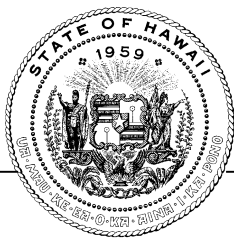


SB2834

Measure Title:	RELATING TO THE DWELLING UNIT REVOLVING FUND.
Report Title:	Dwelling Unit Revolving Fund; Regional State Infrastructure Improvement Subaccounts
Description:	Authorizes the creation of Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund and the use of the Dwelling Unit Revolving Fund to provide loans and grants to finance regional state infrastructure improvements in areas of planned growth.
Companion:	<u>HB2305</u>
Package:	Governor
Current Referral:	HOU, WAM
Introducer(s):	KOUCHI (Introduced by request of another party)



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
SENATE COMMITTEE ON HOUSING
Thursday, February 11, 2016
3:00 PM
State Capitol, Conference Room 225

in consideration of
SB 2834
RELATING TO THE DWELLING UNIT REVOLVING FUND.

Chair Harimoto, Vice Chair Galuteria, and Members of the Senate Committee on Housing.

The Office of Planning (OP) strongly supports SB 2834, an Administration Bill, which authorizes the creation of Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund and the use of the Fund to provide loans and grants to finance regional State infrastructure improvements in areas of planned growth.

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.

Financing regional infrastructure improvements in planned growth areas such as along the Honolulu rail corridor is a major impediment to realizing the potential of TOD in providing needed housing and creating vibrant and sustainable mixed-use communities along the rail corridor. Both the State and the City and County of Honolulu have identified the establishment of alternative funding mechanisms for infrastructure development as a priority for their TOD implementation efforts. This proposal would provide much needed funding for facilitating infrastructure to support affordable housing development in TOD areas.

Thank you for this opportunity to testify.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director

Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON HOUSING

February 11, 2016 at 3:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 2834
RELATING TO THE DWELLING UNIT REVOLVING FUND.

Chair Harimoto, Vice Chair Galuteria, and members of the Senate Committee on Housing.

DBEDT supports S.B. 2834, an Administration bill. S.B. 2834 would help create a mechanism to finance the regional infrastructure to facilitate the development of affordable housing. It authorizes HHFDC to use the Dwelling Unit Revolving Fund to make loans for this purpose. The proposed loans could then be repaid by use of various innovative financing tools, such as tax-increment financing or community facilities districts.

Thank you for the opportunity to testify.



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

IN REPLY REFER TO:

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

SENATE COMMITTEE ON HOUSING

February 11, 2016 at 3:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 2834
RELATING TO THE DWELLING UNIT REVOLVING FUND.

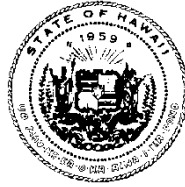
The HHFDC supports S.B. 2834, an Administration bill. S.B. 2834 would authorize HHFDC to provide grants and loans to State agencies, and loans to Counties and private developers, for regional infrastructure improvements to support the development of affordable housing and mixed-use transit-oriented developments.

The lack of adequate infrastructure is a severe constraint to the future growth of communities statewide. The development of regional infrastructure improvements, in accordance with an orderly and predictable infrastructure plan, will serve to accommodate population growth in areas that are suitable for development. Regional infrastructure improvements, including regional sewer, water, drainage, roadways, and telecommunications and broadband, will support the development of necessary public services.

HHFDC's Dwelling Unit Revolving Fund (DURF) can currently be used for infrastructure related to an affordable housing development. The proposed bill would broaden DURF's scope to needed regional infrastructure improvements. This measure would also allow the counties to repay the DURF loans from assessments or fees which capture property value increases, including tax increment financing and improvement districts, or the dedication of improved land to HHFDC.

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

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING

February 11, 2016 3:00 P.M.
Room 225, Hawaii State Capitol

In consideration of
SB 2834
RELATING TO THE DWELLING UNIT REVOLVING FUND.

Honorable Chair Harimoto and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony regarding Senate Bill (SB) 2834, relating to the Dwelling Unit Revolving Fund.

