



# OFFICE OF PLANNING STATE OF HAWAII

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Statement of  
**RODNEY FUNAKOSHI**  
Planning Program Administrator, Office of Planning  
before the  
**HOUSE COMMITTEE ON WATER, LAND, AND HAWAIIAN AFFAIRS**  
Wednesday, February 13, 2019  
11:15 AM  
State Capitol, Conference Room 325

in consideration of  
**HB 1209, HD1**  
**RELATING TO HOUSING.**

Chair Yamane, Vice Chair Todd, and Members of the House Committee on Water, Land, and Hawaiian Affairs.

The Office of Planning (OP) offers these **comments** on HB 1209, HD1, which would provide a process for approval of State Land Use Boundary Amendments consistent with county plans to allow housing development, require prioritization of infrastructure funding to support housing development, and provide for an expedited county approvals process for housing developments that include below market-rate units.

HB 1209 would add two subsections to Hawaii Revised Statutes (HRS), §205-4. Subsection (d) provides that whenever a county land use decision-making authority approves by ordinance “a general plan, development plan, community plan, or sustainable community plan”, such approval automatically triggers a Petition for a District Boundary Amendment (DBA) subject to concurrence by the Land Use Commission (LUC) to make the State Land Use District Boundaries consistent with the county plan if necessary. OP believes that §§(d) should make clear that a DBA action before the LUC is only triggered if the approved county plan contains “quantitative annual housing production goals agreed upon by the State” for four income categories. Furthermore, the “State” entity that would agree to the county housing production goals should be specified.

HB 1209 would also add §§(e) to HRS, §205-4 to require all agencies responsible for providing public infrastructure to land areas with boundary amendments adopted pursuant to §§(d) to prepare a budget prioritizing funding for all infrastructure required to support the housing production reflected in the approved county plans within one year of the effective date of the boundary amendment. OP believes that a more effective way to ensure the necessary infrastructure to support the housing development would be to require an implementation plan as part of the county planning and zoning approval process.

Finally, HB 1209 would add two new sections to Chapter 46, HRS. One section would require a county that fails to meet its annual housing production goals for two consecutive years for any or all the income categories to be subject to a “streamlined housing approval process”, provided that “the State shall decide whether the county will be subject to the streamlined housing approval process” if the county’s housing production or the home buyer market was affected by abnormal market conditions. The “State” entity should be specified.

Thank you for the opportunity to testify on this measure.



**DAVID Y. IGE**  
Governor

**JOSH GREEN**  
Lieutenant Governor

**MIKE MCCARTNEY**  
Director

**LAND USE COMMISSION**  
Department of Business, Economic Development & Tourism  
State of Hawai'i

**DANIEL ORODENKER**  
Executive Officer

**Bert K. Saruwatari**  
Planner

**SCOTT A.K. DERRICKSON AICP**  
Planner

**RILEY K. HAKODA**  
Chief Clerk/Planner

**RASMI AGRAHARI**  
Planner

**FRED A. TALON**  
Drafting Technician

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Statement of  
**Daniel E. Orodenker**  
**Executive Officer**  
Land Use Commission  
Before the  
**House Committee on Water, Land and Hawaiian Affairs**

Wednesday February 13, 2019  
11:15 AM  
State Capitol, Conference Room 325

In consideration of  
**HB 1209 HD1**  
**RELATING TO HOUSING**

Chair Yamane; Vice Chair Todd; and members of the Committee on Water, Land and Hawaiian Affairs:

The LUC opposes HB 1209 HD1 in that it amends Hawai'i Revised Statutes (HRS) section 205-4 to allow county general plans, development plans, community plans or sustainable community plans to result in boundary amendments with concurrence by the LUC, but without further action.

