



NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY



An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

via Videoconference

Statement of
Gregory P. Barbour
Executive Director
Natural Energy Laboratory of Hawaii Authority
before the
SENATE COMMITTEE ON HOUSING AND WATER AND LAND

Thursday, February 9, 2023
1:15 pm
State Capitol, Conference Room 225 & Videoconference

in consideration of
SB 1573
RELATING TO AFFORDABLE HOUSING.

Chairs Chang and Inouye, Vice Chairs Kanuha and Elefante and Members of the Committees.

The Natural Energy Laboratory of Hawaii Authority (NELHA) is pleased to support SB 1573 which establishes a working group within the Department of Land and Natural Resources to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development. This makes good sense.

Hawaii Housing and Finance Development Corporation (HHFDC) and NELHA need a new well to support new affordable housing and economic development. We have been trying to get approval to drill a new well since 2018. With court rulings regarding the “public trust doctrine” and the “precautionary principles” there have been many changes over the past

several decades with issues surrounding the development of new freshwater wells, especially in West Hawaii.

We understand that there are very important deep social and traditional cultural values to provide for clean flows of groundwater, in part tied to the historical significance of traditional food production, and as such the process for obtaining approval to drill a new well is problematic and needs to be addressed on a Statewide level.

We defer to the Department of Land and Natural Resources and the Governor's Office on the placement of this working group.

Thank you for the opportunity to offer these comments.

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY PLEASE REFER TO:

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
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Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

**SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON WATER AND LAND**
February 09, 2023 at 1:15 p.m.
State Capitol, Room 225

In consideration of
S.B. 1573
RELATING TO AFFORDABLE HOUSING.

HHFDC supports S.B. 1573, which establishes a working group to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development. The executive director of the Hawaii Housing Finance and Development Corporation (HHFDC) is identified as a working group member.

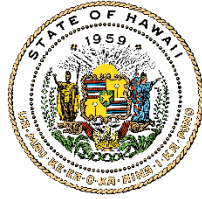
Permitting for the development of potable-water systems is a critical issue affecting housing development in many areas of the state, particularly in North Kona where it has stalled HHFDC's Kamakana Villages, a master-planned community in north Kona with the potential of 1,600 affordable housing units. Lack of potable water and the water permit process is also affecting HHFDC's Villages of Leialii housing project on Maui.

We appreciate the work that went into creating this measure to address a long-standing issue and are hopeful that this working group will lead to a better balance between water-resource management and fulfilling the need for more affordable housing, particularly in North Kona.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
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DEPUTY DIRECTOR - WATER

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KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committees on
HOUSING
and
WATER AND LAND

Thursday, February 9, 2023
1:15 PM

State Capitol, Conference Room 225 and Videoconference

In consideration of
SENATE BILL 1573
RELATING TO AFFORDABLE HOUSING

Senate Bill 1573 proposes to establish a working group within the Department of Land and Natural Resources (Department) for administrative purposes. Requires the working group to ascertain the State's available water resources as pertaining to affordable housing, to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development. Requires a report to the Legislature. **The Department acknowledges the intent of this measure and offers the following comments.**

The Hawai'i Water Plan (HWP) serves as a dynamic, long-range planning guide for the Commission on Water Resource Management (Commission) to help protect and regulate the State's fresh water resources. The plan consists of five component parts:

- Water Resource Protection Plan (WRPP) – last updated 2019
- Water Quality Plan (WQP) –last updated 2019
- State Water Projects Plan (SWPP) – last updated 2020
- Agricultural Water Use and Development Plan (AWUDP) – last updated 2019
- County Water Use and Development Plans (WUDP) – Kaua'i 1990; Maui 2022; Lana'i 2011; Moloka'i (in process); Hawai'i 2010; O'ahu 1990 (update in process), Ko'olau Loa Watershed

Management Plan 2009, Wai‘anae Watershed Management Plan 2009, Ko‘olau Poko Watershed Management Plan 2012, North Shore Watershed Management Plan 2016

The latest update of the SWPP, one of the five components above, prepared by the Department’s Engineering Division accounts for water demands for affordable housing by the Hawai‘i Housing Finance and Development Corporation (HHFDC) and the Hawai‘i Community Development Authority (HCDA). HHFDC’s two projects are identified in the SWPP 1) Villages of Leiali‘i in Lahaina, Maui and 2) Kamakana Villages in Keauhou, Hawai‘i Island, and HCDA’s two projects, 630 Cooke Street Micro Unit and 690 Pohukaina.

