



# SB3100

Measure Title:	RELATING TO URBAN RENEWAL.
Report Title:	Director of Finance; General Obligation Bonds; Counties; Urban Redevelopment Act; Agency; Local Agency; Local Redevelopment Agency; Definition; Membership
Description:	<p>Authorizes the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects. Allows each county to have more than one local redevelopment agency. Repeals the specific naming requirement for local redevelopment agencies. Requires all five members of the local redevelopment agency to reside within the boundaries of an area defined by the county via resolution. States that redevelopment projects carried out by the local redevelopment agency are public works.</p>
Companion:	<a href="#">HB2678</a>
Package:	None
Current Referral:	PSM/HOU, WAM
Introducer(s):	DELA CRUZ, GALUTERIA, INOUE, English, Keith-Agaran, Kidani, Nishihara, Tokuda, Wakai

DAVID Y. IGE  
GOVERNOR



WESLEY K. MACHIDA  
DIRECTOR

RODERICK K. BECKER  
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND  
MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEES ON PUBLIC SAFETY, INTERGOVERNMENTAL,  
AND MILITARY AFFAIRS AND HOUSING  
ON  
SENATE BILL NO. 3100**

February 16, 2016  
3:05 p.m.

**RELATING TO URBAN RENEWAL**

Senate Bill No. 3100 proposes to authorize the Director of Finance to issue general obligation bonds to the counties for infrastructure construction related to urban renewal projects. This measure also allows the counties to have multiple local redevelopment agencies, requires that all members of a redevelopment agency reside within the boundaries of an area defined by the county, and states that these local redevelopment projects are considered public works.

The Department of Budget and Finance has concerns with this bill.

We are concerned that State projects will now be competing with these county projects for the State's limited general obligation bond funds. The counties have the authority to issue their own general obligation bonds.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL  
MAYOR



GEORGE I. ATTA, FAICP  
DIRECTOR

ARTHUR D. CHALLACOMBE  
DEPUTY DIRECTOR

February 16, 2016

The Honorable Clarence K. Nishihara, Chair  
and Members of the Committee on Public  
Safety, Intergovernmental, and Military Affairs  
The Honorable Breene Harimoto, Chair  
and members of the Committee on Housing  
Hawaii State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Nishihara and Harimoto and Committee Members:

Subject: Senate Bill No. 3100  
Relating to Urban Renewal

The Department of Planning and Permitting (DPP) provides **comments** on Senate Bill No. 3100, which allows counties to have more than one local redevelopment agency (LRA). It also allows the State to issue general obligation (GO) bonds to the counties for infrastructure improvements related to urban renewal projects.

The DPP is generally supportive of any new implementation tool or program that would help address needed infrastructure upgrades, particularly those that support transit-oriented development (TOD). Therefore, we would support the use of state GO bonds for infrastructure improvements.

However, we are concerned about allowing more than one LRA. We recognize that under Chapter 53, HRS, it is the county council that creates each local redevelopment agency, and therefore, it can determine whether to create one or more LRAs. However, allowing multiple LRAs in addition to existing standing agencies would lead to less accountability, and perhaps "diluted" priorities, especially with respect to limited funding resources. Multiple LRAs seem to run counter to the existing Section 53-83, HRS, which allows the county itself to take on LRA activities.

We would also appreciate clarity on why the mandate of LRAs is being expanded, or highlighted to "target a specified redevelopment project." This appears to

The Honorable Clarence K. Nishihara, Chair  
and Members of the Committee on Public  
Safety, Intergovernmental, and Military Affairs  
The Honorable Breene Harimoto, Chair  
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Hawaii State Senate  
Hawaii State Capitol  
Senate Bill No. 3100  
February 16, 2016  
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imply that LRAs become advocates for a single project (however large), rather than a more comprehensive planning and implementation agency. We are not necessarily opposed to this concept, but it needs further deliberation. As you know, the City and County of Honolulu has not had an urban renewal program for decades. Much has changed in terms of new laws and programs, and the organizational framework of the City itself since that time.

In short, we would like to see more discussion on the intent and expected ramifications of Senate Bill No. 3100.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink that reads "George I. Atta". The signature is written in a cursive, flowing style.

George I. Atta, FAICP  
Director



**Testimony to the Senate Committee on Public Safety, Intergovernmental, &  
Military Affairs and Committee on Housing  
Tuesday, February 16, 2016 at 3:05 P.M.  
Conference Room 225, State Capitol**

**RE: SENATE BILL 3100 RELATING TO URBAN RENEWAL**

Chairs Nishihara and Harimoto, Vice Chairs Espero and Galuteria, and Members of the Committees:

The Chamber of Commerce Hawaii ("The Chamber") **supports the intent of SB 3100**, which authorizes the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects. Allows each county to have more than one local redevelopment agency. Repeals the specific naming requirement for local redevelopment agencies. Requires all five members of the local redevelopment agency to reside within the boundaries of an area defined by the county via resolution. States that redevelopment projects carried out by the local redevelopment agency are public works.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,000 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 believe that there is a need for government leadership in the redevelopment areas near the transit stations. There is a pressing need to address infrastructure capacity building along the entire transit corridor if we are to realize any of the increased density at the transit stations.

