



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

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House Committee on Higher Education
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by
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HB 1367 – RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

Chair Choy, Vice Chair Ichiyama, and Members of the Committee:

Thank you for the opportunity to present testimony on HB 1367 – Relating to the Hawaii Housing Finance and Development Corporation. The University of Hawai'i respectfully opposes this bill, which seeks to allocate and transfer titles of certain parcels of land located at the University of Hawai'i - West O'ahu's (UHWO) Kapolei campus from the University of Hawai'i (University) to the Hawai'i Housing Finance and Development Corporation (HHFDC). While the University fully supports the coordination and development of beneficial partnerships amongst State agencies, especially in regards to opportunities presented by transit oriented development (TOD), the University strongly believes that this bill will not be in the best interests of the University, HHFDC, and the State of Hawai'i.

In 2002, Campbell Estates conveyed a 500-acre parcel to the University through the State Department of Land and Natural Resources. The land was granted with the understanding that the University would build a 4-year baccalaureate campus to serve the growing west side community and that non-campus lands would be leveraged to provide revenues to offset development costs and generate funds to ensure partial financial sustainability for the campus.

The University recently completed a strategic review of the overall land plan for UHWO, which was approved by the Board of Regents (BOR). This plan differs from the original conceptual land use plan, as referred to in HB 1367, as it envisions the establishment of a 20,000-student campus within the next 30 years together with the development of a vibrant, interactive University village district. Based on this future vision, the BOR approved 300 acres of the makai parcel to be designated for University campus and campus-related uses, with the remainder of 168 acres designated for Community Business Mixed-Use (BMX-3) zoning. BMX-3 is the current zoning for the majority of the 168-acre property. The intent of BMX-3 districts is to provide areas for both commercial and residential uses.

In light of the current plans for the UHWO campus, HB 1367 raises several key concerns:

- The University is in the process of seeking a private-sector master developer to provide the planning, development, infrastructure, and financing expertise that will ensure a thoughtful, phased approach to the development of non-campus lands that will provide an ongoing revenue stream to support the operations, maintenance and growth of the UHWO campus. The master developer would have a track record of successful project implementations in commercial, retail, and residential developments. The developer would also bring expertise and experience in creating University communities that attract diverse and stimulating demographics.
- HHFDC is the State's premier affordable housing developer and state-sponsored homeownership initiatives. While affordable housing will be an important component of the University's non-campus lands, it is not the focal point of the vision for development in this area. Instead, it is the mix of retail and commercial businesses together with the residential aspect that will encourage synergistic activities and create an energetic, livable community that is key to the University district concept – which is not the core of HHFDC's mission and specialization.
- HB 1367 identifies the transfer of several properties to HHFDC that the BOR has approved for future campus use. It is critical that these properties remain under the University's control in order to accommodate the higher education needs and demands of the State as its population and demographics change over time.

In the alternative, the University welcomes the opportunity to coordinate, collaborate, and partner, as appropriate, with HHFDC and other government agencies to ensure a comprehensive and integrated approach to development in the area with regards to infrastructure, core facilities, and shared benefits.

Thank you for the opportunity to provide testimony on HB 1367. The University looks forward to open and ongoing dialogue with HHFDC and other government agencies that have interests and projects in the area.