The LUC has the following comments:

1. Changing district boundaries without offering every impacted landowner an opportunity for a contested case likely violates the Supreme Court decision in the Towne case and denies landowners due process under the constitution.
2. District Boundary Amendments cannot be done without a public trust doctrine analysis under various Supreme Court cases. The analysis must be done at some level. The LUC performs this function. The Counties would have to do it if we did not. Thus, accounting for these public trust issues and amending the county plans would be extremely unwieldy and expensive for the Counties as they would have to hold numerous contested case hearings to meet the legal requirements. If the analysis isn't done, any district boundary amendment would be inherently void.
3. Constitutionally protected traditional and customary practices would have to be addressed and impacts to them analyzed at the county level during county plan amendment processes.

4. HRS Chapter 343 requirements are triggered whenever State Conservation boundaries are amended.
5. “Concurrence” would mean agreement by the LUC. This could not occur without the LUC performing a HRS Chapter 205 District Boundary Amendment analysis and a DBA proceeding for every parcel.
6. The bill is internally inconsistent. Proposed language on page 6, line 5: “No further action of the commission will be necessary.” But HRS section 205-4 (h) (proposed to be changed to (j)) on page 10 provides that the LUC may not approve any DBA without going through a complete HRS Chapter 205 analysis.
7. Section 3 of the Bill would put the State budget and expenditures at the whim of the counties’ planning process and would force agencies to plan and build infrastructure based on county, not State, priorities. The bill does not have a provision that would allow for State priorities to be paramount or control infrastructure expenditures. The counties could theoretically force the State to make significant expenditures to meet county goals or, in effect, leave the State holding the bag on infrastructure planning and development.
8. By forcing the State and county agencies to build the infrastructure for a newly designated area, the entire burden for infrastructure would fall on the taxpayer. Right now, the developers bear a large initial part of those costs.
9. If the idea is to get at affordable housing, HRS Chapter 201H already provides for an expedited process and waiver of county rules upon approval of the LUC. It has been very successful and the LUC has approved a number of projects through that process.
10. The availability of urban designated land is clearly not the problem. In 2017, the LUC Housing Petition Approval study showed that since 1980 the Commission has approved over 156,000 housing units statewide through project approvals. The Commission does not know exactly how many of those approved units have been built through the counties’ approval process. However, we do believe that there are over 23,000 units on O`ahu (out of 89,000 approved since 1980), with the land already urbanized, that have not been built and are not progressing to construction. This represents around 25% of the total number of units that the LUC has approved on O`ahu since 1980.

In summary, streamlining of affordable housing is already addressed by the HRS section 201H process; any attempt to reclassify land outside of a contested case proceeding may be contrary to Supreme Court decisions, does not take into account public trust issues, including native Hawaiian traditional and customary rights; and, may be violative of HRS Chapter 343 environmental impact disclosure requirements.

Thank you for the opportunity to testify on this matter.



**HB1209 HD1  
RELATING TO HOUSING**

Ke Kōmike Wai, ka 'Āina, a me nā Kuleana Hawai'i

Pepeluali 13, 2019

11:15 a.m.

Lumi 325

The Office of Hawaiian Affairs (OHA) **OPPOSES** House Bill 1209 HD1, which could **substantially impair the State Land Use Commission's (LUC's) ability to consider and mitigate impacts to natural and cultural resources and associated Native Hawaiian traditional and customary practices.**

Currently, the District Boundary Amendments (DBAs) approval process involving land parcels larger than 15 acres requires comprehensive review and approval by both the county land use decision making authority and the LUC. HB1209 HD1 would amend this process by significantly limiting the role of the LUC, allowing DBAs reflected in county plans to be made with the mere "concurrence" of the LUC, so long as a county land use decision-making authority approves of the change, and the county and State agree upon annual housing production goals for specified income categories. **By so severely limiting the LUC's authority to a mere "concurrence," this measure may undermine critical procedural mechanisms and substantive safeguards that represent one of the few means by which natural and cultural resources and their associated Native Hawaiian traditional and customary practices are protected in land use decisionmaking.**

The LUC was created nearly 60 years ago with the paramount purpose of serving as the State agency "responsible for preserving and protecting Hawai'i's lands and encouraging those uses to which lands are best suited."<sup>1</sup> Arising from "a lack of adequate controls," where shortsighted consumption of Hawai'i's incredibly finite land inventory and resources had resulted in "long-term loss to the income and growth potential of our State's economy,"<sup>2</sup> the LUC now reviews certain DBAs to ensure that large development projects are consistent with the standards that the State has set for the present and future advancement of these islands, including with respect to Native Hawaiian cultural perpetuation.<sup>3</sup> Such LUC review entails an analysis of various environmental, cultural, and socioeconomic impacts, areas in which the LUC has particular expertise and institutional knowledge. LUC decision-making criteria include, in particular, the "maintenance of valued cultural, historical, or natural resources," taking into

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<sup>1</sup> State of Hawai'i Land Use Commission website, History, <http://luc.hawaii.gov/about/history-3/>, accessed on Jan. 29, 2018.

<sup>2</sup> *Id.*

<sup>3</sup> See State of Hawai'i Land Use Commission website, Boundary Amendment Procedures, <http://luc.hawaii.gov/about/district-boundary-amendment-procedures/>, accessed on Jan. 29, 2018.

consideration: “(1) the identity and scope of ‘valued cultural, historical, or natural resources’ in the petition area, including the extent to which traditional and customary native Hawaiian rights are exercised in the petition area; (2) the extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action; and (3) the feasible action, if any, to be taken by the (agency) to reasonably protect native Hawaiian rights if they are found to exist.”<sup>4</sup> **In many cases, such LUC review may also be the only opportunity for Native Hawaiians to assert their constitutionally-protected traditional and customary rights with respect to development proposals, in a government forum intended to meaningfully address their concerns.**

By limiting LUC review of district boundary amendments to mere “concurrence” with the county land use decision-making authority, this measure may eliminate the only opportunity for Native Hawaiians to assert their constitutionally protected rights in development decisionmaking, as well as a critical land use planning mechanism that properly balances development with Native Hawaiian cultural perpetuation and other critical considerations of importance to the public. **With ever-growing development pressure by speculators and land investment corporations, the needs and concerns that gave rise to the establishment of the LUC may be of even greater consequence today than they were nearly 60 years ago.** Notably, the loss of the LUC’s careful and comprehensive consideration of the needs of and impacts to both Native Hawaiians and the State generally would not be balanced by any marginal benefit gained in the production of units most needed by Hawai‘i residents.

**Notably, there is no data to suggest that review by the LUC meaningfully contributes to delays in the development timeline for housing production.** Currently, the LUC reviews district boundary amendment petitions involving 15 acres or more of land; accordingly, the LUC is only required to review housing-related projects when they are proposed for non-urban lands, and only when such projects require at least 15 acres. The LUC is also required to approve or deny a complete petition within 365 days from its submission, or 45 days for petitions for affordable housing projects; the LUC has also rarely, if ever, denied a complete petition. In addition, LUC review has not been the main source of delay in development generally; the median timeframe for LUC decision-making between 1995 and 2014 was approximately 14 months, compared to 24 months for the development of necessary infrastructure and facilities.<sup>5</sup> “Substantial delays” in final LUC decision making have been infrequent, and have generally occurred only for projects involving significant land use policy conflicts. Notably, since 2010, the LUC has approved seven housing-related petitions proposing 9,389 housing units with an estimated 3,675 of those units being reserved as affordable.

Accordingly, OHA urges the Committee to **HOLD** HB1209 HD1. Mahalo for the opportunity to testify on this measure.

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<sup>4</sup> *Ka Pa‘akai O Ka ‘Āina v. Land Use Commission*, 94 Haw. 31 (2000).

<sup>5</sup> THE STATE LAND USE TASK FORCE, STATE LAND USE SYSTEM REVIEW DRAFT REPORT III (2015).

# McCully Works

40 Kamehameha Ave.

Hilo, Hi. 96720

HB 1209, HD1      SUPPORT

February 12, 2019

House Committee on Water, Land, and Hawaiian Affairs

Aloha Chair Yamane,

This bill was brought to my attention while researching SB1135, which also addresses modifying statutory controls relating to the Land Use Commission (LUC). SB1135, SD1 seeks to modify HRS 205-4 to allow the Commission to vacate, void or amend a previous decision made by that Commission, based on it's concerns or that of any other party.

The bill before your committee, HB1209, HD1 seeks to amend HRS 205-4 to streamline certain processes when certain conditions are complied with and to allow the respective counties decisions relating to boundary amendments to proceed when complying with specific requirements enumerated in this bill.

The bill seeks to correct inefficiencies in the land use entitlement process that has led to severe hardships based on increased housing costs to the detriment of the public.

There are broad principals at work here, each specified in the Hawaii State Constitution. Supporters of this bill would likely cite Article VII; Local Government which establishes what we commonly call "Home Rule".

Opponents have cited Article XI; Conservation, Control, and Development of Resources, which establishes what we know as the "Public Trust Doctrine".

My observation is that all of the various political subdivisions of the state are required to comply with the Public Trust Doctrine. It is not the exclusive preserve of any one entity. There is a verifiable connection between availability of land and housing costs. I live in East Hawaii with the lowest housing costs in the State. Why ? The huge resource of available lots for home building. I support Home Rule and I support this bill.

Please Support HB1209, HD1

Mahalo,

James McCully

McCully Works

40 Kamehameha Ave., Hilo, Hi. 96720



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COMMITTEE ON WATER, LAND & HAWAIIAN AFFAIRS  
Wednesday, February 12, 2019, 11:15 AM, Conference Room 325

HB 1209, HD1, RELATING TO HOUSING

**TESTIMONY**

Ann Shaver, Legislative Committee, League of Women Voters of Hawaii

Chair Yamane, Vice-Chair Todd and Committee Members:

Although the League of Women Voters is acutely aware of Hawaii's "housing crisis," the League opposes this bill because it subjugates protecting our natural resources to the constitutionally mandated requirement to conserve and protect all natural resources, including land, water, air, minerals and energy sources.

The League recognizes that all public natural resources are held in trust by the State for the benefit of the people. To assure the future availability of such essential resources, their protection must be of paramount importance. Indeed, Hawai'i Supreme Court decisions require the Land Use Commission to ensure that the public's interests in water, public access and aquifers are not adversely impacted by a proposed land use boundary change. This bill, however, requires that the Land Use commission concur with land-use boundary amendments identified in county general plans, and community development plans.

On balance, the League believes this bill is not an appropriate way to mitigate the recognized housing shortfall.

Thank you for allowing us to offer testimony.



**HB-1209-HD-1**

Submitted on: 2/11/2019 9:57:18 PM

Testimony for WLH on 2/13/2019 11:15:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Foster	Hawaii Advocates For Consumer Rights	Oppose	No

Comments:

**WHY VOTE NO?**

Requiring the LUC to adopt county-identified land use boundary amendments means that public trust issues will not be reviewed or that a contested case can not be requested, thus denying the public a chance to appeal. Requiring the LUC to adopt county-identified land use boundary amendments prevents the LUC from reviewing impacts of a proposed land use change on native Hawaiian traditional and customary rights and archaeological resources.

The Hawai'i Supreme Court has already established that any change in a land use designation requires public notice and the opportunity to request a contested case to ensure due process. Hawai'i Supreme Court decisions require the LUC to ensure that the public's interests in water, public access and aquifers are not adversely impacted by a proposed land use boundary change.

Hawai'i is the only state that has included the public trust doctrine into its state constitution. The quest for affordable housing must not put our islands' finite and fragile natural and cultural resources in jeopardy.

Hawaii's Constitution adopts the public trust doctrine as a fundamental principle of constitutional law. Article XI, section 1 provides as follows:

For the benefit of present and future generations, the State and its political subdivisions shall conserve and protect Hawaii's natural beauty and all natural resources, including land, water, air, minerals and energy sources, and shall promote the development and utilization of these resources in a manner consistent with their conservation and in furtherance of the self-sufficiency of the State.