However, we question the need to create another layer of government through the proposed local redevelopment agency. We strongly believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effect approach than what is being proposed in the bill.

We understand that there are other bills which would give HCDA authority to plan and redevelop areas around the transit stations.

Thank you for the opportunity to express our views on this matter.

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**Testimony to the Senate Committee on Public Safety, Intergovernmental, &  
Military Affairs; and  
Senate Committee on Housing  
Tuesday, February 16, 2016  
3:05 p.m.  
State Capitol - Conference Room 225**

**RE: SB 3100: Relating to Urban Renewal.**

Dear Chairs Nishihara & Harimoto, Vice-Chairs Espero & Galuteria, and members of the Committees:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-HAWAII supports the intent of S.B. 3100, which would authorize the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects. It would also allow each county to have more than one local redevelopment agency, and repeals the specific naming requirement for local redevelopment agencies. It would require all five members of the local redevelopment agency to reside within the boundaries of an area defined by the county via resolution. It clarifies that redevelopment projects carried out by the local redevelopment agency are public works.

We believe that there is a need for government leadership in the redevelopment areas near the transit stations. There is a pressing need to address infrastructure capacity building along the entire transit corridor if we are to realize any of the increased density at the transit stations.

However, we question the need to create another layer of government through the proposed local redevelopment agency. We strongly believe that the appropriate entity to oversee the planning and redevelopment efforts would be an entity attached to the HCDA. HCDA currently has all of the statutory authority to redevelop urban areas, as has been done in Kakaako. Creating an entity within the existing structure of HCDA with the specific role of planning and redeveloping the lands near the transit stations would be a more efficient and effect approach than what is being proposed in the bill.

We understand that there are other bills which would give HCDA authority to plan and redevelop areas around the transit stations.

Thank you for the opportunity to express our views on this matter.

# Hawai'i Construction Alliance

P.O. Box 179441  
Honolulu, HI 96817  
(808) 348-8885

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February 15, 2016

The Honorable Clarence K. Nishihara, Chair  
The Honorable Will Espero, Vice Chair  
and members  
Senate Committee on Public Safety,  
Intergovernmental, and Military Affairs  
Hawai'i State Legislature  
Honolulu, Hawai'i 96813

The Honorable Breene Harimoto, Chair  
The Honorable Brickwood Galuteria, Vice Chair  
Senate Committee on Housing  
Hawai'i State Legislature  
Honolulu, Hawai'i 96813

## **RE: Support for SB3100, Relating to Urban Renewal**

Dear Chairs Nishihara and Harimoto, Vice Chairs Espero and Galuteria, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; the Laborers' International Union of North America, Local 368; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

We **support SB3100, Relating to Urban Development**. The bill would authorize the director of finance to issue GO bonds to the counties for infrastructure construction related to urban renewal projects, allow each county to have more than one local redevelopment agency, and allow those redevelopment agencies to pursue redevelopment projects that will create high-quality construction jobs.

This bill would empower the counties to more actively use existing provisions of HRS Chapter 53 to pursue redevelopment projects in "blighted areas," as they did throughout the 1950s, 1960s, and 1970s to pursue projects like Queen Emma Gardens, Kukui Plaza, and the Chinese Cultural Plaza on Oahu, the Hilo Waterfront area on the Big Island, the projects in the Wailuku area on Maui.

Specifically for the island of Oahu, this bill would allow the City and County of Honolulu to more actively pursue transit-oriented development ("TOD") projects under the auspices of Chapter 53 redevelopment agencies, with clear rules regarding what the agencies are allowed to do, and opportunities for the projects to be overseen by a board of residents from the areas where the projects are to be located.

Our unions have been strong advocates for TOD over the past several years, and we see the Chapter 53 redevelopment agencies as a way to help the City and County of Honolulu to carry out the full vision of TOD: jobs for our members, more housing opportunities at all levels of the price spectrum, and public amenities for residents and visitors to enjoy.

Therefore, we respectfully request your committees' favorable action on SB3100, relating to urban development.

Mahalo,

A handwritten signature in black ink, reading "Tyler Dos Santos-Tam". The signature is fluid and cursive, with the first name "Tyler" being the most prominent.

Tyler Dos Santos-Tam  
Executive Director  
Hawai'i Construction Alliance  
[execdir@hawaiiconstructionalliance.org](mailto:execdir@hawaiiconstructionalliance.org)