

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621  
HONOLULU, HAWAII 96809

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CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
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ACTING DEPUTY DIRECTOR - WATER  
AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
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CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

Testimony of  
DAWN N. S. CHANG  
Chairperson

Before the Senate Committees on  
HOUSING  
and  
WATER AND LAND

Thursday, February 1, 2024  
1:00 p.m.

State Capitol, Conference Room 225 & Videoconference

In consideration of  
SENATE BILL 2064  
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION

Senate Bill 2064 proposes to authorize the Hawai'i Housing Finance and Development Corporation (HHFDC) the right of first refusal for the development of property for all development on State lands, excluding the Stadium Development District and lands under the Hawai'i Public Housing Authority and Department of Hawaiian Home Land lands, that are within county designated transit oriented development zones, or within a one-half mile radius of a proposed or existing rail transit station if the county has not designated transit oriented development (TOD) zones, which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest. The measure also proposes to require State departments or agencies to provide 180 days advance written notice of any approval of a proposed development or proposed transfer of lands. **The Department of Land and Natural Resources (Department) opposes this measure.**

The Department finds subsections (c) and (d) at page 2, line 8, to page 3, line 10, of this bill particularly onerous. These subsections provide HHFDC the authority to force the transfer of management jurisdiction and fee title to public lands within TOD zones, without the approval or consent of the current managing agency or the Board of Land and Natural Resources (Board).<sup>1</sup>

<sup>1</sup> Even if public lands are set aside to another agency, fee title is still vested with the Board.

This significantly abrogates the authority vested to the Board pursuant to Sections 26-15, 171-6 and 171-11, Hawaii Revised Statutes (HRS). These statutes grant the Board and the Department the authority to manage and administer the State's public lands to further the Department's mission, including setting aside lands via Governor's Executive Order to other agencies for public purposes that further multiple public trust purposes including education and other public uses. Such decisions are made by the Board in open, public meetings at which interested members of the public may testify. Furthermore, requiring the land holding agency to would relinquish management or ownership in a transfer to HHFDC responsible for ensuring that title to the property is "good and marketable" is burdensome and unfair considering that the agency would be deprived of the use of the land. Given the significant negative impact to the Board and precedent that could be set for similar future actions, the Department opposes the measure and urges that these subsections be deleted from the bill.

The Department is currently in the planning process for its East Kapolei 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 Hawai'i West O'ahu campus, which would be impacted by this measure. 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 objective to provide affordable housing to residents in need and notes that planned uses for the parcels nearest to the rail station include affordable and workforce rental housing units. Other proposed uses include transit oriented mixed uses including commercial, retail, hotel, and medical.

The Department has reached out to and is planning to work with HHFDC for the housing area located on the parcel east of Kualakai Parkway, O'ahu. 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. The Department looks forward to working with HHFDC in developing the parcel to fulfill multiple public benefits. However, a blanket right of first refusal would restrict the authority of the Board to consider and approve potential uses of public lands. The Department would prefer that it be allowed to partner collaboratively with HHFDC (and other relevant agencies such as the Office of Planning and Sustainable Development) to create a project proposal that the Board may review and approve in an open, public meeting.

The Department has historically supported the development of affordable housing through the conveyance or transfer of management of lands to HHFDC for affordable housing or rental projects statewide. In most instances, the lands transferred to HHFDC could have been used for more intensive income producing purposes. Rather, these lands were instead dedicated by the Department to alleviate the significant lack of supply of affordable housing in Hawai'i. The following affordable housing/rental projects have been supported by the transfer of lands from the Department to HHFDC:

- The Villages of Leiali'i in Lāhaina, Maui, 1,033 acres of land mauka of downtown Lāhaina.
- 690 Pohukaina in Kaka'ako, approximately 2.168 acres in Honolulu's urban core, adjacent to the rail line with access to existing infrastructure.

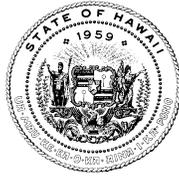
- Halekauwila Place in Kaka‘ako, approximately 1.249 acres adjacent to the 690 Pohukaina project.
- Hale Mōhalu in Pearl City, O‘ahu, 4.75 acres of land designated Urban, adjacent to Kamehameha Highway with access to existing infrastructure.
- The Villages of La‘i‘ōpua, in North Kona, Island of Hawai‘i, 802 acres adjacent to Queen Ka‘ahumanu Highway between Kona International Airport and Kailua Kona.

The Department is ready and willing to partner with HHFDC on the development of lands under the Department’s jurisdiction without the need for a first right of refusal.

Mahalo for the opportunity to provide testimony on this measure.

