JOSH GREEN, M.D. GOVERNOR

> SYLVIA LUKE LT. GOVERNOR



DEAN MINAKAMI EXECUTIVE DIRECTOR

#### **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

## Statement of **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation Before the

#### HOUSE COMMITTEE ON FINANCE

February 26, 2024 at 12:30 p.m. State Capitol, Room 308

#### In consideration of H.B. 1808 RELATING TO HOUSING.

HHFDC <u>supports</u> HB 1808, which expands the counties' authorization to exercise the same powers as HHFDC for purposes of developing, constructing, financing, refinancing, or providing mixed-income projects and mixed-use developments.

Thank you for the opportunity to testify on this bill.

Council Chair Alice L. Lee

Vice-Chair Yuki Lei K. Sugimura

Presiding Officer Pro Tempore Tasha Kama

Councilmembers Tom Cook Gabe Johnson Tamara Paltin Keani N.W. Rawlins-Fernandez Shane M. Sinenci Nohelani U'u-Hodgins



Director of Council Services David M. Raatz, Jr., Esq.

Deputy Director of Council Services Richelle K. Kawasaki, Esq.

COUNTY COUNCIL COUNTY OF MAUI 200 S. HIGH STREET

WAILUKU, MAUI, HAWAII 96793 www.MauiCounty.us

February 24, 2024

TO: The Honorable Kyle T. Yamashita, Chair, and Members of the Committee on Finance

FROM: Alice L. Lee Council Chair

### SUBJECT: HEARING OF FEBRUARY 26, 2024; TESTIMONY IN <u>SUPPORT</u> OF HB1808, RELATING TO HOUSING

Thank you for the opportunity to testify in **support** of this measure, which would authorize the counties to exercise the same powers as the Hawaii Housing Finance and Development Corporation for mixed-use developments.

I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

- 1. The measure would provide opportunities for counties to expand our capacity to develop new units and rehabilitate existing housing units to address housing shortages and will likely have a positive impact on housing affordability.
- 2. The additional option given to the counties to develop mixed-use projects will be beneficial in securing financing and in ensuring long term sustainability of the created housing.
- 3. Providing the counties with the same development authority as Hawaii Housing Finance and Development Corporation may attract more publicprivate partnerships for affordable housing and other beneficial development.

For the foregoing reasons, I **support** this measure.

ocs:proj:legis:24legis:24testimony:hb1808\_paf24-002(69)\_dmr

### OFFICE OF HOUSING KE KE'ENA HO'OLÄLÄ KŪKULA HALE CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-4675 • FAX: (808) 768-4242 • WEBSITE: www.honolulu.gov/housing

RICK BLANGIARDI MAYOR *MEIA* 



February 26, 2024

DENISE ISERI-MATSUBARA EXECUTIVE DIRECTOR PO'O HO'OKÔ

> KEVIN AUGER DEPUTY DIRECTOR HOPE PO'O

2024-HOU-011

The Honorable Kyle Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair
and Members of the House Committee on Finance
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

SUBJECT: Testimony in **Strong Support** of HB1808 – Relating to Housing Hearing: Mon., Feb. 26, 2024, 12:30 p.m. at the State Capitol, Rm. 308

The City and County of Honolulu **<u>strongly supports HB1808</u>**, which seeks to expand the counties' authority to facilitate the development, construction, financing, or refinancing of affordable housing projects, including mixed-use development – similar to the authority currently provided to the Hawai'i Housing Finance and Development Corporation (HHFDC).

Under §201H-12, Hawai'i Revised Statutes (HRS), HHFDC has the ability to plan, develop, construct, and finance housing projects, including mixed-use developments. As currently written, §46-15.1(a), HRS, relating to county housing powers, provides the counties the ability to exercise the same powers as those granted to HHFDC pursuant to 201H, but only for the purpose of developing, constructing, and providing low- and moderate-income housing. Under existing law, the counties are not authorized to use affordable housing bonds to develop mixed-use affordable housing projects. The proposed bill remedies this inconsistency by providing the counties with the same authority as HHFDC with respect to mixed-use development.

With the commencement of operations of the city's new rail system in June 2023, the Blangiardi Administration is working to activate Transit-Oriented Development (TOD) plans that were adopted by the communities that surround the key rail stations. Good examples of this are the city's recently acquired properties in the lwilei TOD area – the First Hawaiian Bank property and the lwilei Center – which closed in December 2023 and

The Honorable Kyle Yamashita, Chair The Honorable Lisa Kitagawa, Vice Chair and Members of the House Committee on Finance February 26, 2024 Page 2

January 2024, respectively. The two properties total nearly five acres of land and a combined purchase price of nearly \$60 million. These acquisitions will form the catalyst of the city's redevelopment and revitalization efforts around the Kuwili Rail Station consistent with the area's TOD Neighborhood Plan.

Given our substantial investment in this area, the ability to plan, design, and construct mixed-use development is essential to the city's efforts to develop iconic affordable housing projects in lwilei, and in other TOD communities. As a policy principle, the City and County of Honolulu does not believe those purchasing affordable housing in City facilitated projects on City land should be denied direct access to governmental, educational, commercial, cultural, institutional, or industrial uses on property, however, that is the limitation of the current law.