**All public natural resources are held in trust by the State for the benefit of the people.**

Scott Foster,  
Communications Director  
Hawaii Advocates For Consumer Rights  
<<http://advocatesforconsumerrights.org/>>





*Hawaii's Thousand Friends*

300 Kuulei Rd. Unit A #281 \* Kailua, HI 96734 \* Phone/Fax (808) 262-0682 E-Mail: [htff3000@gmail.com](mailto:htff3000@gmail.com)

February 13, 2019

COMMITTEE ON WATER, LAND, & HAWAIIAN AFFAIRS

Rep. Ryan I. Yamane, Chair

Rep. Chris Todd, Vice Chair

SB 1209 HD1

RELATING TO HOUSING

Hawaii's Thousand Friends (HTF), a non-profit organization dedicated to ensuring that land use planning and decisions protect the environment, human health and natural and cultural resources, opposes SB 1209 HD1 that prevents the Land Use Commission (LUC) from ensuring that the public's interests in water, public access and aquifers are not adversely impacted by a proposed land use boundary change.

HTF opposes requiring the LUC to concur with land use boundary amendments identified in county general plans, development plans, community plans or sustainable community plans.

The proposed process prevents the LUC from reviewing impacts to public trust resources and the public's right to request a contested case when a land use change is sought.

Since the objective of SB 1209 is to provide more affordable housing statewide the legislature need look no further than the amount of existing housing lost to Transient Vacation Unit (TVU) rentals.

On Maui, 1 in 7 units of available housing is used as a TVU, with 52% of homes and 60% of all condos sold to non-residents. Of the approximately 9,000 TVUs that are active on Maui, only 223 are legal.

On Kauai, 1 in 10 of all housing is rented short term and withdrawn from the local market.

Statewide 1 in 24 homes are being used as a TVU and not available for the local housing market.

Statewide condominiums account for 23,742 short-term rentals, whole houses about 11,533 and private rooms about 1,997. (HTA 2017 Report) This equals 37,272 units removed from the local housing market.

A 2015 study by the Honolulu Office of Community Services found that at 80% occupancy, the average TVU would bring in about 3.5 times more revenue than a long-term rental (Appleseed report 2018).

With 27% of all homes sold in the state purchased by non-residents and TVR rentals so lucrative neither the State nor the counties can build their way out of the current “housing crisis.”

Hold SB 1209 HD1 in committee because it will not solve our state’s “housing crisis” and may make it worse by encouraging the development of more housing that won’t be regulated to prevent the lucrative TVU business from removing housing from the local market.

# Joel K. LaPinta

## Re: Testimony Regarding HB 1209 SUPPORT

The bill before your committee, HB1209, HD1 seeks to amend HRS 205-4 to empower the various counties to make decisions relating to state land use boundary amendments when in compliance with specific requirements enumerated in the bill. One of the reasons stated in the bill for the need to change the statute is that:

“Hawaii’s comprehensive land use system and policies, coupled with an overlapping county entitlement process, are the dominant reasons for the severe housing shortage in the State.”

There are studies in urban economics in support of this claim. Studies show a positive correlation between ‘the number of independent reviews to obtain a building permit or a zoning change and higher land prices,’ housing prices, and homelessness:

- 1) Nils Kok (a), Paavo Monkkonen (b), John M. Quigley (c), 2014, Land use regulations and the value of land and housing: An intra-metropolitan analysis.<sup>1</sup> Journal of Urban Economics 81 136-148: (a) Maastricht University, (b) Netherlands, University of California, Los Angeles, CA, and (c) University of California, Berkeley, CA.
- 2) Steven Raphael, November 2009. Homelessness and Housing market Regulation.<sup>2</sup> Working Paper no. W09-006, Fisher Center for Real Estate and Urban Economics, University of California, Berkeley. CA