**JOSH GREEN, M.D.**  
GOVERNOR  
STATE OF HAWAII  
*Ke Kia'āina o ka Moku'āina 'o  
Hawai'i*

**SYLVIA J. LUKE**  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Kia'āina o ka Moku'āina  
'o Hawai'i*



**KALI WATSON**  
CHAIRMAN, HHC  
*Ka Luna Ho'okele*

**KATIE L. DUCATT**  
DEPUTY TO THE CHAIRMAN  
*Ka Hope Luna Ho'okele*

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

*Ka 'Oihana 'Āina Ho'opulapula Hawai'i*

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE SENATE COMMITTEE ON HOUSING AND THE  
SENATE COMMITTEE ON WATER AND LAND  
HEARING ON FEBRUARY 1, 2024 AT 1:00PM IN CR 225

**SB 2064, RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION**

February 1, 2024

Aloha Chairs Chang and Inouye, Vice Chairs Hashimoto and Elefante, and Members of the Committees:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill which would 1) authorize the Hawaii Housing Finance and Development Corporation the right of first refusal for the development of property for all development on state lands, excluding the Stadium Development District and lands under the Hawaii Public Housing Authority and Department of Hawaiian Home Land lands, that are within county designated transit-oriented development zones, or within a one-half mile radius of a proposed or existing transit station if the county has not designated transit oriented development zones, which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest and 2) requires state departments or agencies to provide one hundred eighty days advance written notice of any approval of a proposed development or proposed transfer of lands.

The DHHL appreciates the intent of this bill and we agree that the exclusion of lands under the jurisdiction of the DHHL as noted in SB 2064 is appropriate.

Thank you for your consideration of our testimony.

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

**LATE**

Statement of  
**DEAN MINAKAMI**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON HOUSING  
AND  
SENATE COMMITTEE ON WATER & LAND**

February 1, 2024 at 1:00 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 2064**  
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION.**

HHFDC **supports** SB 2064, which provides HHFDC the right of first refusal for the development of property on certain State-owned lands, which shall be triggered by a proposed development or the proposed transfer of fee-simple or leasehold property interest of such lands.

Kinau Hale, located on Punchbowl Street next to the Queen's Medical Center, is a good example of a site that would benefit from HHFDC-led development. While the Department of Health (DOH) wants to renovate the existing building for its own use, HHFDC envisions a larger, mixed-use redevelopment project that would provide DOH with new space while also providing workforce housing for healthcare employees.

Thank you for the opportunity to testify on this bill.



## DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Room 118 • Honolulu, Hawaii 96813  
Ph. (808) 586-8121 (V) • TTY (808) 586-8162 • Fax (808) 586-8129

February 1, 2024

**LATE**

TESTIMONY TO THE SENATE COMMITTEES ON HOUSING, AND WATER AND LAND

Senate Bill 2064 – Relating to the Hawaii Housing Finance and Development Corporation

The Disability and Communication Access Board (DCAB) offers comments on Senate Bill 2064 – Relating to the Hawaii Housing Finance and Development Corporation

This bill would authorize the Hawaii Housing Finance and Development Corporation the right of first refusal for the development of property for all development on state lands, excluding the Stadium Development District and lands under the Hawaii Public Housing Authority and lands of the Department of Hawaiian Home Lands, that are within county-designated transit-oriented development zones, or within a one-half mile radius of a proposed or existing transit station if the county has not designated transit-oriented development zones, which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest.

The housing crisis is magnified for people with disabilities. People with disabilities are twice as likely to live below the poverty level. Without action to address the affordable housing shortage, more people with disabilities are at risk of losing their independence or becoming homeless or institutionalized. This bill would assist people with disabilities who are facing housing insecurity.

In addition to addressing the affordable housing shortage, legislation should address the quantity of supportive housing units that are accessible to people with mobility and communication disabilities. The Americans with Disabilities Act Standards for Accessible Design (ADA Standards) specifies the minimum percentage of accessible housing units in public facilities. The ADA Standards only requires five percent of units to be accessible for mobility disabilities and two percent of units to be accessible for communication disabilities. The Fair Housing Act (FHA) design and construction requirements specifies the minimum number of adaptable housing units in public and private buildings containing four or more units. The FHA requires all dwelling units to be adaptable for mobility disabilities in buildings with an elevator, but only requires ground floor units to be adaptable for mobility disabilities in buildings without an elevator. The FHA does not require units to be adaptable for communication disabilities.

According to the U.S. Census Bureau's 2021 Disability Characteristics for the State of Hawaii, 19.1 percent of Hawaii's residents that are sixty five years and older have mobility difficulty, 12.6 percent have hearing difficulty, and 4.7 percent have vision difficulty. The following adjustments that exceed minimum accessibility and adaptability requirements would provide Hawaii residents with disabilities, especially kupuna with disabilities, the opportunity to live independently and give more residents without disabilities an option to continue to live in their home as they age in place:

- In public facilities with residential dwelling units, at least twenty percent, but no fewer than one unit, of the total number of residential dwelling units shall provide mobility features that comply with applicable technical requirements in the ADA Standards.
- In public facilities with residential dwelling units, at least thirteen percent, but no fewer than one unit, of the total number of residential dwelling units shall provide communication features that comply with applicable technical requirements in the ADA Standards.
- In multi-story buildings with four or more residential dwelling units, an elevator shall connect each story and all dwelling units shall comply with the FHA design and construction requirements.

Investing in accessible, affordable supportive housing would ensure that more residential units would be available for individuals with disabilities and families.

Thank you for considering our testimony.