The 2017 SWPP update only considered water projects of the Department of Hawaiian Home Lands (DHHL). Water needs of DHHL, which constitute affordable housing water demand, are a public trust purpose of water and have a special protection and priority in the State Water Code (Hawai‘i Revised Statutes (HRS) chapter 174C). The Commission is committed to fulfill its mandate to incorporate and protect adequate reserves of water for current and foreseeable development and use of Hawaiian home lands as set forth in Section 221 of the Hawaiian Homes Commission Act, as provided in HRS section 174C-101. The Commission’s 2019 WRPP includes a priority task (Task 2.3.4) to establish additional water reservations for the DHHL.

The County WUDPs are intended to inventory all projected water demands within each county and ensure that the future water needs of the county are met. This includes future affordable housing projects. The WUDPs need to be consistent with county land use plans and land use entitlements, including affordable housing, are included the county’s calculation of authorized planned use. The Department acknowledges that several County WUDP are long overdue for an update and the Commission is working with the counties to ensure timely updates.

The bill asks the working group to conduct a variety of tasks, including an inventory of all available water resources statewide, address state watershed management, and identify appropriate aquifer replenishment. Most of this information can be found in the WRPP, which identifies hydrologic units for ground and surface water statewide, the quantity of available water resources and the sustainable limits for water supply (i.e.: ground water sustainable yields and surface water interim instream flow standards). The WRPP also highlights the importance of watershed protection and the value of native forests in the creation of long-term sources of water supply. The Department’s Division of Forestry and Wildlife (DOFAW) is primarily responsible for the management of mauka watersheds and has identified priority watersheds where management is critical to ensure future water supply. These locations often overlap with priority recharge and replenishment areas for the counties where affordable housing may be located.

While the HWP and its various components provide a long-range view of future water needs and protection strategies, the approval of new wells and issuance of permits by the Commission is assessed on a case-by-case basis. Even if an affordable housing project is identified in the HWP, this does not mean the project will have sufficient water. New wells that are placed in close proximity to existing wells can have negative impacts on water availability. Therefore, new affordable housing projects, and their associated water demands, must consider these factors along with infrastructure needs.

The Department suggests housing the working group in the Governor’s Office instead of the Department, convened and lead by the Governor’s Chief Housing Officer and working with the appropriate State and county executive agencies.

Mahalo for the opportunity to comment on this measure.

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com



February 9, 2023

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Manager and Chief Engineer

ERWIN M. KAWATA
Deputy Manager

The Honorable Stanley Chang, Chair
and Members
Senate Committee on Housing
Hawaii State Capitol, Room 225
Honolulu, Hawaii 96813

The Honorable Lorraine R. Inouye, Chair
and Members
Senate Committee on Water and Land
Hawaii State Capitol, Room 225
Honolulu, Hawaii 96813

Dear Chairs Chang and Inouye and Members:

SUBJECT: Senate Bill 1573: Relating to Affordable Housing

The Honolulu Board of Water Supply (BWS) support Senate Bill (SB) 1573, which establishes a working group within the Department of Land and Natural Resources (DLNR) to ascertain the State's available water resources pertaining to affordable housing. The bill requires the working group to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development and submit a report to the 2024 Legislature.

We recommend that the measure's language be amended as underscored, that the purpose of this Act is to establish a working group that will ascertain available water resources and water system source capacity and streamline well permit approval processes to ensure available water supply to further plan for the development of affordable housing.

