



LATE

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Support of SB 671 Relating to Lands Controlled by the State (Authorizes the Department of Land and Natural Resources [DLNR] and the Hawaii Community Development Authority (HCDA) to negotiate and execute ninety-nine year leases on the DLNR's and HCDA's lands located within one-half mile of the City and County of Honolulu's [City] planned rail transit stations, provided that affordable housing is included in the development plan for the lands to be leased. Sunsets on 6/30/50.)

WTL/ETT/HOU Hrg: Monday, February 13, 2017, 3:30 p.m., Conf. Rm. 224

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF **supports the intent of SB 671**, which appears to be to expand the current sixty-five-year maximum State lease term to ninety-nine-year lease terms, in order to encourage long-term, sustainable development planning and to incentivize private developments on government-owned lands near transit stations.

SB 671. The purpose of this bill is to authorize the DLNR and the HCDA to negotiate and enter into leases with terms up to ninety-nine years on parcels located within one-half mile of the City's planned rail-transit stations if affordable housing is included in the mixed-use development.

LURF's Position. LURF understands that a significant portion of state lands located adjacent to or near the planned rail transit stations in the City are owned by DLNR and HCDA, and that the State is interested in promoting mixed-use development of state lands adjacent to or near the planned rail transit stations, including development for affordable, workforce and market housing, to foster economic development in those areas and help increase future rail transit ridership. While at present, the maximum term for leases for state lands is sixty-five years, the introducers of this measure submit that other states and municipalities have incentivized private developments on government-owned lands near transit stations through the negotiation of ninety-nine year lease terms to encourage long-term, sustainable development planning; and urge their fellow legislators to follow those examples and adopt this bill.

This measure is also consistent with the following State goals and objectives:

- **Increasing affordable housing.** Act 127, Session Laws of Hawaii 2016 (SLH 2016), established a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy by December 31, 2026, and established the Special Action Team on Affordable Rental Housing (Special Action Team) to make recommendations to the legislature to promote the development of at least 22,500 affordable rental housing units to be ready for occupancy between January 1, 2017, and December 31, 2026. The Special Action Team's report recommended expanding the public lands available to meet housing needs, and described its current development of suitability maps to identify state, county, and private parcels of land on each island that may be used for residential units. Also, the 2016 Hawaii Housing Planning Study prepared for the Hawaii Housing Finance and Development Corporation (HHFDC) found that a shortage of land available for development was a significant factor limiting the supply of housing;
- **Development of state lands around transit-oriented development areas for housing.** Act 130 (SLH 2016), authorized the Department of Education to use fees collected from transit-oriented development (TOD) projects to be used for existing schools in the development area to address increases in school populations due to TOD, and established a Hawaii Interagency Council for Transit-Oriented Development (Interagency TOD Council). In addition, Act 131 (SLH 2016), enabled the HHFDC to develop mixed-use developments in partnership with state and county departments and agencies. The Interagency TOD Council's report to the legislature noted that, as one of the largest landowners along the Honolulu rail corridor, the State has a unique opportunity to revitalize neighborhoods, increase affordable housing, and improve accessibility to public facilities and services by applying smart growth and TOD principles as the rail construction progresses.

For the above reasons, LURF **supports SB 671** and respectfully urges your favorable consideration.

Thank you for the opportunity to present testimony regarding this measure.