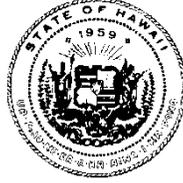


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**JOSH GREEN, M.D.**  
GOVERNOR

**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

**SENATE COMMITTEE ON HOUSING**

January 30, 2024 at 1:00 p.m.  
State Capitol, Room 225

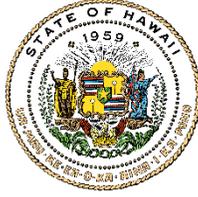
In consideration of  
**S.B. 2337**  
**RELATING TO HOUSING.**

HHFDC supports SB 2337, 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.

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

DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT

RYAN K.P. KANAKA'OLE  
FIRST DEPUTY

DEAN D. UYENO  
ACTING 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

Testimony of  
DAWN N.S. CHANG  
Chairperson

Before the Senate Committee on  
HOUSING

Tuesday, January 30, 2024  
1:00 PM  
State Capitol, Conference Room 225

In consideration of  
SENATE BILL 2337  
RELATING TO HOUSING

Senate Bill (SB) 2337 proposes, in part, to expand the counties' authorization to exercise the same powers as the Hawaii Housing Finance and Development Corporation (HHFDC) for purposes of developing, constructing, financing, refinancing, or providing mixed-income projects and mixed-use developments. **The Department of Land and Natural Resources (Department) acknowledges the intent of this bill and offers the following comments.**

The proposed amendments in SB2337 are not problematic. However, the Department highlights that if the counties are afforded the same exemptions “from all statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, constructions standards for subdivision, development and improvement of land, and the construction of dwelling units...” currently afforded to HHFDC under HRS§201H-38(a), the counties risk noncompliance with National Flood Insurance Program (NFIP) requirements.

The State and counties are participating communities in the NFIP and are subject to compliance with federal regulations established under the National Flood Insurance Act of 1968 (42 U.S.C. §§4001). Pursuant to 44 CFR § 60.3(a), all proposed development and subdivisions encroaching within Special Flood Hazard Areas (SFHA) identified as “A” or “V” type flood zones on the Federal Emergency Management Agency’s Flood Insurance Rate Maps must be reviewed for floodplain management compliance and issued a building and/or development permit prior to construction by the applicable community official.

Any State or county law that is not consistent with the NFIP may jeopardize continued eligibility and participation in the program. *See* 44 CFR § 60.24. The unintended consequences of program suspension, include the following:

- No federal flood insurance can be sold or renewed in non-participating communities. The Federal government requires flood insurance for all buildings located in a SFHA secured with a federally backed loan, including Home Equity Loans.
- Certain forms of federal disaster assistance, including mitigation grants, will not be available in the event of a Presidential Disaster Declaration.

Furthermore, unregulated and/or noncompliant development within floodplains increases the risk to life and property from flooding.

Mahalo for the opportunity to comment on this measure.

**OFFICE OF HOUSING**  
**KE KE'ENA HO'OLĀLĀ KŪKULA HALE**  
**CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-4675 • FAX: (808) 768-4242 • WEBSITE: [www.honolulu.gov/housing](http://www.honolulu.gov/housing)

RICK BLANGIARDI  
MAYOR  
MEIA



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

KEVIN AUGER  
DEPUTY DIRECTOR  
HOPE PO'O

January 29, 2024

2024-HOU-003

The Honorable Stanley Chang, Chair  
The Honorable Troy Hashimoto, Vice-Chair  
and Members of the Senate Committee on Housing  
State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Chang, Vice-Chair Hashimoto, and Committee Members:

**SUBJECT:** Testimony in **Strong Support** of SB2337 – Relating to Housing  
Hearing: Tuesday, January 30, 2024 at the Hawaii State Capitol, Room 225

The Blangiardi Administration strongly supports SB2337. The proposed bill would grant the counties the same authority to develop mixed-use affordable housing projects currently enjoyed by the Hawaii Housing Finance and Development Corporation (HHFDC).