The Hawaii Public Housing Authority (HPHA) supports this measure that authorizes the creation of Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund and the use of the Dwelling Unit Revolving Fund to provide loans and grants to finance regional state infrastructure improvements in areas of planned growth.

The HPHA is currently negotiating public-private partnerships to redevelop Mayor Wright Homes, the HPHA School Street Administrative Offices, and Kuhio Park Terrace Phase II. The HPHA is also endeavoring to redevelop several of its other properties within the transit-oriented development (TOD) zones of the Honolulu Rail line, envisioning the creation of vibrant, walkable, accessible and diverse communities. This measure would greatly assist the HPHA with these and other projects that are anticipated to substantially increase the number of affordable housing units, thereby increasing the need for adequate infrastructure capacity.

The HPHA appreciates the opportunity to provide the Senate Committee on Housing with the HPHA's testimony regarding SB 2834. We thank you very much for your dedicated support.



DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LT. GOVERNOR

STATE OF HAWAII
CABLE TELEVISION DIVISION
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
335 MERCHANT STREET
P.O. Box 541
HONOLULU, HAWAII 96809
(808) 586-2620
FAX (808) 586-2625

CATHERINE P. AWAKUNI COLÓN
DIRECTOR

Ji SOOK KIM
CABLE TELEVISION ADMINISTRATOR

TO THE SENATE COMMITTEE ON
HOUSING

TWENTY-EIGHTH LEGISLATURE
Regular Session of 2016

Date: Thursday, February 11, 2016
Time: 3:00 p.m.

WRITTEN COMMENTS ONLY

TESTIMONY ON S.B. NO. 2834 – RELATING TO THE DWELLING UNIT REVOLVING FUND.

TO THE HONORABLE BREENE HARIMOTO, CHAIR, AND MEMBERS OF THE COMMITTEE:

My name is Ji Sook “Lisa” Kim, and I am the Cable Television Administrator at the Department of Commerce and Consumer Affairs (the “Department”). The Department appreciates the opportunity to express **support** for S.B. No. 2834, which authorizes the creation of the Regional State Infrastructure Subaccount within the Dwelling Unit Revolving Fund and the use of the Dwelling Unit Revolving Fund to provide loans and grants to finance regional state infrastructure improvements to increase capacity of the infrastructure facilities in areas of planned growth.

The Department is charged with duties to advance the State’s goals to provide a strong communications backbone and statewide access to affordable, high speed broadband services necessary to build a vibrant economy and to improve the health, welfare, and quality of life for our residents. Specifically, under section 440G-11.5, Hawaii Revised Statutes, duties of the Department include making recommendations and supporting efforts to advance access to affordable broadband services throughout the State, with particular focus on establishing services to consumers in the unserved and underserved areas of the State.

By specifically including telecommunications and broadband as eligible infrastructure projects for funding, S.B. No. 2834 recognizes and incentivizes telecommunications and broadband infrastructure as critical infrastructure for planned development and growth. Joint planning and development of telecommunications and broadband, along with regional sewer, water, drainage, and roads, will promote the efficient use of government resources, minimize the disruption caused by construction, and facilitate planning for, and accelerate deployment of, broadband and telecommunications infrastructure throughout the State. The Department thus supports passage of this bill.

Thank you for the opportunity to provide testimony.

February 11, 2016

The Honorable Breene Harimoto, Chair

Senate Committee on Housing
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: S.B. 2834, Relating to the Dwelling Unit Revolving Fund

HEARING: Thursday, February 11, 2016 at 3:00 p.m.

Aloha Chair Harimoto, Vice Chair Galuteria, 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. 2834 which authorizes the creation of Regional State Infrastructure Improvement Subaccounts within the Dwelling Unit Revolving Fund and the use of the Dwelling Unit Revolving Fund to provide loans and grants to finance regional state infrastructure improvements in areas of planned growth.

Hawai'i is in a dire need for housing and the development of regional infrastructure improvements, in accordance with an orderly and predictable infrastructure plan, will serve to accommodate population growth in areas that are suitable for development.

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 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.