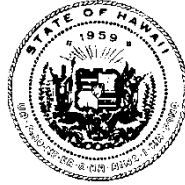


JOSH GREEN, M.D.
GOVERNOR

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

SENATE COMMITTEE ON JUDICIARY

March 01, 2024 at 10:00 a.m.
State Capitol, Room 016

In consideration of
S.B. 2011 SD1
RELATING TO HOUSING.

HHFDC supports SB 2011 SD1, which allows the construction of multi-family dwelling units on any lot within certain designated county zoning districts, subject to reasonable standards that each county may adopt. Developing housing on undeveloped land can be challenging, especially when the areas lack infrastructure.

Thank you for the opportunity to testify on this bill.

RICHARD T. BISSEN, JR.
Mayor



JOSIAH K. NISHITA
Managing Director

OFFICE OF THE MAYOR
COUNTY OF MAUI
200 SOUTH HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.mauicounty.gov

TO: Senator Karl Rhoads, Chair
Senator Mike Gabbard, Vice Chair
Committee on Judiciary

FROM: Richard T. Bissen, Jr., Mayor
Kate L.K. Blystone, Acting Planning Director

DATE: February 28, 2024

SUBJECT: OPPOSITION TO SB2011 SD1, RELATING TO HOUSING

Thank you for the opportunity to testify in **OPPOSITION** of this measure. We apologize for not providing testimony previously at prior committee hearings, but hope that you will still consider this important testimony. The Act allows the construction of multi-family dwelling units on any lot within certain designated county zoning districts, subject to reasonable standards adopted by each county.

We **OPPOSE** this measure for the following reasons:

We appreciate the Legislature's acknowledgement of the housing crisis in the State as well as specifying that the County of Maui will need 10,404 new housing units by year 2025 according to its cited study. The County of Maui Planning Department agrees that there is a housing crisis and importantly the Maui General Plan, Island Plan and Community Plans include goals and policies focused towards providing housing opportunities. To be clear, we do not oppose the purpose of this legislation or even allowing multi-family in more zoning designations; we oppose the prescriptive nature of the legislation and identifying specific zoning designations in our jurisdiction for this use. We believe that expansion of multi-family should be at the discretion of the counties.

The Department is concerned regarding this legislature's blanket authorization to include multi-family housing in zoning districts where such a change in land use has not been thoroughly vetted by the State nor the County. This bill may lead to unforeseen land use impacts or inconsistencies with the intended use of the district. Specifically, as noted in Section 46-4(d)(2)(A) through (I), the proposed legislation would mandate that multi-family dwelling units be permitted

on any lot within the County of Maui that has the following zoning district classifications: SBR; B-CT; B-1; B-2; B-3; B-R; M-1; M-2; and M-3. The Planning Department is particularly concerned regarding the imposition of this mandate on the following districts:

- SBR. The Service Business Residential District is intended to provide for a mixture of small-scale residential and neighborhood-oriented businesses; not large-scale multi-family.
- B-CT. While the Country Town Business District currently allow multi-family dwelling units as a permitted use, it only does so for the island of Maui, but not for the islands of Molokai and Lānaʻi.
- M-2. The Heavy Industrial District (M-2) provides for those uses that include the manufacture or treatment of goods from raw materials. It does not include allowances for residential units given its heavy industrial nature.
- M-3. The Restricted Industrial District (M-3) is for uses which include the manufacture, processing, storage or treatment of goods from raw materials. The district is intended to include manufacturing and nuisance industries. Given its heavy industrial uses, this district does not allow residential or for that matter even general retail or office uses.

In summary, it is important that the County be the responsible agency for regulating land use within its own County. If the State wishes to regulate land use in this way, more analysis conducted with the assistance of the counties to consider the potential impacts to the communities this legislation will affect should be conducted prior to adopting this approach.

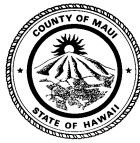
For the foregoing reasons, we **OPPOSE** this measure.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins




Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.MauiCounty.us

February 28, 2024

TO: The Honorable Karl Rhoads, Chair, and
Members of the Senate Committee on Judiciary

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF MARCH 1, 2024; TESTIMONY IN SUPPORT OF SB 2011, SD1, RELATING TO HOUSING**

I **support** this measure, which allows the construction of multi-family dwelling units on any lot within certain designated county zoning districts, subject to reasonable standards adopted by each county.

