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OFFICE OF HOUSING
KE KE'ENA HO'OLĀLĀ 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

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

KEVIN AUGER
DEPUTY DIRECTOR
HOPE PO'O

November 21, 2024

2024-HOU-062

The Honorable Radiant Cordero, Chair
and Members
Committee on Budget
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Cordero and Councilmembers:

SUBJECT: Support for Bill 54 (2024) – Relating to the Creation of the Taxable General Improvement Bond Fund

The Office of Housing (HOU) **supports** Bill 54 (2024), which would create the Taxable General Improvement Bond Fund to receive and expend proceeds from the sale of taxable bonds. This fund will be necessary to provide the flexibility needed to include mixed-use development as the City engages in the development of housing, as well as to provide a fiscal and budgetary control to separately track and account for taxable bond proceeds versus tax exempt bond proceeds.

Mixed-use development incorporates housing with other uses, such as childcare centers, commercial hubs, and governmental services. This type of development is part of the community vision laid out in the O'ahu General Plan, and is particularly desired in Transit-Oriented Development (TOD) areas. During the 2024 State Legislative Session, the City advocated for the counties to be able to use their bonds to provide the community with access to a range of services and opportunities close to where they live. This effort resulted in Act 45 (2024), which grants counties with the mixed-use development authority for a very limited period of time due to a 2028 sunset provision. In 2025, we will advocate for legislation to remove the Act's sunset provision. Mixed-use bond authority will help the City to redevelop and revitalize areas like Iwilei near the future Kuwili rail station.

MAYOR'S MESSAGE 204 BUD

Thank you for the opportunity to provide testimony on this matter.

Very truly yours,

Denise Iseri-Matsubara
Executive Director

APPROVED:

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