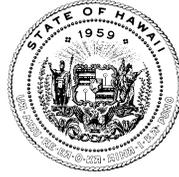


DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

JOSH GREEN  
LT. GOVERNOR  
STATE OF HAWAII



WILLIAM J. AILA, JR.  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES  
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEES ON HOUSING & WATER AND LAND  
HEARING ON FEBRUARY 10, 2022 AT 1PM VIA VIDEOCONFERENCE

**SB 2232 RELATING TO IMPORTANT HOUSING LANDS**

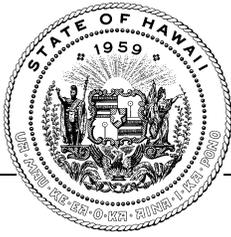
February 10, 2022

Aloha Chair Chang, Chair Inouye, and members of the Committees:

The Department of Hawaiian Home Lands (DHHL) offers comments on this bill establishing that all state-owned lands located within one mile of any rail mass transit station shall be designated as important housing lands to promote the development of homes priced below market rates for Hawaii residents who are owner-occupants and own no other real property and requiring State and County housing policies, tax policies, land use plans, ordinances, and rules to promote the long-term viability of important housing lands consistent with certain policies. DHHL has property within one mile of rail mass transit stations. Since the use and disposition of Hawaiian Home Lands is under the exclusive jurisdiction of the Hawaiian Homes Commission and the Hawaiian Homes Commission Act, as amended, DHHL requests that Hawaiian Home Lands be excluded from this bill. Section 1(a) of the bill could be amended as follows:

(a) All state-owned lands **excluding DHHL owned lands** that are located within one mile of any rail mass transit station shall be designated as important housing lands.

Thank you for your consideration of our testimony.



**STATE OF HAWAII  
OFFICE OF PLANNING  
& SUSTAINABLE DEVELOPMENT**

**DAVID Y. IGE**  
GOVERNOR

**MARY ALICE EVANS**  
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813  
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Statement of  
**MARY ALICE EVANS**  
Director, Office of Planning and Sustainable Development  
before the  
**SENATE COMMITTEES ON HOUSING AND WATER AND LAND**  
Thursday, February 10, 2022  
1:00 PM  
State Capitol, Conference Room 225

in consideration of  
**SB 2232**  
**RELATING TO IMPORTANT HOUSING LANDS.**

Chairs Chang and Inouye, Vice Chairs Kanuha and Keith-Agaran, and Members of the Senate Committees on Housing and Water and Land.

The Office of Planning and Sustainable Development (OPSD) offers the following **comments** on SB 2232, which adds a new section to Chapter 171, HRS, to designate all State-owned lands located within one mile of any rail mass transit station as important housing lands.

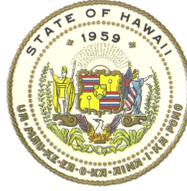
OPSD supports measures that would promote the development of affordable housing. However, designation of these lands as important housing lands does not appear to add materially to the development of existing or planned development with housing components, and it also unclear as to the impact such designation would have on permitting and other development and regulatory processes or how this measure would be administered and implemented.

Numerous affordable housing projects are actively being planned or have already been built on State lands within one mile of the rail transit stations as presented at the recent Legislative briefing to the joint House and Senate Committees on Housing by OPSD, HHFDC and State and City representatives of the Hawaii Interagency Council on Transit-Oriented Development. Once completed, these public and private projects are estimated to produce approximately 47,100 new housing units of which 25,700 will be affordable units.

As stated in the briefing, the most critical need for provision of housing is funding.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committees on  
HOUSING  
and  
WATER AND LAND**

**Thursday, February 10, 2022  
1:00 PM**

**State Capitol, Conference Room 225, Via Videoconference**

**In consideration of  
SENATE BILL 2232  
RELATING TO IMPORTANT HOUSING LANDS**

Senate Bill 2232 proposes to establish that all State-owned lands within one mile of any rail mass transit station shall be designated as important housing lands to promote the development of homes priced below market rates for Hawaii residents who are owner-occupants and own no other real property. The measure also requires that State and county housing policies, tax policies, land use plans, ordinances and rules to promote the long-term viability of important housing lands consistent with certain policies. **The Department of Land and Natural Resources (Department) opposes this measure.**