We respectfully ask for your support this session in passing this measure to allow the counties to have the ability to engage in mixed-use development as part of their overall housing and development plans. By including mixed-use development in their housing strategies, counties can implement their general plans and offer residents a choice of housing options that are in close proximity to schools, recreation, and commercial centers that are adequately served by multi-modal transportation networks.

Thank you for the opportunity to testify.

Sincerely,

Kevin Auger Deputy Executive Director

APPROVED:

Michael D. Formby Managing Director

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-8000 • FAX: (808) 768-6041 • WEB: honolulu.gov/dpp



February 26, 2024

DAWN TAKEUCHI APUNA DIRECTOR *PO'O* 

> JIRO A. SUMADA DEPUTY DIRECTOR *HOPE PO'O*

The Honorable Kyle T. Yamashita, Chair and Members of the Committee on Finance Hawai'i House of Representatives Hawai'i State Capitol 415 South Beretania Street Honolulu, Hawai'i 96813

RICK BLANGIARDI MAYOR

MEIA

#### Subject: House Bill No. 1808 Relating to Housing

Dear Chair Yamashita and Committee Members:

The Department of Planning and Permitting (DPP) **strongly supports** House Bill No. 1808, which expands the counties' authority to facilitate the development, construction, financing, refinancing, or other provision of mixed-income projects and mixed-use developments, including low- and moderate-income housing projects, and issue bonds for this purpose.

In particular, the ability for counties to utilize bonds for mixed-used development will greatly facilitate transit-oriented development (TOD) on O'ahu. This Bill's objectives support various City & County of Honolulu land use policies, including the O'ahu General Plan, regional development/sustainable communities plans, and neighborhood TOD plans, as well as its Housing Plan.

In addition to TOD, mixed-use developments can further contribute toward affordable housing. Proceeds from commercial uses that are applied to building maintenance can allow for reduced fees assessed on the residential units. At the same time, co-locating commercial and residential uses next to each other reduces residents' reliance on travel, saving them time and money that would otherwise go toward a transit fare or the myriad costs of automobile ownership.

There has been a coordinated effort between City and State agencies to implement TOD, based on years of planning and targeted investments. This Bill provides parity between the counties and State, since the Hawai'i Housing and Finance Development Corporation already has authorization, and allow counties to also contribute toward affordable living and smart growth in Hawai'i. The Honorable Kyle T. Yamashita, Chair and Members of the Committee on Finance Hawai'i House of Representatives House Bill No. 1808 February 26, 2024 Page 2

Thank you for the opportunity to testify.

Very truly yours,

1

Dawn Takeuchi Apuna Director

# **GRASSROOT** INSTITUTE OF HAWAII

1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

**Removing barriers to Hawaii's prosperity** 

Feb 26, 2024, 12:30 p.m. Hawaii State Capitol Conference Room 308 and Videoconference

To: House Committee on Finance Rep. Kyle T. Yamashita, Chair Rep. Lisa Kitagawa, Vice-Chair

From: Grassroot Institute of Hawaii Ted Kefalas, Director of Strategic Campaigns

RE: HB1808 — RELATING TO HOUSING

Comments only

Aloha Chair Yamashita, Vice-Chair Kitagawa and members of the Committee,

Thank you for considering <u>HB1808</u>, which would allow the counties to finance, develop and construct mixed-use and mixed-income housing projects just as the Hawaii Housing Finance and Development Corp. is allowed to do.

Giving the counties flexibility to finance these types of developments could increase the housing stock and business opportunities in urban areas and areas near public transit.

In a recent report, the Grassroot Institute of Hawaii discussed how mixed-use buildings also boost neighborhood walkability, which "yield positive health outcomes. People lose weight, cardiovascular disease declines and people report being happier."<sup>1</sup>

Thank you for the opportunity to testify.

Ted Kefalas, Director of strategic campaigns Grassroot Institute of Hawaii

1050 Bishop St. #508 | Honolulu, HI 96813 | 808-864-1776 | info@grassrootinstitute.org

<sup>&</sup>lt;sup>1</sup> Jonathan Helton, "How to facilitate more homebuilding in Hawaii," Grassroot Institute of Hawaii, December 2023, pp. 15-16.

LATE \*Testimony submitted late may not be considered by the Committee for decision making purposes.



#### Testimony to the House Committee on Finance Monday, February 26, 2024 at 12:30PM Conference Room 308 & Videoconference

#### **RE: HB1808 RELATING TO HOUSING**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB1808, which expands the counties' authorization to exercise the same powers as HHFDC for purposes of developing, constructing, financing, refinancing, or providing mixed-use developments, with aforementioned expanded powers to apply to bond proceeds expended by a county after December 31, 2023.

The Chamber not only prioritizes economic leadership but also advocates for "quality of life" and "high cost of living" issues impacting its members, their employees, and families. Under existing law, the counties are not authorized to use affordable housing bonds to develop mixed-use affordable housing projects. The proposed bill remedies this inconsistency by providing the counties with the same authority as HHFDC with respect to mixed-use development, thereby contributing to increasing the availability of housing that local residents are able to afford.

Our business community and its workforce is to benefit from support such as that which would be provided by this measure, and cannot increase its capacity without such supportive mechanisms.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ 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.

Thank you for this opportunity to testify in support of this measure.

HB-1808 Submitted on: 2/25/2024 6:29:03 AM Testimony for FIN on 2/26/2024 12:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT