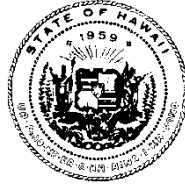


JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
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
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING AND HOUSE COMMITTEE ON WATER & LAND

February 15, 2024 at 9:00 a.m.
State Capitol, Room 430

In consideration of
H.B. 2007 HD1
RELATING TO HOUSING.

HHFDC **supports** HB 2007 HD1, which allows religious, educational, and medical institutions to build residential units on lands zoned within the Urban State Land Use District, under certain conditions.

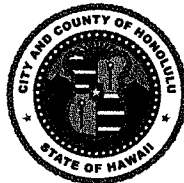
HHFDC appreciates the willingness of some of the institutions in the medical, educational, and religious community to use portions of their lands to provide housing. This bill provides those institutions with the flexibility to use portions of their lands for that purpose and will help to address the statewide shortage of affordable housing.

Thank you for the opportunity to testify on this bill.

DEPARTMENT OF PLANNING AND PERMITTING
KA 'OIHANA HO'OLĀLĀ A ME NĀ PALAPALA 'AE
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041 • WEB: honolulu.gov/dpp

RICK BLANGIARDI
MAYOR
MEIA



DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

JIRO A. SUMADA
DEPUTY DIRECTOR
HOPE PO'O

February 15, 2024

The Honorable Luke A. Evslin, Chair
and Members of the Committee on Housing
The Honorable Linda Ichiyama, Chair
and Members of the Committee on Water & Land
Hawai'i House of Representatives
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Subject: House Bill No. 2007, HD 1
Relating to Housing

Dear Chairs Evslin, Ichiyama and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 2007, HD 1, formerly known as House Bill No. 2212, which would allow religious, educational, and medical institutions to build residential units on lands within the state urban land use district, under certain conditions.

We agree that there is a severe shortage of affordable housing across the state, but this Bill calls into question why these groups are being singled-out for the development of residential units. This Bill appears to provide certain groups preference over others to develop any type of housing they desire. It's the government's duty to provide fair and equal treatment.


This Bill specifies that residential units be allowed within the State Land Use Urban District, but it doesn't recognize the zoning districts that comprise the State Urban District. Many areas within the State Urban District are not appropriate for residential development, such as areas zoned industrial, preservation, and agriculture. The Bill also oversteps the county's homerule by removing our authority to review special use permits, conditional use permits, and other non-ministerial permits for all projects developed under this proposed law.

House Bill No. 2007, HD 1, would limit development to land under 15 acres, with no more than 50 percent of the lot used for residential units. But the Bill states that the counties "shall allow for at least 10 dwelling units per acre." With no limit on height or density in this Bill, and the county's inability to review non-ministerial permits, there is the possibility of multiple high-rise buildings or monster homes being built on these lots.

The Honorable Luke A. Evslin, Chair
and Members of the Committee on Housing
The Honorable Linda Ichiyama, Chair
and Members of the Committee on Water & Land
Hawai'i House of Representatives
House Bill No. 2007, HD 1
February 15, 2024
Page 2

We look forward to continuing to collaborate with the State to build responsible affordable housing to address the severe shortage. But we believe this Bill gives preference to certain groups over others, and for this reason, and reasons stated above, we ask that this Bill be held in committee.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dawn', with a long horizontal flourish extending to the right.

Dawn Takeuchi Apuna
Director



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.com
admin@hawaiiyimby.com

Thursday, February 15, 2024

House Committee on Housing
House Committee on Water and Land
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT with comments for HB 2007 HD1 - RELATING TO HOUSING

Aloha Chairs, Vice Chairs, and Members of the Committees,

On behalf of Hawai'i YIMBY, we are writing to support HB 2007 HD1, which would allow religious, educational, and medical institutions to build residential units on land they own within the state urban land use district.

Our housing crisis demands we step up with creative and innovative solutions. This bill's core concept - allowing institutions to build housing on urban zoned land they own - is based on a proven model that is already delivering results in other states like California. We should adopt this idea as well - it's good for institutions, for our environment, and for housing affordability.