Recent Commission on Water Resource Management (CWRM) regulation has reduced municipal groundwater source and stream diversion supply to restore streams in support of traditional and customary practices at the expense of municipal and agricultural water systems. CWRM is further expected to reduce aquifer sustainable yields to increase groundwater flow to groundwater dependent ecosystems that will reduce available water resources. CWRM is required to balance water resource needs of all 4 public trust resources (water in its natural state, traditional and customary practices, water for DHHL developments and domestic use as a component of

The Honorable Stanley Chang, Chair
The Honorable Lorraine R. Inouye, Chair
and Members
February 9, 2023
Page 2

municipal water systems), as well ensure existing non-public trust uses are not significantly impacted.

Thank you for the opportunity to testify in support of SB 1573.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Ernest Y.W. Lau', with a long horizontal flourish extending to the left.

ERNEST Y.W. LAU, P.E.
Manager and Chief Engineer



DEPARTMENT OF WATER SUPPLY • COUNTY OF HAWAII

345 KEKŪANAŌ'A STREET, SUITE 20 • HILO, HAWAII 96720

TELEPHONE (808) 961-8050 • FAX (808) 961-8657

February 6, 2023

TESTIMONY OF KEITH K. OKAMOTO, MANAGER-CHIEF ENGINEER
DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAII

HEARING BEFORE THE SENATE COMMITTEES ON HOUSING AND WATER AND LAND

DATE: Thursday, February 9, 2023

TIME: 1:15 p.m.

PLACE: Conference Room 225 & Videoconference

SB1573 - RELATING TO AFFORDABLE HOUSING

Honorable Chair Stanley Chang, Vice-Chair Dru Kanuha, and committee members of the Senate Committee on Housing; and
Honorable Chair Lorraine R. Inouye, Vice-Chair Brandon J.C. Elefante, and committee members of the Senate Committee on Water and Land,

I am submitting testimony in **support** of SB1573 which proposes to establish a working group to evaluate water resource availability as it relates to affordable housing.

It is my hope that this bill will empower and facilitate collaboration so that housing needs of our communities can be met while also maintaining the health and sustainability of our freshwater resources.


Thank you for your time and consideration of my testimony.

...Water, Our Most Precious Resource...Ka Wai A Kāne...

The Department of Water Supply is an Equal Opportunity provider and employer.



 808-733-7060
 808-737-4977

 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 9, 2023

The Honorable Stanley Chang, Chair
Senate Committee on Housing

The Honorable Lorraine Inouye, Chair
Senate Committee on Water and Land
State Capitol, Conference Room 225 & Videoconference

RE: Senate Bill 1573, Relating to Affordable Housing

HEARING: Thursday, February 9, 2023, at 1:15 p.m.

Aloha Chair Chang, Chair Inouye and Members of the Joint Committees:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its over 11,000 members. HAR **supports** Senate Bill 1573 which establishes a working group within the Department of Land and Natural Resources for administrative purposes. Requires the working group to ascertain the State's available water resources as pertaining to affordable housing. Requires the working group to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development. Requires a report to the Legislature.

Infrastructure, including water resources, are one of the challenges in the development of affordable housing. As such, Hawaii REALTORS® supports the creation of a working group to ascertain and address the State's available water resources to enable the State to better plan for affordable housing projects and development.

For the foregoing reasons, Hawai'i REALTORS® supports this measure. Mahalo for the opportunity to testify.

COUNTY COUNCIL

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KipuKai Kualii, Vice Chair
Addison Bulosan
Bernard P. Carvalho, Jr.
Felicia Cowden
Bill DeCosta
Luke A. Evslin



OFFICE OF THE COUNTY CLERK

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Lyndon M. Yoshioka, Deputy County Clerk

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Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 7, 2023

**TESTIMONY OF KIPUKAI KUALII
COUNCIL VICE CHAIR, KAUAI COUNTY COUNCIL
ON
SB 1573, RELATING TO AFFORDABLE HOUSING
Senate Committee on Housing
Senate Committee on Water and Land
Thursday, February 9, 2023
1:15 p.m.
Conference Room 225
Via Videoconference**

Dear Chair Chang, Chair Inouye, and Members of the Committee:

Thank you for this opportunity to provide testimony in strong SUPPORT of SB 1573, Relating to Affordable Housing. My testimony is submitted in my individual capacity as Council Vice Chair of the Kaua'i County Council.