Respectfully submitted,



KIRBY L. SHAW  
Executive Director



**Church  
of the  
Crossroads**  
United Church of Christ



**TESTIMONY IN SUPPORT OF BILL SB 2064**

Senate Committees on Housing and Water and Land  
February 1, 2024 at 1:00 p.m.  
Conference Room 225 & Video

Chairs Chang and Inouye, Vice Chairs Hashimoto and Elefante, Members,

Church of the Crossroads, Hawaii's first deliberately interracial congregation now over 100 years old, remains committed to supporting Hawaii's richly diverse population. We ask you to **please pass SB 2064**, which grants the Hawai'i Housing Finance and Development Corporation the right of first refusal on development of property on state lands, excluding the Stadium Development District and lands under the Hawai'i Public Housing Authority and Department of Hawaiian Home Land lands, located within transit-oriented development zones or within a one-half mile radius of a proposed or existing transit station. Such land is prime for affordable housing that 1) saves land acquisition costs, and 2) provides residents easy access to public transit.

Hawaii has been building homes at a rate of only 2,000 units per year, far lower than the 10,000 necessary to house residents. Hawaii's limited housing production coupled with sky-high demand drives our people to the mainland. The State's population has declined for seven consecutive years. The people leaving include our young and others most needed for our future. It's a tragedy that more Native Hawaiians now live outside Hawaii than in Hawaii. When declining birthrates fail to keep pace with increased retirees, it dims an area's economic future. People leaving for better housing elsewhere compounds the problem.

Residents don't like having the world's wealthy overwhelm this small local market with their often-vacant vacation homes. Our islands need to help Hawaii's "priced out" children, relatives, and friends find homes here.

Hawaii faces well-known challenges seeking to lower the cost of housing. Building near transit on State land makes housing more affordable, not only saving on land costs, but also reducing garaging private vehicle costs.

Mahalo for your attention to the Church's testimony in support of SB 2064.

Aloha,

Galen Fox, Past Moderator (President)  
Church of the Crossroads

Senate Committee on Housing  
Senate Committee on Water and Land  
Hearing on Feb. 1, 2024 at 1:00 pm

SUPPORTING SB 2064

Aloha, my name is John Kawamoto, and I support SB 2064.

Hawaii is facing a critical shortage of housing that is affordable to residents. The great majority of residents may have housing, but many must pay so much for it that they don't have enough left to pay for other necessities.

An Aloha United Way study finds that 42% of Hawaii's families don't earn enough to pay for all of the necessities of daily living, so they are forced to cut back on food, medication, or other essentials. Housing is the biggest expense in a typical family's budget, so reducing the cost of housing to affordable levels would free up money for other necessities and improve the quality of their lives.

The traditional methods that Hawaii has used to increase the supply of affordable homes have not worked. Over the course of decades, only a relatively small number of affordable homes have been built compared with the great need. Fortunately, new methods have recently been formulated for building affordable housing, and they are promising.

State or county land is being used to bring down development costs. In addition, innovative financing methodologies are being employed to drastically reduce upfront costs by using future revenue streams. Several projects have been completed using this new strategy.

This bill creates more opportunities for the State to use this new strategy. Furthermore, the bill makes sense from an environmental perspective because the lands identified for the housing would be near transit stations. The need for personal vehicles would be minimized, thereby reducing greenhouse gas emissions. Also, urbanized areas would be made more dense rather than expanding the urban area into agricultural or conservation land.

This bill makes sense financially and environmentally. Hundreds of thousands of Hawaii residents need housing that is more affordable to them. I urge you to pass SB 2064.

January 30, 2024

Senator Stanley Chang, Chair Senate Housing Committee  
Senator Troy Hashimoto, Vice chair Senate Housing Committee  
Senator Lorraine Inouye, Chair, Senate Water and Land Committee  
Brandon S.C. Elefante, Vice-Chair Senate Water and Land Committee

**Re: SB 2064 Relating to the Hawaii housing Finance and Development Corporation**

Dear Senators Chang, Hashimoto, Inouye, Elefante, Members of the Senate Housing and Water and Land Committees:

I am Gail Breakey, resident of Waipio Gentry and long time advocate for children and their families. **I am testifying in strong support for SB 2064**

SB 2064 authorizes the Hawai'i Housing Finance and Development Corporation the right of first refusal for the development of property for all development on state lands, excluding the Stadium Development District and lands under the Hawai'i Public Housing Authority and Department of Hawaiian Home Land lands, that are within county-designated transit-oriented development zones, or within a one-half mile radius of a proposed or existing transit station if the county has not designated transit-oriented development zones, which shall be triggered by a proposed development or proposed transfer of fee simple or leasehold property interest. Requires state departments or agencies to provide one hundred eighty days advance written notice of any approval of a proposed development or proposed transfer of lands.

This legislation provides that the Hawaii Housing Finance and Development Corporation will have the right of first refusal for development on state lands that can be used for affordable housing.

Thank you for the opportunity to testify on this needed legislation, which will promote availability of affordable housing.

Sincerely,

Gail Breakey, RN, MPH