We would like to suggest the following amendment: to increase the number of units the county shall allow from at least 10 units to at least 20 units. (page 6, line 17)

Requiring only 10 units per acre could result in more of the same expensive and unsustainable land use that we see in our current single family home neighborhoods. We understand that some of these institutions may not have the resources to build at a higher density, however, we do believe that institutions who possess the resources should be



Hawai'i YIMBY
Honolulu, HI 96814
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obligated to a density that effects meaningful change on housing supply. Since institutions will be granted the ability to build housing on their land for those who work in critical sectors of the workforce and those most in need, they should be held to a density requirement that would promote lower building costs and more affordability. Requiring at least 20 units per acre would promote a balance of density and efficient land use within the urban districts of the state.

Hawai'i YIMBY (Yes In My Backyard) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's housing crisis. We urge your support for this bill, and thank you for the opportunity to testify.

Sincerely,

Damien Waikoloa

Co-Lead, Hawai'i YIMBY

Matt Popovich

Co-Lead, Hawai'i YIMBY

HB-2007-HD-1

Submitted on: 2/13/2024 4:14:17 PM

Testimony for HSG on 2/15/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joshua Hayashi	Mission Management Company	Support	Written Testimony Only

Comments:

I am an ordained minister in the United Church of Christ and I am also passionate about housing. There are over 1400 real properties owned by churches and other non-profit entities that could possibly be a space for housing. More importantly, the churches provide a central locaiton that could help make our towns walkable. Also as non-profit entities, they cannot afford the cost of hiring a planning agency or architect for the duration of the predevelopment process.

HB-2007-HD-1

Submitted on: 2/13/2024 6:40:17 PM

Testimony for HSG on 2/15/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Oyadomari	Mission Management Company	Support	Written Testimony Only

Comments:

Dear Chairs Evslin and Ichiyama, Vice Chairs Aiu and Poepoe, and members of the Committees,

Mission Management Company was specifically formed to transform church properties from single-use religious buildings into community assets. We offer support for HB2007 HD1.

The purpose of this bill aligns with a church's ability to fulfill its mission and stewardship of God's resources to love and care for its community. By some studies, 100,000 churches across the nation will close their doors by 2030. This will mean the disappearance of facilities that serve community needs such as after school child care, food distribution, AA meetings, and the like. The result will also be an increased burden on government social services that churches currently provide in communities. We work with denominations, judicatories, churches, consultants, impact lenders, municipalities, and mission-oriented developers to develop alternate uses for church properties that keep them open. These uses are mission-aligned with the church and help the church make money to sustain its operations and remain open to the community. These uses can be for affordable housing to preschools to commercial kitchens for local small businesses and more. This bill will help to better enable churches to remain open by generating income by building affordable housing while serving a large need in their community.

We applaud the Legislature for their foresight embodied in this bill as it will enable churches, often in highly desirable locations in our communities, to build affordable housing for our residents in a manner that fosters liveable "live, work, play, worship" objectives of what it means to live in Hawaii. As we all well know as residents born and raised in Hawaii or simply call Hawaii home, that land with the necessary infrastructure is scarce and expensive. Churches with strong missions to love their neighbor and who own land, follow a different land value system from the common "highest and best use," i.e., highest dollar per square foot value extraction mindset. Rather, churches define land value by service to community, mission, and honoring God. In this way, affordable housing on church property makes a lot of sense for churches and this bill would enable many churches to take action to contribute a solution to Hawaii's shortage of affordable housing. For churches in financial distress in particular, this also creates an opportunity to generate income from their property to remain open before they run out of cash, while also fulfilling their mission.

Thank you for the opportunity to submit this testimony.

Feb. 15, 2024, 9 a.m.
Hawaii State Capitol
Conference Room 430 and Videoconference

To: House Committee on Housing

Luke Evslin, Chair
Micah Aiu, Vice-Chair

To: House Committee on Water and Land

Linda Ichiyama, Chair
Mahina Poepoe, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

COMMENTS IN SUPPORT OF HB2007 HD1 — RELATING TO HOUSING

Aloha Chairs Evslin and Ichiyama, Vice-Chairs Aiu and Poepoe, and members of the Committees,

The Grassroot Institute of Hawaii would like to offer its support for [HB2007 HD1](#), which would allow religious institutions, medical facilities and schools to build housing on their land by-right, subject to certain conditions.

We commend the Legislature for looking to increase Hawaii's housing supply through zoning reform. As we discussed in a recent report, "[How to facilitate more homebuilding in Hawaii](#)," zoning reform can play a pivotal role in lowering housing prices and providing certainty to builders.