We are all well-aware of the longtime suffering of our constituents—families moving away, young people not returning after college, and employers not being able to hire workers who cannot find housing.

We have all talked about our housing shortage crisis (disaster), the need to have all hands on deck, and the need to utilize every tool in our tool boxes. SB 1573 is a tool that will help, as it establishes a working group within the Department of Land and Natural Resources that will ascertain the State's available water resources to further plan for the development of affordable housing.

Thank you again for this opportunity to provide testimony in strong support of SB 1573. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

KIPUKAI KUALII
Council Vice Chair, Kaua'i County Council

AAO:lc

COUNTY COUNCIL

Mel Rapozo, Chair
KipuKai Kualii, Vice Chair
Addison Bulosan
Bernard P. Carvalho, Jr.
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February 8, 2023

**TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
SB 1573, RELATING TO AFFORDABLE HOUSING
Senate Committee on Housing
Senate Committee on Water and Land
Thursday, February 9, 2023
1:15 p.m.
Conference Room 225
Via Videoconference**

Dear Chair Chang, Chair Inouye, and Members of the Committee:

Thank you for this opportunity to provide testimony in strong SUPPORT of SB 1573, Relating to Affordable Housing. My testimony is submitted in my individual capacity as a Member of the Kauai County Council.

SB 1573 seeks to establish a working group within the Department of Land and Natural Resources that will ascertain the State's available water resources to further plan for the development of affordable housing.

Given our current housing crisis and the fact that longtime residents are struggling to find housing, I wholeheartedly support SB 1573 as it is a step in the right direction to be able to plan and develop more affordable housing.

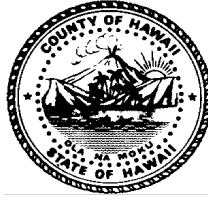
Thank you again for this opportunity to provide testimony in strong support of SB 1573. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kauai County Council

AAO:jy

County of Hawai'i
Council District 4 -
Lower Puna



LATE

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HAWAI'I COUNTY COUNCIL
OFFICE OF COUNCILMEMBER ASHLEY L. KIERKIEWICZ
25 Aupuni Street • Hilo, Hawai'i 96720

February 9, 2023

Senate Committee on Housing
Senator Stanley Chang, Chair
Senator Dru Kanuha, Vice-Chair

Senate Committee on Water & Land
Senator Lorraine Inouye, Chair
Senator Brandon Elefante, Vice-Chair

RE: Support for SB 1573, Relating to Affordable Housing

Aloha, Chair Chang, Chair Inouye, and HOU x WTL Committee Members:

Mahalo for the opportunity to testify in strong support for SB 1573, relating to affordable housing and water resources.

Water is key to the development and sustainability of communities. This measure would establish a working group of State and County partners to inventory water resources and determine aquifer replenishment. This information is critical as all counties work to rapidly increase housing inventory for local residents.

Hawai'i County is currently updating its General Plan. The recommendations made by this working group will help us better understand what water infrastructure is necessary to meet future needs, and help our County be strategic about securing funding as I firmly believe it is government's responsibility to invest in infrastructure that supports smart, sustainable community growth.

Mahalo nui loa,

Ashley Lehualani Kierkiewicz
Hawai'i County Council, District 4
Chair, Policy Committee on Planning, Land Use & Development

SB-1573

Submitted on: 2/6/2023 2:19:44 PM

Testimony for HOU on 2/9/2023 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
cheryl B.	Individual	Comments	Written Testimony Only

Comments:

COMMENTS

In addition to looking at affordable housing in relation to our water availability will the legislature be looking at how other development as well as the military is affecting our very fragile water source/aquifer? Looking ahead, how much more can we sustain especially with our aquifers and resources being polluted with petroleum and other chemicals.