



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

HOUSE COMMITTEE ON HOUSING

March 16, 2015 at 8:30 a.m.
State Capitol, Room 329

In consideration of
S.B. 974, S.D. 1
RELATING TO THE RENTAL HOUSING TRUST FUND.

HHFDC **supports** S.B. 974, S.D. 1. This bill authorizes the use of the Rental Housing Trust Fund (RHTF) to help finance the development of spaces for public uses within mixed-use affordable rental housing developments.

S.B. 974, S.D. 1 supports HHFDC's efforts to work in partnership with other State and County agencies to develop mixed-use residential developments on State and county lands. It also provides an opportunity to include spaces for non-residential public uses, such as social and educational services, that could benefit the residents of the project and the broader community.

HHFDC would like to offer amendments to the bill which would:

- Clarify that the primary use within a mixed-used residential development is rental housing that meets the eligibility criteria for project funding under the RHTF;
- Limit the amount of funds that may be provided for the development of spaces for public uses for each mixed-use residential project without prior legislative approval; and
- Require HHFDC to include in its annual report to the Legislature, any funding that was provided for spaces for public uses.

A proposed H.D. 1 is attached for your review.

Thank you for the opportunity to testify.

A BILL FOR AN ACT

RELATING TO THE RENTAL HOUSING TRUST FUND.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 201H, Hawaii Revised Statutes, is amended by adding a new section to part II, subpart J to be appropriately designated and to read as follows:

"§201H- Mixed-use residential housing developments. (a)

The fund may be used to provide, in whole or in part, loans or grants to develop spaces for public uses within mixed-use residential developments; provided that:

(1) The rental housing component is the primary use within the mixed-use residential housing development; and

(2) The rental housing component is an eligible project pursuant to section 201H-204 and the rules adopted by the corporation pursuant to chapter 91.

(b) Except as otherwise authorized by the legislature, the loans or grants for spaces for public uses may not exceed \$5,000,000 per mixed-use residential housing development.

(c) For purposes of this section, "spaces for public uses" means spaces for use by the public or other uses that serve a public purpose, including but not limited to spaces for

community meetings, employment training, social services,
education, and juvenile services centers.

(d) In its annual report made to the legislature pursuant
to section 201H-202(f), the corporation shall report on any
loans or grants made for spaces for public uses in mixed-use
residential housing developments."

SECTION 2. All acts passed by the legislature during the
regular session of 2015, whether enacted before or after the
effective date of this Act, shall be amended to conform to this
Act unless such acts specifically provide that this Act is being
amended.

SECTION 3. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2015.

Report Title:

Rental Housing Trust Fund; Mixed-use Rental Projects

Description:

Authorizes the rental housing trust fund to be used for spaces for public uses within mixed-use residential developments in which the residential component is the primary use and qualifies as an eligible rental housing project. (Proposed HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.



Chamber of Commerce HAWAII
The Voice of Business

**Testimony to the House Committee on Housing
Monday, March 16, 2015 at 8:30 A.M.
Conference Room 329, State Capitol**

**RE: SENATE BILL 974 SD1 RELATING TO THE RENTAL HOUSING TRUST
FUND**

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

The Chamber of Commerce of Hawaii ("The Chamber") **supports the intent of S.B. 974 SD1**, which authorizes the rental housing trust fund to be used for spaces for public uses within mixed-use residential developments in which the residential component consists of rental housing units and establishes a separate mixed-use residential development subaccount within the fund.

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.

The Chamber strongly supports the need to allow for the funding of mixed use residential developments, especially in areas of targeted growth and increased density. In dense urban settings, there is a need to create more pedestrian-friendly environments where residents are less dependent on cars in their daily activities. Mixed-use developments provide an opportunity to create vibrant, walkable communities.

This will also encourage creative thinking for multiple or mixed use of government-owned lands in and around the transit system on Oahu. The State can be a critical player in reshaping the urban landscape around the transit stations.

Thank you for the opportunity to testify.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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TO: Representative Mark J. Hashem, Chair
Representative Jo Jordan, Vice Chair
Members, House Committee on Housing

FROM: Scott Morishige, MSW
Executive Director, PHOCUSED

HEARING: **Thursday, February 12, 2015 at 1:15 p.m. in Conf. Rm. 016**

Testimony in Support of SB974 SD1, Relating to the Rental Housing Trust Fund

Thank you for the opportunity to provide testimony in **support** of SB974 SD1, which authorizes the Rental Housing Trust Fund (RHTF) to be used for spaces for public uses within mixed-use residential developments with a rental housing component. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community, including the homeless.

