

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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
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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

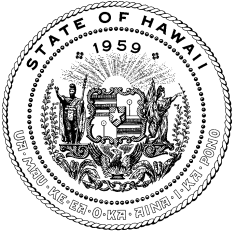
January 31, 2019 at 9:30 a.m.
State Capitol, Room 423

In consideration of
H.B. 1403
RELATING TO HOUSING.

The HHFDC ***offers the following comments*** on H.B. 1403. We appreciate the intent of this bill, which seeks to hasten permitting and environmental review processes for affordable rental housing projects financed by the Rental Housing Revolving Fund (RHRF).

However, we do not believe that an exemption from environmental laws is necessary. The Environmental Council is nearing completion of an update of its Environmental Impact Statement (EIS) rules, Chapter 11-200, Hawaii Administrative Rules. The proposed rules include an exemption from preparation of an environmental assessment for the new construction of affordable housing. Pursuant to the proposed §11-200.1-15(c)(1), HAR, an affordable housing project can be exempt if it has the use of State or county lands or funds, or is located within Waikiki as the sole trigger for compliance with Chapter 343, HRS; is located in the State urban district; is consistent with the existing county zoning; and does not require variances for shoreline setbacks or siting in an environmentally sensitive area. The Environmental Council estimates the updated EIS rules will be effective in Spring 2019.

Thank you for the opportunity to testify.



OFFICE OF ENVIRONMENTAL QUALITY CONTROL

DEPARTMENT OF HEALTH | 235 South Beretania Street, Suite 702, Honolulu, HI 96813 | oeqchawaii@doh.hawaii.gov

DAVID Y. IGE
GOVERNOR

SCOTT GLENN
DIRECTOR

(808) 586-4185

Testimony of
SCOTT GLENN, Director

before the
HOUSE COMMITTEE ON HOUSING
Thursday, January 31, 2019
9:30 AM
State Capitol, Conference Room 423

in consideration of
HOUSE BILL 1403
RELATING TO HOUSING

Chair Brower, Vice Chair Matayoshi, and Members of the House Committee on Housing,

The Office of Environmental Quality Control (OEQC) administers Chapter 343, Environmental Impact Statements (EIS), Hawai'i Revised Statutes (HRS). The purpose of the EIS law is to "establish a system of environmental review which ensures that environmental concerns are given appropriate consideration in decision making along with economic and technical considerations" (HRS § 343-1). Additionally, the OEQC serves "the Governor in an advisory capacity on all matters relating to environmental quality control," as directed in HRS § 341-3.

House Bill 1403 proposes to exclude from Chapter 343, HRS, any development, pre-development, construction, or substantial rehabilitation that: (1) commences on a housing development project after July 1, 2019, and before July 1, 2026; and (2) uses moneys from the rental housing revolving fund established under section 201H-202.

The Environmental Council ("Council") promulgates administrative rules for the implementation of Chapter 343, HRS. The Council has recently completed rulemaking to repeal Hawai'i Administrative Rules (HAR) Chapter 11-200, Environmental Impact Statements, and promulgate HAR Chapter 11-200.1. Included in this update are provisions for exemptions for the construction of new affordable housing that is in the EIS law because of the use of state lands or funds.

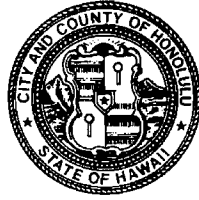
The OEQC and the Environmental Council respectfully request that the Legislature defer making amendments to Chapter 343, HRS, including exclusions from the statute, while the new rules are moving into adoption and implementation during the spring of 2019. Should this measure move forward, the OEQC respectfully requests the House Committee on Housing to remove Section 2 pertaining to Chapter 343, HRS.

Thank you for the opportunity to testify on this measure.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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KATHY K. SOKUGAWA
ACTING DIRECTOR

TIMOTHY F. T. HIU
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

January 31, 2019

The Honorable Tom Brower, Chair
and Members of the Committee on Housing
Hawaii House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

**Subject: House Bill No. 1403
Relating to Housing**

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 1403, which would require a county to approve, approve with modifications, or disapprove an application for a permit necessary for a housing development project within 30 days, or the application would be automatically approved. The Bill also would exempt certain projects from environmental impact statement requirements.

Housing projects nearly always require more than just a building permit before construction can begin. Is the land properly zoned? Is the project in a flood hazard zone? Does it meet height and density requirements? Is it in a special management area and require an EIS? Is the project planned in an area that is known to have cultural artifacts? All of this – and more – come into play when reviewing a housing project and can take months to complete.

To require that all of these reviews be done in a 30-day period would be unrealistic. For one, there are many other agencies, including State and Federal agencies, that are involved in the review, and we have no control over how long they take to return an application. Also, by rushing through an application, many deficiencies may be missed. These problems will be caught in the field by our inspectors, who could put a halt to the construction, revoke a permit, and cause unintended delays. This Bill also would require an applicant to respond to a county's comments or questions in an application within five business days, or the 30-day approval mandate would not apply. We foresee this occurring more often than not because corrections to applications often are complicated and sometimes require major redesigns.

The DPP is reviewing our own permitting process with the goal of shortening the time it takes to process a permit. By requiring that certain projects leap-frog other projects would push other projects further down the queue and cause severe delays in the processing of those permits.

We agree that there is a severe shortage of affordable rental housing, not doubt about it. And we understand the urgency in providing housing for our most vulnerable population. But to

The Honorable Tom Brower, Chair
and Members of the Committee on Housing
Hawaii House of Representatives
January 31, 2019
House Bill No. 1403
Page 2

bypass a county's review process would jeopardize the health and safety of the people we seek to protect.

Lastly, we understand the desire to exempt these affordable housing projects from the environmental impact disclosure process of Chapter 343. Care must be made, however, that properties with key environmental assets, such as archeological or historic resources, or wetland processes, are identified and appropriately addressed before significant investments are made.

For the reasons stated above, we ask that House Bill No. 1403 be held in Committee. Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kathy K. Sokugawa", written in a cursive style.

Kathy K. Sokugawa
Acting Director



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Toll Free: 1-866-400-1116
www.hawaiiancommunity.net

January 30, 2019

House Committee on Housing
Thursday, January 31, 2019
Conference Room 423

HB1403 – Relating to Housing

Aloha Committee Chair, Vice-Chair, and Members:

I am submitting testimony in my capacity as Executive Director of Hawaiian Community Assets (HCA), a nonprofit community development corporation, HUD-approved housing counseling agency, and community development financial institution to **SUPPORT HB1403 WITH AMENDMENTS**.

As a Native Hawaiian controlled organization, we understand the delicate and critical balance between affordable housing development and preservation of cultural and environmental resources.

We recommend the Committee amend HB1403 by striking the language that exempts affordable housing projects from environmental impact statements specifically for projects that receive automatic approval should the Counties fail to act in a timely manner. These affordable housing projects should still be required to abide by the State statute on environmental impact statements.

Environmental impact statements are vital to conform our affordable housing projects to environmental safety and thereby ensure sustainable development. They are necessary for the planning and management to take long-term measures for effective management as well as environment conservation.

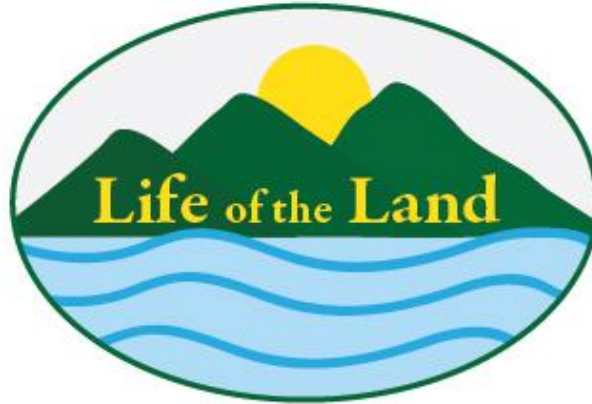
Please pass HB1403 with our suggested amendment.

Mahalo for your time, leadership and consideration. Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions or need additional information.

Sincerely,

A handwritten signature in black ink that reads "Jeff Gilbreath".

Jeff Gilbreath
Executive Director



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON HOUSING

Rep. Tom Brower, Chair

Rep. Scot Z. Matayoshi, Vice Chair

DATE: Thursday, January 31, 2019

TIME: 9:30 a.m.

PLACE: Conference Room 423

HB 1403 RELATING TO HOUSING.

Comments

Automatic approval for non-action by county. Project exempted from environmental impact statement requirements. Applies to housing development project that uses moneys from the rental housing revolving fund built from 2019-26

Aloha Chair Brower, Vice Chair Matayoshi, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 47 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Life of the Land **VEHEMENTLY OBJECTS** to using the house crisis as a end-run around environmental laws. The Legislature has the capacity to write reasonable laws that promote sound housing policy instead of allowing illegal rentals and minimizing long-term affordable rental units.

Mahalo

Henry Curtis

Executive Director

HB-1403

Submitted on: 1/30/2019 12:27:02 PM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Shannon	Hot Yoga Hilo	Oppose	No

Comments:

All new housing projects should play by the same rules. Please do not pass any bills or resolutions that exempt any projects from EIS or obtaining all necessary and important permits from county or state. These permits and procedures are here for a reason and all should be required to follow the same rules. We need to work on tightening up our county permitting procedures to avoid or reduce costly delays but exempting certain buildings or projects doesn't seem equitable or correct as it could open the state and counties up to lawsuits and liabilities for rushing/exempting certain projects.



SIERRA CLUB OF HAWAII

MĀLAMA I KA HONUA. *Cherish the Earth.*

HOUSE COMMITTEE ON HOUSING

January 31, 2019 9:30 AM Room 325

In **OPPOSITION** to **HB1403**: Relating to Housing

LATE

Aloha Chair Brower, Vice Chair Matayoshi, and members of the Housing Committee,

On behalf of our 20,000 members and supporters, the Sierra Club of Hawai'i **opposes HB1403** because it would authorize a wholesale exemption from the statute requiring environmental impact statements and imposes an unreasonable automatic approval trigger on county decisionmakers.

This bill would:

- 1) Exempt all projects using funds from the Rental Housing Revolving Fund HRS §201H-22 from all requirements of Hawai'i's Environmental Policy Act HRS §343.
- 2) Impose a 30-day automatic approval for any project using funds from the Rental Housing Revolving Fund

We recognize that Hawai'i is suffering a housing crisis. More affordable housing must be built to ensure that everyone in Hawai'i has a decent place to live. This self-made crisis, however, does not justify total circumvention of the laws designed to ensure a high-quality of living for all of Hawai'i's people.

Environmental impact statements support quality development projects

Compliance with Chapter 343 is as much about protecting natural and cultural resources as it is about ensuring livable communities, good urban design, satisfaction of minimum infrastructure needs, and thoughtful traffic management. Affordable housing projects have the potential to significantly affect the quality of life for residents of the proposed project, as well as the surrounding community. The exemption as currently written is ripe for abuse by developers seeking to build less-than-affordable housing without any environmental review.

Automatic approvals are bad public policy

It is in everyone's interest to ensure that major construction projects are well-developed. Counties should take a reasonable amount of time to verify that a project meets all the requirements necessary to build quality housing. 30 days is not reasonable.

The bill recognizes the importance of ensuring compliance with some minimum requirements. Section d of the bill states:

“(d) An applicant shall comply with all applicable safety and engineering requirements relating to the development, pre-development, construction, or substantial rehabilitation of a housing development project.”

It is unclear how under the terms of this bill a county could in 30 days both verify all “safety and engineering requirements” and ensure compliance with the myriad building code, traffic, and water infrastructure requirements residents expect in modern building projects.

Circumventing the laws that protect our environment, support informed decision-making, and uphold our quality of life will not ensure desperately needed affordable housing is built quickly. Developing projects in compliance with state and county laws does. For these reasons, we strongly urge your committee to defer HB1403. Thank you very much for this opportunity to provide testimony on this matter.