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### <sup>1</sup> a b s t r a c t

Inferences about the determinants of land prices in urban areas are typically based on housing transactions, which combine payments for land and long-lived improvements. In contrast, we investigate directly the determinants of urban land prices within a metropolitan area – the San Francisco Bay Area. Our analysis focuses on the relationship between the regulation of urban development within different jurisdictions and land prices, while considering other factors that shape the value of land, such as topography and access to jobs. We find that cities that require a greater number of independent reviews to obtain a building permit or a zoning change have higher land prices, *ceteris paribus*. Finally, we relate the variation in land prices to the prices paid for housing in the region and show that local land use regulations are closely linked to the value of houses sold. This is in part because regulations are so pervasive, and also because land values represent such a large fraction of house values in the San Francisco Bay Area.

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### <sup>2</sup> Abstract

This chapter explores the potential importance of local housing market regulation in determining homelessness in the U.S. I begin with a theoretical discussion of the connection between the operation of local housing markets and the risk that a low-income individual or family experiences homelessness. The chapter then turns to a discussion of local housing market regulation and the impacts of such practices on housing costs. I review the existing empirical literature documenting these connections and investigating differences between the operation of less and more regulated housing markets. I also present an empirical profile of more and less regulated housing markets in the U.S. This profile demonstrates that more regulated markets

Protection of Public Trust Assets and public infrastructure is accomplished through other government agencies both at the State and County level making the management of specific conditions by the LUC redundant:

- 1) **Water:** Commission on Water Resource Management Department of Land and Natural Resources (DLNR), Office of Coastal and Conservation Lands, Public Utilities Commission, departments of water supply of the various counties, and public permitting and planning departments of the various counties.
- 2) **Transportation:** State Department of Transportation (DOT), Regulation of Federally Funded Highways, airports, and infrastructure, and the public works, permitting, and planning departments of the various counties.
- 3) **Archeological:** State Historic Preservation Division of the DLNR, and the public works, permitting, and planning departments of the various counties.
- 4) **Cultural Resources:** DLNR, SHPD, Burial Councils, County Councils, and planning departments of the various counties.
- 5) **Environment:** Environmental Protection Agency (Federal) Office of Environmental Quality Control DLNR, Department of Health, and public works, permitting & planning agencies of the various counties.
- 6) **Infrastructure:** Office of State Planning, DLNR, Army Corp of Engineers, DOT, and public works, permitting & planning agencies of the various counties.
- 7) **Public Trust Doctrine:** All the political bodies and agencies of the government listed above in 1 to 6.

## **Conclusions**

The people of each county have invested considerable resources and tax dollars in developing agencies staffed with highly skilled land planners, engineers, attorneys, and administrative personal to carry out the task of managing development and planning. Citizens of the counties have volunteered their input and offered their expertise by serving on neighborhood boards, community development action committees, and in public testimony that is reflected in each county's general plans and various community development plans. The bill makes changes to state law that will empower these local based planning efforts.

Studies in urban economics show a positive correlation between the number of layers of permitting for real estate development in communities and higher housing prices and homelessness.

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experience slower growth in housing, produce less higher quality housing, experience higher housing price appreciation, and experience much larger increases in the budget shares that renters (and particular, low income renters) devote to housing expenditures. Finally, using a new state-level regulatory index presented in Gyourko, Saiz, and Summers (2006) and the single night homelessness count presented in the 2008 Annual Homelessness Assessment Report to Congress (AHAR), I explore the direct relationship between housing market regulation and homelessness. The data reveal a striking positive relationship between the degree of homelessness across states and the stringency of local housing market regulation.

The claim that the current regime of conditional land use boundary amendments of the Land Use Commission prevents land speculation resulting in the mis-allocation and mis-use of public trust assets and frustrates government planning has never been supported by studies or scientific evidence.

The Land Use Commission already is an additional level of regulation by an institution that is ill equipped to do such service and frustrates the efficient use of public infrastructure and resources, local community-based planning efforts, and controls of the various counties; and its additional level of regulation has not been proven to contribute to the protection of the public's interest, the environment, or the public trust assets.