I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

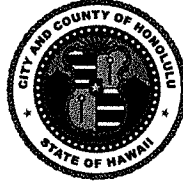
1. Reducing barriers to allow residential housing construction in non-residential zoning areas would facilitate the goal of constructing 10,404 new homes in Maui County by 2025.
2. Residential construction in urban areas that already have the necessary infrastructure, such as water and electricity, would lower the cost of development.
3. The construction of multi-family projects within non-residential zones would improve density, provide increased foot traffic and customers for surrounding businesses, and potentially lower carbon emissions.

For the foregoing reasons, I **support** this measure.

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 • WEBSITE: honolulu.gov/dpp

RICK BLANGIARDI
MAYOR
MEIA



DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

JIRO A. SUMADA
DEPUTY DIRECTOR
HOPE PO'O

March 1, 2024

The Honorable Senator Karl Rhoads, Chair
and Members of the Committee on Judiciary
Hawai'i State Senate
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Subject: Senate Bill 2011, SD 1
Relating to Housing

Dear Chair Rhoads and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 2011, SD 1, which would allow the construction of multi-family dwelling units on any lot within certain designated county zoning districts, subject to reasonable standards adopted by each county. In the City and County of Honolulu, this would apply to business- and industrial-zoned lands.

We support legislation aimed at increasing the supply of housing if the potential outcome aligns with the county's established policies to direct growth and create livable communities for our residents. We do not believe, however, that this Bill is the solution and assert that it may lead to undesirable development patterns over the long-term and incompatible land uses, which would be detrimental to our residents and island home.

Fundamentally, this Bill oversteps county homerule responsibilities, and represents a total disregard for the City's land use planning and implementation system. The first tier of this system is the O'ahu General Plan, which provides the overarching policy direction for Honolulu, including policies and objectives that establish a pattern of population distribution based on a long-standing directed growth policy. The second tier is comprised of the City's eight regional Development Plans and Sustainable Communities Plans, and the third tier consists of implementing ordinances and regulations, including the Land Use Ordinance (LUO), the City's zoning code. The LUO

The Honorable Senator Karl Rhoads, Chair
and Members of the Committee on Judiciary
Hawai'i State Senate
Senate Bill No. 2011, SD 1
March 1, 2024
Page 2

establishes zoning districts that define where housing, including mixed-developments, are permitted.

While we are supportive of housing production and mixed-use developments, but they need to be done in a thoughtful and consistent manner, as reflected in our long-range development plans and Neighborhood Transit Oriented Development Plans. It is not only the number of housing units that matter, but also the desired form of development and the long-term effects on neighborhoods. To that end, the City is currently updating the Primary Urban Center Development Plan and amending the LUO. The latter includes recommendations to allow residential uses in business districts, as long as a base threshold of commercial floor area is provided. This ensures that the basic needs of the community for commercial spaces are met, while allowing the flexibility to construct multi-family dwellings.

Thank you for the opportunity to testify.

Very truly yours,

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

Dawn Takeuchi Apuna
Director



**HAWAII STATE SENATE
COMMITTEE ON JUDICIARY
Conference Room 016 & Videoconference
10:00 AM**

March 1, 2024

Re: SB 2011 - RELATING TO HOUSING

Chair Rhoads, Vice-Chair Gabbard, & members of the Committee:

My name is Max Lindsey, Government Relations Committee Chair 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.

SB 2011 proposes to allow the construction of multi-family dwelling units on any lot within certain designated county zoning districts throughout the state, subject to reasonable standards that each county may adopt.

BIA Hawaii is in **strong support** of SB 2011 as it provides opportunities to increase the supply of housing at all price points in areas with existing infrastructure. As the Legislature is aware, there is a critical need for more housing in Hawaii. Typically, large scale housing developments have occurred in "greenfield" developments which required significant upfront cost for major regional infrastructure projects (i.e. sewer, water, drainage, roads, etc.).

By creating opportunities to develop multi-family projects on all non-residential zoned lands in each county, developers will not have to incur large infrastructure costs if sufficient capacity is available at the project site. Counties should also consider relaxing some of the height, setback, parking and density requirements to further incentivize investment in developing more housing. These types of developments will also create mixed use neighborhoods where residents can live-work-play in one area.