Under §201H-12, HHFDC has the ability to plan, develop, construct, and finance housing projects, including mixed-use developments. As currently written, §46-15.1(a) 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. *It does not allow* the counties 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, Skyline, in June 2023, the Blangiardi Administration is moving swiftly to activate Transit-Oriented Development (TOD) plans that have been adopted by communities surrounding key rail stations. As an example, the city recently acquired two properties in the Iwilei TOD area: the First Hawaiian Bank property and Iwilei Center, which closed in December 2023 and 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 Kūwili Rail Station consistent with the area's TOD Neighborhood Plan.

The Honorable Stanley Chang, Chair  
The Honorable Troy Hashimoto, Vice-Chair  
and Members of the Senate Committee on Housing  
January 29, 2024  
Page 2

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 Iwilei, and other TOD communities. Providing our residents access to commercial, retail, institutional, educational and governmental services, combined with convenient access and close proximity to multi-modal transportation networks, will be vital to the success of these projects. Accordingly, it is essential that the counties possess the same development authority as HHFDC as it relates to mixed-use development and we respectfully ask for the support from your Committee this session to pass these critical amendments.

Thank you for the opportunity to testify in support of this measure and we will be available for any questions regarding this matter.

Sincerely,

A handwritten signature in black ink, appearing to read 'M. Formby', with a long horizontal line extending to the right.

Michael Formby  
Managing Director

Testimony of  
Pacific Resource Partnership

Senate Committee On Housing  
Senator Stanley Chang, Chair  
Senator Troy N. Hashimoto, Vice Chair

SB 2337—Relating To Housing  
Tuesday, January 30, 2024  
1:00 P.M.

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

Pacific Resource Partnership (PRP) is a nonprofit organization that represents the Hawai'i Regional Council of Carpenters, the largest construction union in the state with approximately 6,000 members, in addition to more than 240 diverse contractors ranging from mom-and-pop owned businesses to national companies.

PRP writes in **strong support** of SB 2337, which allows counties to facilitate the development, construction, financing, refinancing, or other provision of mixed-income projects and mixed-use developments and issue bonds for this purpose.

Currently, the law as written, does not allow the counties to use affordable housing bonds to develop affordable housing projects in TOD communities, where our residents have access to commercial retail services, institutional, educational, industrial, and governmental uses. Essentially, for affordable housing projects, the counties need the same development potential as Hawai'i Housing Finance & Development Corporation.

As such, we respectfully request your favorable decision on this measure. Thank you for this opportunity to submit written testimony.



**SB-2337**

Submitted on: 1/29/2024 10:49:03 AM

Testimony for HOU on 1/30/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nathaniel Kinney	Testifying for Hawaii Regional Council of Carpenters	Support	In Person

Comments:

HRCC is in support of this bill to allow counties to do mixed use development. Allowing counties to use affordable housing bonds to finance and build mixed use development would help create more appealing and financially viable projects.

Jan. 30, 2024, 1 p.m.  
Hawaii State Capitol  
Conference Room 225 and Videoconference

**LATE**

**To: Senate Committee on Housing**  
**Senator Stanley Chang, Chair**  
**Senator Troy Hashimoto, Vice-Chair**

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

RE: SB2337 — RELATING TO HOUSING

*Comments only*

Aloha Chair Chang, Vice-Chair Hashimoto and members of the Committee,

Thank you for considering [SB2337](#), 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 the 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

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<sup>1</sup> Jonathan Helton, “[How to facilitate more homebuilding in Hawaii](#),” Grassroot Institute of Hawaii, December 2023, pp. 15-16.



**Hawai'i YIMBY**  
Honolulu, HI 96814  
hawaiiyimby.com  
admin@hawaiiyimby.com

Tuesday, Jan 30, 2024

Senate Committee on Housing  
Hawai'i State Capitol  
Honolulu, HI 96813

**LATE**

**RE: SUPPORT for SB 2337 - RELATING TO HOUSING**

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

On behalf of Hawai'i YIMBY, I'm writing to support SB 2337, which will be a critical step forward in addressing the long-standing housing affordability crisis in our state. By expanding county powers to develop mixed-income housing, this bill will help to alleviate and reverse our housing affordability crisis, and promises a more inclusive and sustainable future for all residents of Hawai'i.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We urge your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Matt Popovich

Co-Lead, Hawai'i YIMBY