The Department is currently in the planning process for its East Kapolei Transit Oriented Development (TOD) project. The East Kapolei TOD Project consists of four parcels adjacent or in close proximity to the planned Keone'ae rail station in East Kapolei across from the University of Hawaii West Oahu campus. The Department's long-term objective is to lease the parcels for income generating purposes to support the Department's natural resource management and protection programs. The Department also recognizes the State's obligation to provide affordable housing to residents in need and notes that planned uses for the parcels include affordable rental housing units. Other proposed uses include transit oriented mixed uses including commercial, retail, hotel, and medical. Additionally, the Department intends to include light industrial uses for parcels located further away from the rail station. Beyond generating income to support its programs, the Department believes that the proposed project's multiple uses will be a critical economic, employment and residential component of the East Kapolei community.

This measure would significantly limit the planned uses contemplated under the project and ultimately inhibit the Department's ability to generate needed income to support its programs.

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The Department is heavily reliant on self-generated revenues to fund its operations in lieu of general fund support. The revenues collected by the Department's Land Division cover the entire annual operating budget for the Land Division, the Department's Office of Conservation and Coastal Lands, and the Dam Safety and Mineral Resources Programs of the Department. The revenues fund over 80 Department staff positions, including 5 positions within the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, wildland firefighting and lifeguard services. Revenues collected by other divisions have supported watershed protection, preservation of cultural and historical sites and public recreational resources. Furthermore, the Department has provided lands for affordable housing projects, often at the expense of generating revenue to support its own programs.

Finally, while the development of affordable housing is a key component of the project, the Department notes that this will be rental housing. The Department does not sell lands, as it would result in diminishing the public land trust corpus. By its reference to "eligible buyer", the measure as currently drafted requires the sale of affordable housing units developed on state lands designated as important housing lands. The Department does not support sales of public lands, even for affordable housing purposes, as it believes it to be inconsistent with its public trust obligations.

Thank you for the opportunity to comment on this measure.

**SB-2232**

Submitted on: 2/9/2022 7:20:04 AM

Testimony for HOU on 2/10/2022 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Remote Testimony Requested</b>
Galen Fox	Individual	Support	No

Comments:

In Support of SB2232. How do we best overcome the housing demand-supply imbalance that has made Honolulu so unaffordable for residents? By building dense, low-cost housing near rail stations. SB2232 makes it possible to identify and secure land near rail stops that will support such housing construction, along with the mixed-use neighborhoods that reduce our need for cars.

We want state-supported housing to benefit residents most in need of housing, people left out of the current, luxury-housing-driven market. These households benefit when we limit buyers, as does SB2232, to residents who will live in their units and who own no other real property.

## SB 2232 TESTIMONY

To: Senate Committee on Housing  
Senate Committee on Water and Land  
Hearing on Feb. 10, 2022 at 1:00 p.m.

From: John Kawamoto

Position: Support

Housing prices, driven by outside investments, have relentlessly increased for decades, while wages have stagnated. As a result, housing has become less and less affordable for more and more people. Today, Hawaii faces a monumental housing crisis.

An Aloha United Way study concludes that about half of Hawaii's families don't earn enough income to cover all the necessities of daily living. They are forced to cut back on food, medicine, or other necessities. Housing is typically the biggest expense in a family's budget, so they would benefit by having access to housing that is affordable to them.

Government housing programs have proven to be inadequate. In most years, not enough housing is built to satisfy the increased need for that year due to the increased population. So the need keeps increasing. Government needs big, new ideas, and this bill is one of them.

This bill adopts a concept that has been successfully used in agriculture. Important agricultural land in Hawaii is preserved because it is needed to produce food for Hawaii's people, and food is a basic need. Similarly, this bill preserves State land that is most suitable for housing since housing is also a basic need.

It is possible to build truly affordable housing on State land because the cost of the land is zero. Land is usually a large component of housing price, especially in Hawaii. Housing costs can be minimized by building modestly sized units and increasing density.

This bill requires that the housing on Important Housing Land is occupied by a resident who is an owner-occupant and who owns no other real property. In doing so, this bill assures that the housing is occupied by people who need the housing and who have a long term commitment to living in Hawaii.

For the foregoing reasons I support the bill.