I support HB1209, HD1

Thank you for the opportunity to submit this testimony.

Mahalo,

Joel K. LaPinta

**HB-1209-HD-1**

Submitted on: 2/12/2019 6:25:58 AM

Testimony for WLH on 2/13/2019 11:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Randy Ching	Individual	Oppose	No

Comments:

Chair Yamane, Vice Chair Todd and members of the committee,

I strongly oppose HB1209 HD1 for the following reasons:

- Establishes a streamlined approval process for affordable housing ministerial permits if a county does not meet certain production goals.
- Requires that the Land Use Commission (LUC) concur with land use boundary amendments identified in county general plans, development plans, community plans or sustainable community plans.
- Establishes a process that does not allow for a contested case proceeding on a land use change such as from agriculture to urban, conservation to agriculture.
- Requiring the LUC to adopt county-identified land use boundary amendments means that public trust issues will not be reviewed or that a contested case can not be requested, thus denying the public a chance to appeal.
- Requiring the LUC to adopt county-identified land use boundary amendments prevents the LUC from reviewing impacts of a proposed land use change on native Hawaiian traditional and customary rights and archaeological resources.
- Streamlined process could violate HRS Chapter 343 Environmental Impact Statement.
- The Hawai'i Supreme Court established that any change in a land use designation requires public notice and the opportunity to request a contested case to ensure due process.
- Hawai'i Supreme Court decisions require the LUC to ensure that the public's interests in water, public access and aquifers are not adversely impacted by a proposed land use boundary change.
- Hawai'i is the only state that has included the public trust doctrine into its state constitution. The quest for affordable housing must not put our islands' finite and fragile natural and cultural resources in jeopardy.

Please hold this bill and do not pass it. Mahalo for the opportunity to testify.

Randy Ching

Honolulu (makikirandy@yahoo.com)





**HB-1209-HD-1**

Submitted on: 2/12/2019 5:06:39 AM

Testimony for WLH on 2/13/2019 11:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Robin Kaye	Individual	Oppose	No

Comments:

**HB-1209-HD-1**

Submitted on: 2/12/2019 9:53:12 AM

Testimony for WLH on 2/13/2019 11:15:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Dr. Ward Mardfin	Individual	Oppose	No

Comments:

Please kill this bill.

**HB-1209-HD-1**

Submitted on: 2/12/2019 2:45:28 PM

Testimony for WLH on 2/13/2019 11:15:00 AM

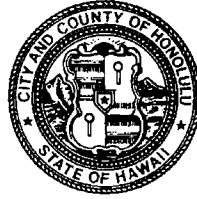
<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Bianca Isaki	Individual	Oppose	No

Comments:

Please do not pass HB1209.

**LATE**

KIRK CALDWELL  
MAYOR



KATHY K. SOKUGAWA  
ACTING DIRECTOR

TIMOTHY F. T. HIU  
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI  
DEPUTY DIRECTOR

February 13, 2019

The Honorable Ryan I. Yamane, Chair  
and Members of the Committee on Water,  
Land, & Hawaiian Affairs  
Hawaii House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Yamane and Committee Members:

**Subject: House Bill No. 1209, HD 1  
Relating to Housing**

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 1209, HD 1, which would tie State Land Use boundary amendments to annual housing production goals, require prioritization of funding for infrastructure projects, mandate an annual housing production report, and establish a streamlined housing approval process if a county fails to meet its annual housing production goals.

While innovative, this Bill assigns a role to the Land Use Commission that goes beyond its mission. The DPP is in favor of a simplified approval process for developments reflected in adopted county plans, but this proposal will actually prolong the process, especially if the action continues to be under a quasi-judicial process.