In the report, we considered by-right approvals, which "refer to projects that can proceed automatically without discretionary approval from a neighborhood board, planning department, planning commission or county council."¹

¹ Jonathan Helton, "[How to facilitate more homebuilding in Hawaii](#)," Grassroot Institute of Hawaii, p. 16.

By-right approvals do not allow unrestricted development; instead, they set up rules beforehand — such as on densities and uses — and let proceed any project that complies with those rules.

Because many nonprofits have limited access to financing and little expertise in managing the development process, uncertainty in the approval process can stop charitable housing projects before they begin.²

To help solve this problem, HB2007 proposes a creative approach pioneered last year by California. The Golden State’s “Yes in God’s backyard” law allowed certain religious and educational institutions to build housing on lands they own, subject to some affordability and density restrictions.

One way in which HB2007 might benefit from California’s experience is in its density requirements. The California YIGBY law provides for two different levels of housing density. In non-residential zones, it allows up to 40 dwelling units per acre (43,560 sq. ft). In residential zones, it allows for a density of 10 to 30 dwelling units per acre.

Currently, HB2007 allows for a minimum of 10 units per acre, which would create a minimum lot size of 4,300 square feet. However, the intent of this bill would be better met by a minimum of 20 units per acre, which would bring it closer to the split-lot and subdivision sizes raised in HB1630.

With this amendment, the first paragraph of Section 46-4(d) would read:

(d) Notwithstanding any law, ordinance, or standard to the contrary, a religious institution, educational institution, or medical institution may build dwelling units on a parcel of land the institution owns that is within the state urban land use district; provided that a county may impose development standards as authorized under this section; provided further that a county shall not require a special use permit, conditional use permit, or other non-ministerial review for dwelling units developed under this subsection; provided further that a county shall allow for at least twenty dwelling units per acre.

This minor change would not require nonprofit institutions to build 20 dwelling units per acre. However, it would provide them with greater flexibility in determining the type of units and density that would best meet the needs of the institution and the community.

² [“Hayashi on a mission to help Hawaii churches provide housing,”](#) Grassroot Institute of Hawaii, Nov. 15, 2023.

In Hawaii, allowing schools, hospitals and religious institutions to create housing on their own properties would help them with their recruitment and retention issues³ by enabling them to more easily provide affordable housing for their employees.

Nonprofit institutions that had been prevented from creating housing for their own staff would be able to offer a convenient on-campus housing benefit, thereby freeing up housing elsewhere throughout the islands for other homebuyers.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

³ Allyson Blair, "[On Hawaii Island, a desperate request to house traveling nurses key to patient care,](#)" Hawaii News Now, Feb. 21, 2023.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for H.B. 2007, HD1 – Relating to Housing
House Committee on Housing
Thursday, February 14, 2024, at 9:00 AM, Conf. Rm. 430 and via Videoconference

Dear Chair Evslin, Vice Chair Aiu, and fellow committee members:

Thank you for the opportunity to express our **STRONG SUPPORT for HB2007**, which would allow for Yes In God's Back Yard (YIGBY+) action for non profit religious, educational, and medical institutions to construct residential housing on their lands.

Our local community is facing negative impacts due to a lack of housing options. Despite the willingness of religious, educational, and non-profit institutions to utilize their land for housing, restrictive zoning practices across the state of Hawai'i are blocking their efforts. HB2007 would empower these institutions to respond to the housing needs of their communities without being subjected to discretionary and often punishing permitting processes.

The limited diversity in housing options is driving up prices and forcing many locals out of Hawai'i. Current practices in the counties make it difficult to obtain approval for adding additional homes within existing communities. With the cost of urban developable land in Hawai'i being prohibitively high, the entities outlined in HB2007 possess large tracts of developable land across the state, which they are eager to utilize for much-needed housing. By expanding options in our housing market, Hawai'i can alleviate price pressure on the private market, prevent the displacement of long-standing residents, and ensure that the state remains accessible across diverse housing prices and forms.

Other states have enacted similar YIGBY+ laws and are already seeing the benefits of affordable housing construction unfold. Governor Newsom of California signed into law California's YIGBY law in 2023, and churches have begun constructing affordable housing thanks to streamlined by-right process granted to them¹. Religious institutions are mission driven to serve their communities and many want to address homelessness and housing affordability by providing affordable housing to their communities². Virginia is currently moving a similar bill through their legislature on the prompting from religious leaders faced with congregations which area "shrinking and aging, [now] houses of worship are reactivating their property for the public good"³.

