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Statement of
RODNEY FUNAKOSHI
Planning Program Administrator, Office of Planning
before the
HOUSE COMMITTEE ON HOUSING
Thursday, January 31, 2019
9:30 AM
State Capitol, Conference Room 423

in consideration of
HB 1209
RELATING TO HOUSING.

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

The Office of Planning (OP) offers these comments on HB 1209, 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

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Statement of
Daniel E. Orodenker
Executive Officer
Land Use Commission
Before the
House Committee on Housing

Thursday January 31, 2019
9:30 AM
State Capitol, Conference Room 423

In consideration of
HB 1209
RELATING TO HOUSING

Chair Brower; Vice Chair Matayoshi; and members of the Committee on Housing:

The LUC opposes HB 1209 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 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.

The Hawai'i Supreme Court has firmly established that a change in land use designation requires notice and a contested hearing for all impacted parties to ensure due process requirements are met. As a result, before the LUC could "concur" with a county plan it would have to notice all landowners impacted and hold contested case hearings on all the properties that are impacted by the change. This would be a significant and time-consuming undertaking, expensive, and may in fact be unrealistic.

The Supreme Court requires the LUC to ensure that various public interests are not impacted by the change, including impacts to aquifers, water, public access and a myriad of other issues falling into the category of the "public trust". Paramount considerations also include impacts on Native Hawaiian traditional and customary rights as well as archaeological resources. These types of analysis are not undertaken in county plan development, at least not to the level

required by the Supreme Court. In effect, without a protracted, unmanageable process by the LUC, the public interest, or trust, could not be protected.

It should also be noted that District Boundary Amendments may and often do trigger HRS Chapter 343 processes such that an environmental assessment or environmental impact statement would be required before the Boundary Amendment could be completed. All other issues aside, the HRS Chapter 343 requirements for a large-scale change of boundaries would be a significant undertaking to say the least.

It should also be pointed out that under the current threat of climate change, large-scale statewide planning needs to be undertaken to ensure sustainability and sea level rise concerns are met. The counties' planning process is beginning to look at some of these issues at a local level, however, they are not currently taking into account consideration of food sustainability or managed retreat issues.

Thank you for the opportunity to testify on this matter.

LATE



**TESTIMONY TO THE COMMITTEE ON HOUSING
State Capitol, Conference Room 423
415 South Beretania Street
9:30 AM**

January 31, 2019

RE: HOUSE BILL NO. 1209, RELATING TO HOUSING

Chair Brower, Vice Chair Matayoshi, 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.

BIA-HAWAII is in strong support of H.B. 1209 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.

HB-1209

Submitted on: 1/30/2019 8:40:26 AM

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

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:



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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 1209 RELATING TO HOUSING.

CONCERNS

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.

The bill falsely states: "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."

The State has failed to deal with illegal vacation rentals, caters to tourists above the needs of locals, and has failed to require long-term rentals from developers.

The idea that a mere "ten per cent of the proposed units, on projects with greater than ten units, shall be priced for those households making eighty per cent or below the area median income" maintains the lack of emphasis on meeting the needs of all of the people.

Mahalo
Henry Curtis
Executive Director