Since March 2014, PHOCUSED has surveyed 2,200+ homeless individuals and families across Oahu to assess their level of need and determine appropriate interventions. Based on our survey data, **over a quarter (26%, or 570 homeless households) indicate a need simply for affordable housing** – meaning that they do not require case management or intensive social services, but would be able to successfully transition to stable housing if affordable rental options were available. SB974 provides the State with more tools in its toolbox to create affordable rental housing and maximize the best use of state lands.

More specifically, this bill enables different state departments to work together, and gain experience in housing development from the Hawaii Housing and Finance Development Corporation (HHFDC). Partnership like this can be creative and work to fulfill the needs of both state entities, while providing a legacy of affordable housing for years to come. Furthermore, there is potential to utilize this mechanism for Transit Oriented Development (TOD) projects where another state entity controls land, but needs the expertise of HHFDC to jointly work on the development of affordable rental housing on state land.

Once again, PHOCUSED strongly urges your support of this bill. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.

jordan3-Kevin

From: mailinglist@capitol.hawaii.gov
Sent: Friday, March 13, 2015 2:13 PM
To: HSGtestimony
Cc: darakawa@lurf.org
Subject: Submitted testimony for SB974 on Mar 16, 2015 08:30AM

SB974

Submitted on: 3/13/2015

Testimony for HSG on Mar 16, 2015 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	No

Comments: The Land Use Research Foundation of Hawaii SUPPORTS SB 974, SD1, Relating to the Rental housing Trust Fund (RHTF), which authorizes the RHTF to be used for spaces for public uses within mixed-use residential developments in which the residential component consists of rental housing units; and establishes a separate mixed-use residential development subaccount within the fund. (SD1)

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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RECEIVED
Date & Time
Mar 16, 2015, 7:05 am

Testimony to the House Committee on Housing
Monday, March 16, 2015
8:30 a.m.
State Capitol - Conference Room 329

RE: S.B. NO. 974, S.D. 1, RELATING TO THE RENTAL HOUSING TRUST FUND

Chair Hashem, Vice-Chair Jordan, and members of the Committee:

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. 974, S.D. 1, which authorizes the rental housing trust fund to be used for spaces for public uses within mixed-use residential developments in which the residential component consists of rental housing units. Establishes a separate mixed-use residential development subaccount within the fund.

BIA-Hawaii strongly supports the need to allow for the funding of mixed use residential developments, particularly in areas of targeted growth and increased density. In dense urban settings, there is a need to create more pedestrian friendly environments where residents are less dependent on cars in their daily activities. Mixed used developments provide an opportunity to create vibrant and walkable communities.

Creative thinking for multiple or mixed use of government owned lands in and around the transit system on Oahu will also be encouraged. The State can and should be a leader in reshaping the urban landscape around the transit stations.

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



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 974: RELATING TO THE RENTAL HOUSING TRUST FUND

TO: Representative Mark J. Hashem, Chair, Representative Jo Jordan, Vice Chair, and Members, Committee on Housing

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: Monday, March 16, 2015; 8:30 AM; Conference Room 329

Thank you for the opportunity to provide testimony **in support** of SB 974, SD1 which authorizes the Rental Housing Trust Fund (RHTF) to be used for spaces for public uses within mixed-use residential developments with a rental housing component. I am Betty Lou Larson, the Legislative Liaison for affordable housing and homeless issues at Catholic Charities Hawaii.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawaii. Catholic Charities Hawaii has a long history of working on housing issues and solutions to homelessness. We strive to help people live in dignified circumstances and reach their full potential.

We commend the State departments involved, especially HHFDC, for the time, energy and dedication that it takes to develop a new model such as this bill proposes. Catholic Charities Hawaii supports this bill which would enable State entities to work together to maximize the best use of state lands. The State needs to add many tools to its toolbox to create more affordable rental housing. This is a creative way for different state departments and branches of government to work together. In the future, this could be used for TOD projects where another state entity controls land but needs the expertise of HHFDC to jointly work on the development of affordable rental housing on state land. Breaking down silos, and forming partnerships within government are increasingly important. This bill supports this paradigm shift.

We know it can be a daunting task for a department with a different mission and mandate, to consider the complex issues that arise in creating affordable rental housing. By enabling HHFDC to facilitate the process, more can be accomplished and the burden is lessened on the State "landowner". Partnership like this can be creative and work to address multiple state priorities, while providing a legacy of affordable housing for years to come for the citizens of Hawaii.

Thank you for the opportunity to testify. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.