program.

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 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. 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 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.

We support the intent of S.B. 1389 and appreciate the opportunity provide comments.

LATE

SB-1389

Submitted on: 2/7/2019 3:49:23 PM

Testimony for HOU on 2/8/2019 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

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 1389 RELATING TO TRANSIT
ORIENTED DEVELOPMENT ZONES**

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

The Chamber of Commerce Hawaii ("The Chamber") supports the intent of SB 1389, which authorizes the Hawaii Housing Finance & Development Corporation (HHFDC), at the request of the Hawaii Community Development Authority (HCDA), to establish and operate transit-oriented development infrastructure improvement zones sub-accounts within the dwelling unit revolving fund for the benefit of infrastructure improvement projects within a transit-oriented development infrastructure improvement zone.

The bill also requires HCDA to develop a transit-oriented development infrastructure improvement zone program to foster infrastructure development by strategically investing in public facilities. It also requires the executive director of HHFDC in collaboration with the executive director of HCDA and Hawaii interagency council for transit-oriented development to conduct a study examining the current infrastructure of a transit-oriented development infrastructure improvement zone and the requirements necessary to upgrade the infrastructure to facilitate future transit-oriented development. It appropriates funds to HCDA for staff necessary to develop and manage the transit-oriented development infrastructure improvement zone 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.

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 long term (50+ years) 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 redevelop the State's assets along the transit corridor "in the best interest of the State of Hawaii."

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Chamber of Commerce HAWAII

The Voice of Business

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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.