HB2007 would expand the range and diversity of housing options and offer greater opportunities for residents to remain in Hawai'i and within their communities. Currently, several churches in Hawai'i are navigating the challenging process of obtaining approval for housing, including Ke'anae and Wailuku churches on Maui and Pearl City on Oahu, all aiming to provide much-needed housing to their communities. To meet the pent-up housing demand and address the ongoing and often overwhelming

¹ <https://www.episcopalnewsservice.org/2023/10/18/los-angeles-diocese-set-to-develop-affordable-housing-on-25-of-church-owned-land/>

² <https://laist.com/news/housing-homelessness/los-angeles-churches-housing-sb4-religious-properties-yigby-whittier-compton-ikar>

³ <https://nextcity.org/urbanist-news/virginia-church-set-to-convert-parking-lot-into-housing>

housing crisis in Hawai'i, we must streamline the process for those committed to creating housing for their communities.

Mahalo for the opportunity to testify.

HB-2007-HD-1

Submitted on: 2/13/2024 1:59:09 PM

Testimony for HSG on 2/15/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Rennie Mau	Individual	Support	Written Testimony Only

Comments:

I support HB2007.

Thank you,

Rev Rennie Mau

HB-2007-HD-1

Submitted on: 2/13/2024 2:02:34 PM

Testimony for HSG on 2/15/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Rev. Jeannie D. Thompson	Individual	Support	Written Testimony Only

Comments:

Thank you for this opportunity to support the creative solution to the lack of housing situation here in our state which is outlined in HB 2007.

As the pastor of a church with a beautiful campus, I believe its beauty would be greatly enhanced by the addition of housing for our sisters and brothers in need of shelter.

Indeed, some of our members have informally talked about ministries that would include building small homes on our property.

HB2007 will not only open the door for such projects, my assumption is that as it is established it will also provide a streamline path and procedure for those of us who decide to embark on such an endeavor.

Thank you for HB2007. I look forward to hearing that it has been advanced through the legislative process and has become a reality in our community.

HB-2007-HD-1

Submitted on: 2/14/2024 8:22:16 AM

Testimony for HSG on 2/15/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Neal MacPherson	Individual	Support	Written Testimony Only

Comments:

I would like to declare my support for HB2007 HD1. It goes without saying that the need for affordable housing in the State of Hawai'i has reached crisis proportions. Witness the exodus of so many local families to places on the mainland, simply because they cannot afford to live here. There are many obstacles to the construction of affordable housing in Hawai'i, but one of the most stubborn obstacles is the lack of available land. HB2007 HD1 is a bill that will make it more possible for medical, educational, and religious institutions to consider the possibility of constructing affordable housing on lands that they own and control within the limits that the bill outlines.

I strongly urge you to support this legislation.

The Reverend Neal MacPherson

Retired minister, United Church of Christ

HB-2007-HD-1

Submitted on: 2/14/2024 8:44:53 AM

Testimony for HSG on 2/15/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Makana Milotta	Individual	Support	Written Testimony Only

Comments:

Honolulu needs housing, and churches need to use thier land effectively in order to continue to function according to thier calling and purpose. Organizations like churches are stakeholders in thier communities and much more likely to build housing that effectively addresses community needs than for-profit organizations, especially those with few local ties. This could be an important part of addressing our housing crisis.

HB-2007-HD-1

Submitted on: 2/14/2024 9:27:54 AM

Testimony for HSG on 2/15/2024 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Warren K Orikasa	Individual	Support	Written Testimony Only

Comments:

I am in support of HB2007 as it relates to providing churches with the opportunity to maximize use of their properties in the furtherance of faith practices. Churches are challenged across the country because of dwindling memberships and rising costs of maintaining older facilities, as well as the skyrocketing cost of insurance. Churches need to have the opportunity to investigate if real property development, in sync with faith mission and if it is a viable way to generate needed revenue to continue the vision of the founders of the churches. In the absence of the capacity to utilize real property assets, many churches may be faced with the inevitable choice of selling their properties or closing their doors.

Please approve this bill in the best interests of the segment of the community that has been always faithful in support of our Hawaii community.