The City and County of Honolulu does not have quantitative housing production goals, but instead is focusing on encouraging affordable housing in the rail corridor via transit-oriented development (TOD) by promoting denser, "infill," multi-family projects. Furthermore, the City recently adopted Ordinance 18-10, which imposes an affordable housing requirement on new construction or conversions resulting in 10 or more dwelling units, as well as subdivisions of 10 or more lots islandwide. The affordable housing units are targeted for homebuyers earning at or below 120 percent of Honolulu's area median income (AMI), or for renters at or below 80 percent AMI.

The Honorable Ryan I. Yamane, Chair  
and Members of the Committee on Water,  
Land, & Hawaiian Affairs  
Hawaii House of Representatives  
Hawaii State Capitol  
Senate Bill No. 1209, HD 1  
February 13, 2019  
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It is unrealistic to require agencies to prepare infrastructure budgets within one year of the effective boundary amendment that supports the subject land use approvals, and to prioritize funding for infrastructure projects. As the county plans generally have a longer time frame (25 years or longer) than capital improvement project budgeting, it is difficult to reconcile these different planning horizons. Moreover, this requirement does not acknowledge that CIP budgets are adopted by county councils, not agencies.

Lastly, the Bill contains no justification to require the counties to produce annual housing production reports, and the Bill is punitive in that it mandates a streamlined ministerial approval process if counties fail to meet annual housing goals for two consecutive years. Such a mandate is overreaching and interferes with the City's land use and zoning policies, permitting processes, and affordable housing requirements.

We ask that House Bill No. 1209, HD 1 be held in committee.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in black ink, reading "Kathy Sokugawa". The signature is written in a cursive, flowing style.

Kathy K. Sokugawa  
Acting Director



**LATE**

**TESTIMONY TO THE HOUSE COMMITTEE ON WATER, LAND, & HAWAIIAN AFFAIRS  
State Capitol, Conference Room 325  
415 South Beretania Street  
11:15 AM**

February 13, 2019

RE: HOUSE BILL NO. 1209 HD1, RELATING TO HOUSING

Chair Yamane, Vice Chair Todd, and members of the committee:

My name is Gladys Quinto-Marrone, CEO of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in **strong support** of H.B. 1209 HD1, which proposes to require boundary amendments reflected in certain plans to be adopted in accordance with such approved plans. Prioritizes infrastructure funding to support planned growth. Establishes a streamlined approval process for ministerial permits for income categories for which the county did not meet production goals.

Numerous government studies have found that in the State of Hawaii, the supply of housing has not and will not keep pace with demand over the next several years. This overall lack of supply of housing is the reason why the median housing price on Oahu exceeds \$800,000.00. It also is part of the reason why we have a proliferation of "multi-generational housing" and the dreaded "Monster Houses."

H.B. 1209 attempts to adjust the existing government processes to allow for the construction of more housing units as expeditiously as possible.

The first step is to recognize the Counties efforts to identify areas of new growth through their various Community Plans, Development Plans, and/or General Plans. The County process is thoroughly vetted allowing for community input at multiple levels. This includes input from State agencies, such as the Land Use Commission. Once adopted by the respective County Councils, and with concurrence from the Land Use Commission, the boundary amendment will be adopted by the State Land Use Commission. However, in order to take advantage of this approval process, the County must agree with the State (HHFDC) on annual housing production goals for low, moderate, workforce and market priced units.

The bill also proposes to require public infrastructure agencies to prioritize funding of infrastructure, required to support the County's planned growth in the area.

Finally, the bill provides for a “streamlined housing approval process” if the County fails to meet its housing production goals for two consecutive years. Basically, it limits the County to ministerial oversight of a housing project with units priced at income categories that the County failed to meet production goals for two consecutive years.

The bill attempt to address the three areas that seem to create the most risk and uncertainty for those seeking to increase the supply of housing at all price points.

The three areas are:

1. Land Use Entitlements;
2. Infrastructure Capacity Building; and,
3. County Permitting.

We believe this type of coordinated approach is necessary at this time to allow us to build our way out of our housing crisis. We are in strong support of H.B. 1209, and appreciate the opportunity to express our concerns.