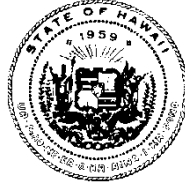


JOSH GREEN, M.D.
GOVERNOR

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 24, 2025 at 2:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 373 HD1
RELATING TO HOUSING.

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports** HB 373 HD1, which repeals the sunset provision in Act 45, SLH 2024, related to the counties' authorization to develop, construct, finance, refinance, or otherwise provide mixed-use developments.

HHFDC supported Act 45, SLH 2024, because it would allow the counties the authorization to issue bonds to develop mixed-use housing projects, which would especially support transit-oriented development. HHFDC supports repealing the sunset date.

Thank you for the opportunity to testify on this bill.

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

RICK BLANGIARDI
MAYOR
MEIA



KEVIN AUGER
EXECUTIVE DIRECTOR
PO'O HO'OKO

February 21, 2025

2025-HOU-028

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

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

SUBJECT: Testimony in Strong Support of HB373, HD1 – Relating to Housing
Hearing: Mon., Feb. 24, 2025, 2 p.m. at the State Capitol, Rm. 308

The Office of Housing **strongly supports** the removal of the sunset date in Act 45 (2024) that requires counties to expend housing bond proceeds on mixed-use developments within four years. The current sunset date is June 30, 2028. More time is needed to further the intent of this Act, which is to incorporate mixed-uses, such as educational, commercial, or governmental uses, when engaging in the development of affordable housing. This short window does not accommodate the time involved to issue a solicitation, select a developer, negotiate the lease and regulatory agreements, issue bonds, and apply the proceeds to support the development. This process can take much longer than four years.

The City recently acquired the Iwilei Center, a 3.95-acre parcel located directly adjacent to the future Kūwili Skyline Station, for over \$50 million with the intention of activating Transit-Oriented Development (TOD) along the rail corridor. The City is about to issue a Request for Qualifications seeking a development partner to undertake a mixed-use redevelopment of this site. Redevelopment of the property has the potential to support hundreds of housing units in addition to retail, government services, recreational, and educational uses. More importantly, this project will serve as the cornerstone for redevelopment of the greater Kūwili Station TOD Area pursuant to the City's Downtown Neighborhood TOD plan, which was approved by the City Council in 2020 and will have transformative impacts for this historically underserved community.

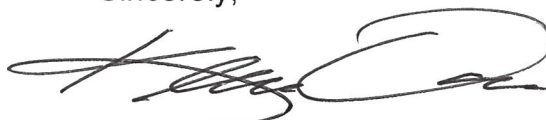
The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
Hawai'i State Capitol
February 21, 2025
Page 2

The sunset provision contained in Act 45 creates unnecessary uncertainty for a developer interested in Iwilei Center and obscures potential financing for the project. This will severely impede the City's efforts to attract an experienced and qualified developer, negatively impacting the overall timing of the redevelopment effort and jeopardizing the delivery of hundreds of affordable housing units located directly adjacent to the rail and within walking distance of the Chinatown and Downtown Districts. While the Blangiardi administration is currently focused on the redevelopment of the Iwilei area, we are working toward activating other key TOD neighborhoods in accordance with the plans developed that involved extensive community engagement. Having the authorization to facilitate mixed-use projects in the long-term will be necessary for the City to implement these TOD plans.

We strongly urge you to remove the sunset provision in Act 45 to allow the City to swiftly move forward projects to facilitate the development and delivery of desperately needed housing.

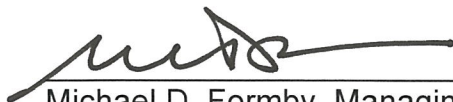
Thank you for the opportunity to testify.

Sincerely,



Kevin D. Auger
Executive Director

APPROVED:



Michael D. Formby, Managing Director Designate
Office of the Managing Director

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

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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 22, 2025

TO: The Honorable Kyle T. Yamashita, Chair
House Committee on Finance

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 24, 2025; TESTIMONY IN SUPPORT OF HB373, HD1, RELATING TO HOUSING**

I **support** this measure to repeal the sunset provision in Act 45, SLH 2024, related to the counties' authorization to develop, construct, finance, refinance, or otherwise provide mixed-use developments..

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, 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. Counties will retain the ability to independently develop and finance mixed-use housing projects, expanding their capacity to create and rehabilitate housing units to meet urgent community needs.
2. Extending this authority is crucial for advancing significant projects, including the Ka'ahumanu Avenue Community Corridor and the West Maui Community Corridor, both of which aim to increase affordable housing options in key areas.
3. A long-term commitment to Act 45's provisions will provide certainty to developers and investors, fostering more public-private collaborations that can accelerate affordable housing development.

Thank you for your consideration.