We are in **strong support** of SB 2011 and appreciate the opportunity to provide our comments on this matter.

March 1, 2024, 10 a.m.
Hawaii State Capitol
Conference Room 016 and Videoconference

To: Senate Committee on Judiciary
Sen. Karl Rhoads, Chair
Sen. Mike Gabbard, Vice-Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: SB2011 SD1 — RELATING TO HOUSING

Aloha Chair Rhoads, Vice-Chair Gabbard and other Committee Members,

The Grassroot Institute of Hawaii would like to offer its **support** for [SB2011 SD1](#), which would allow the construction of multifamily units in commercial and industrial zoning districts in each county.

In a recent report, Grassroot discussed how mixed-use buildings were common prior to the advent of the automobile:

“It was normal for watchmakers, bakers, lawyers and all sorts of other business people to live in the same buildings in which they worked,” the report said. “Their stores or offices were usually on the bottom floors, and their living quarters were typically on the floor or floors above or in an apartment in back.”¹

This bill mirrors one of the suggestions we put forward to promote such mixed-use neighborhoods. We said the counties should allow “residential uses in all existing business-related zones. Such residential uses should not be limited to either the ground floor or floors above the ground floor; all floors should be available for use as dwelling units.”²

¹ Jonathan Helton, [“How to facilitate more homebuilding in Hawaii.”](#) Grassroot Institute of Hawaii, December 2023, p. 15.

² [Ibid](#), p. 16.

The walkable neighborhoods these mixed-use buildings encourage have many positive health benefits and save people money on transportation. Just as important, they give people a variety of neighborhood styles to choose from when deciding where to live.

Building more housing in urban areas also would alleviate a much-raised concern: the availability of water and wastewater infrastructure. Fewer new pipes would need to be installed on the suburban fringe if existing buildings were retrofitted with housing units or old buildings were demolished and replaced with new housing.

By passing SB2011, the Legislature would enable the construction of more housing options for Hawaii residents.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON JUDICIARY
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 016
Friday, March 1, 2024 AT 10:00 A.M.**

To The Honorable Senator Karl Rhoads, Chair
The Honorable Senator Mike Gabbard, Vice Chair
Members of the committee on Judiciary

SUPPORT SB2011 SD1 RELATING TO WILDFIRES

The Maui Chamber of Commerce **SUPPORTS SB2011 SD1.**

The Maui Chamber of Commerce notes that allowing the construction of multi-family dwelling units in certain non-residential districts (mostly commercial) can make an important contribution to easing Hawai'i's housing shortage. The commercial centers of most older communities had a mix of commercial and residential uses. Residential units were frequently found on the upper floors of commercial structures above the commercial spaces. Reintroducing such mixed uses is a return to the historic character of these communities, while increasing the stock of available housing units. Additionally, these areas likely already have infrastructure which could lower the ultimate cost of the dwellings.

Affordability of these units is key, and we recognize that commercial zoned properties pay a higher real property tax rate than residential/long-term rental properties in Maui County. We understand real property tax rates are under the purview of the counties and that property taxes are assessed at highest and best use. However, we feel it would be helpful for the state to include or have the counties include a property tax credit for property owners who rent residential units in their commercial properties for long-term rentals.

For these reasons, we **SUPPORT SB2011 SD1.**

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-2011-SD-1

Submitted on: 2/27/2024 3:33:51 PM

Testimony for JDC on 3/1/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellen Godbey Carson	Individual	Support	Written Testimony Only

Comments:

Please support this bill, which allows the construction of multi-family dwelling units on any lot within certain designated county zoning districts, subject to reasonable standards adopted by each county.

We have a critical need for more housing in Hawaii. Exclusionary zoning (single family lot restrictions) is creating such great inequities that thousands of our residents are being forced to leave the islands each year because they can't afford a place to live. Others become homeless because single-family housing structures are not a sustainable way to provide affordable housing for our community. Allowing multi-family dwelling units to be built within existing residential areas better meets the needs of all of our residents, while keeping the "country country" to retain the beauty of Hawaii.

Thank you for consideration of my testimony.

Ellen Godbey Carson, Honolulu. Hawaii