



March 31, 2022

3 p.m.

Conference Room 016 & Videoconference

To: Senate Committee on Government Operations

Sen. Sharon Y. Moriwaki, Chair

Sen. Donovan M. Dela Cruz, Vice Chair

Senate Committee on Housing

Sen. Stanley Chang, Chair

Sen. Dru Mamo Kanuha, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SCR231 — URGING THE COUNTIES TO PRODUCE LAND USE PLANS THAT ACCOUNT FOR HOUSING PRODUCTION AND DEMAND

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [SCR231](#), which has the admirable goal of bringing housing demand and development projections into county land-use plans for the purpose of encouraging the counties to better address the housing shortage.

The resolution is correct in identifying land-use plans as one of the factors stifling housing growth in our state.

In creating these plans, local officials do their best to solicit input from a wide variety of stakeholders, but some groups, such as renters, tend to be underrepresented.

The result is often a plan that strangles growth through additional regulation or limitations on development.

While those involved are aware of the need to address the housing shortage, the end result is not consistent with that goal.

For example, in September 2020, the Grassroot Institute submitted [testimony](#) to the Maui Planning Commission regarding the West Maui Plan. In that testimony we noted that since the plan was established in 1983, it had grown from 59 pages to 168 pages. Much of that growth included legalistic language that would create more regulatory barriers to housing.

Our testimony continued:

For example, the word “shall” appeared four times in the 1983 version of the plan, but that grew to 61 times in the June 2020 draft. This unrestrained use of the word “shall” could cause confusion among developers trying to navigate the many layers of Maui’s regulatory environment, especially since in some cases where it’s used it seems to usurp the Maui County Code.

For example, the current draft of the West Maui Plan states that in the Lahaina National Historic Landmark District, “New buildings shall be limited to 30 feet in height,” but the Maui County Code limits building heights to 35 feet in Historic District 1 and 2.

Similarly, use of the word “require” has increased over time, from six instances in 1983 to 19 in the June 2020 draft.

Under the circumstances, it is no surprise that as county plans have ballooned with more restrictions and conditions, the growth of housing in our state has slowed.

This resolution provides a good starting point for the counties to reevaluate their approaches to land use.

However, merely asking the counties to account for growth may not be sufficient to accomplish real change. It may be necessary to require the counties to specifically identify and remove restrictions and barriers within those plans that frustrate development of the growth of new homes and rental properties.

The Grassroot Institute has issued several publications that analyze how zoning and other regulations throttle the growth of housing. One was our policy report [“Reform the Hawaii LUC to encourage more housing.”](#) which advocates giving the counties more authority to make

decisions, thus reducing the amount of bureaucracy and preventing the state Land Use Commission from becoming a de facto state zoning commission.

Another was [“Build up or build out? How to make housing more affordable.”](#) which recommends “increasing the area of urbanized land and building marketable densities outside of the existing urban footprint,” which currently is about only 5% of all land in the state.

For example, an increase of only 1 or 2 percentage points in Hawaii’s urban-designated land would be equivalent to a 20% to 40% increase, respectively, in lands available for more housing.

In addition, the institute has made available a zoning-reform toolkit, [“How to Build Affordable, Thriving Neighborhoods.”](#) which explores different ways to increase housing supply and improve affordability by reforming state and local zoning restrictions.

We summarized many proposals from the toolkit in a commentary published in The Maui News, [“50 ways — at least — to update Maui’s zoning code.”](#)

For the moment, counties have little incentive to reduce regulations or rethink their land-use plans. As experience demonstrates, municipalities can be reluctant to change zoning and land-use laws, or may do so in a haphazard way that will not achieve the objective of spurring housing growth.

In the end, it may be necessary for the Legislature to step in and put limits on the types of zoning and land-use regulations permitted to the counties.

Nonetheless, this resolution is an important first step towards addressing the state housing crisis and we commend the Legislature for recognizing that one of the primary causes of the state’s housing crisis is regulation that stifles development.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

SCR-231

Submitted on: 3/28/2022 12:51:28 PM

Testimony for GVO on 3/31/2022 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

The county and te State would just Screw things up As usual!!

SCR 321 TESTIMONY

LATE

To: Senate Committee on Government Operations
Senate Committee on Housing
Hearing on March 31, 2022 at 3:00 p.m.

From: John Kawamoto

Position: Support

The price of housing in Hawaii has steadily increased for decades, while wages have stagnated. The growing gap between housing prices and wages has made housing less and less affordable for more and more families. Hawaii now faces a shortage of 50,000 homes.

Housing is a complex issue, and there is no single silver bullet that can solve the housing crisis, but the availability of land for housing is a limiting factor. Not all land that is designated for housing will be fully developed because development is determined by market forces. Insufficient land that is designated for housing results in insufficient housing, and it drives up prices for the housing that is actually built.

The various counties have been trying to develop more affordable housing for their residents, but they have fallen far short. This resolution ensures that the counties designate enough land for housing.