COMMITTEE ON HOUSING
Rep. Rida T.R. Cabanilla, Chair
Rep. Justin H. Woodson, Vice Chair

JANUARY 28, 2013 HEARING
Conference Room 329
8:45 AM

## HOUSE BILL 557
## RELATING TO ECONOMIC DEVELOPMENT

Honorable Representatives:

House Bill 557 proposes to establish an infrastructure program within the Hawaii Housing Finance and Development Corporation (HFDC) to make grants and provide assistance to municipalities for **infrastructure projects on public land**, and requires at least ten percent of grants be made to towns with populations of twenty thousand or less, and requires the HFDC to adopt rules pertaining to the application for and approval of major infrastructure grants.

This bill is proposed and lead by several of the same perpetrators of the Public Land Development Corporation (PLDC).  It is simply a guise for failed 2012 bills and Section 303 of the PLDC's proposed rules relating to public facilities.  Curiously the PLDC s rules Section 303 was never included with Sections 301 and 302 at the PLDC public hearings that bombed on Hawai'i Island, Maui, Kauai and O'ahu to fierce public outcry.   Should this chameleon bill survive Legislative scrutiny in 2013 and be blessed by the governor as was the PLDC, any HFDC rules on this measure will likely meet the same fate met by its PLDC precedent.

As with the PLDC rules Section 303, HB 557 proposes that the HFDC:

➢ grant public funds, **in its discretion**, for **land acquisition**; design, construction, rehabilitation; repair; and other improvements for publicly-owned infrastructure, including but not limited to **utility and energy systems, sewer systems; water treatment plants, highways and streets, transit improvements, parking facilities,** etc.   As with the PLDC, these portend to be major undertakings to support major development, especially for "towns with populations of twenty thousand or less" (such as Wahiawa, Haleiwa, Lahaina, Puna, Lanai City, Hanalei, etc.).

As with the failed SB 2927 (2012, Dela Cruz), HB 557 proposes that the HFDC:

➢ grant public funds, **in its discretion**, for commercial and residential transportation and infrastructure development, improvements, and various capital investment projects under the **growth districts initiative administered by the corporation –** a re-coining of the major "planning districts" proposed by SB 2927 (2012)¿

➢ grant public funds, **in its discretion,** to match public and private funding sources to build or rehabilitate **transit-oriented development** located within **one-quarter-mile of a bus transit station** (anywhere on any island) or **ferry terminal** or **one-half mile of a rail transit station** (on O'ahu from the transit line to the shoreline)

Please hold this bad bill that again threatens to pave the way for exploitation of our public lands.

MS Matson, Honolulu

# STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY REFER TO:

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Statement of
**Karen Seddon**
Hawaii Housing Finance and Development Corporation
Before the

**HOUSE COMMITTEE ON HOUSING**
January 28, 2013 at 8:45 a.m.
State Capitol, Room 329

In consideration of
**H.B. 557**
**RELATING TO ECONOMIC DEVELOPMENT.**

The HHFDC _**opposes**_ H.B. 557 because the proposed infrastructure program is well beyond HHFDC's current mission and area of expertise.

As proposed, HHFDC would make grants for municipal infrastructure, capital improvements under growth districts, transit-oriented housing, municipal projects that support job creation and expansion, and construction of agricultural facilities. While this bill could support housing development, the responsibility of administering such a program would detract from HHFDC's housing mission.

We also note that H.B. 557 does not provide funding to make the infrastructure grants. Additionally, it does not create any new positions or appropriate operating funds that would be required to do the work. For these reasons, we respectfully request that this bill be _**deferred**_.

Thank you for the opportunity to testify.