HB-1403

Submitted on: 1/29/2019 3:25:36 AM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Gonce	Individual	Oppose	No

Comments:

In opposition because of the exemption to Environmental Impact Statements. All projects, regardless of which funds are being used, should go through the task of laying out the impacts on the environment as we live within our ecosystems not above them. History has shown that forgoing this crucial step has caused much more costs, degradation, and problems in the future.

HB-1403

Submitted on: 1/29/2019 1:43:32 PM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Oppose	No

Comments:

Just because the DPP can't make a decision fast enough shouldn't mean that the development should be allowed. This is a magnet for bribery, and why should we the people suffer because the DPP is backlogged, inefficient or can't find the time?

HB-1403

Submitted on: 1/30/2019 9:03:24 AM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Koohan Paik	Individual	Oppose	No

Comments:

HB-1403

Submitted on: 1/30/2019 9:28:16 AM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Barbara Hershey	Individual	Oppose	No

Comments:

HB-1403

Submitted on: 1/30/2019 12:11:11 PM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jennifer Mather	Individual	Oppose	No

Comments:

HB-1403

Submitted on: 1/30/2019 2:59:58 PM

Testimony for HSG on 1/31/2019 9:30:00 AM

RECEIVED
Date & Time
Jan 30, 2019, 3:48 pm

Submitted By	Organization	Testifier Position	Present at Hearing
L.M. Holmes	Individual	Oppose	No

Comments:

I write in strong opposition to allowing these housing projects to avoid Environmental Impact Statement requirements. This is a terrible idea for any project, and can lead to a lot of trouble later which should have been avoided. Please do not pass this bill.

Mahalo,

Dr. Lorna Holmes, Honolulu

LATE

RECEIVED
Date & Time
Jan 30, 2019, 4:54 pm

HB-1403

Submitted on: 1/30/2019 4:28:01 PM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hanalei Fergerstrom	Individual	Oppose	No

Comments:

Na Kupuna Moku O Keawe do not agree that certain project may be exempted from environmental review. Environmental reviews as an EA or and EIS is vital for the protection of the people. Environmental reviews allow people to express concerns for the safeguard of our communities.

Hanalei Fergerstrom. Na Kupuna Moku O Keawe

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LATE

**Testimony Before the House Committee on Housing in
Support of HB 1403, Accelerating Permits on, or Reducing
Barriers to, Rental Housing Revolving Fund Projects**

Galen Fox, January 31, 2019

Chair Brower, Committee Members:

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Date & Time
Jan 31, 2019, 6:55 am

The State Special Action Team last July identified the 2025 statewide housing demand as 65,000 units, with 44,000 of those units needed by households making 80 percent or less of area median income (AMI).

The Rental Housing Revolving Fund is the place to oversee construction of low-cost housing. Its funds go to build rentals for households making 80 percent or less AMI.

Developers interested in meeting this low-cost housing demand are frustrated, however, by permit process delays at the county level, and by the delays imposed by the Environmental Impact Statement (EIS) process.

HB 1403 would streamline the county permit process by instituting automatic approval if a project remains unapproved after a certain fixed time period. The process laid out in HB 1403 provides for a necessary back-and-forth between developer and the approving agency, and offers other reasonable assurances.

Regarding the EIS, low-cost rental housing projects of necessity are constructed in developed urban areas, with infrastructure and other costs minimized including through use of government land. Mahalo.

HB-1403

Submitted on: 1/30/2019 8:48:00 PM

Testimony for HSG on 1/31/2019 9:30:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Cory Harden	Individual	Oppose	No

Comments:

Aloha legislators,

We need more housing, but we don't need to fling open the door to unforeseen environmental impacts!

mahalo,

Cory Harden, Hilo

HB-1403

Submitted on: 1/31/2019 11:59:26 AM

Testimony for HSG on 1/31/2019 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc. - www.WeAreOne.cc - WAO	Oppose	No

Comments:

NO Exemption of EIS's

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LATE