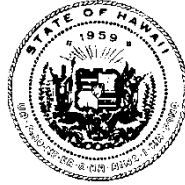


JOSH GREEN, M.D.
GOVERNOR

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 HOUSING

January 25, 2024 at 1:00 p.m.
State Capitol, Room 225

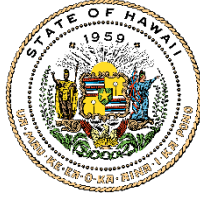
In consideration of
S.B. 2027
RELATING TO HOUSING.

HHFDC supports SB 2027, which restricts any county from disapproving or imposing certain conditions on the development of a housing project or emergency shelter unless the county meets certain requirements. This measure holds counties accountable to ensure that each housing project and emergency shelter is well-vetted and thoughtfully considered, while also ensuring necessary protections for public health and safety.

Thank you for the opportunity to testify on this bill.

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

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



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

P.O. BOX 621
HONOLULU, HAWAII 96809

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
RYAN K.P. KANAKA'OLE
FIRST DEPUTY
DEAN D. UYENO
ACTING DEPUTY DIRECTOR - WATER
AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE
MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES
ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Testimony of
DAWN N.S. CHANG
Chairperson

Before the Senate Committee on
HOUSING

Thursday, January 25, 2024
1:00 PM
State Capitol, Conference Room 225

In consideration of
SENATE BILL 2027
RELATING TO HOUSING

Senate Bill 2027 proposes to restrict any county from disapproving or imposing conditions on a housing development project or an emergency shelter in a manner that would render the development infeasible unless the county meets certain requirements. **The Department of Land and Natural Resources (Department) appreciates the intent of this bill and offers the following comments.**

Page 1, line 8, through page 4, line 16, of this bill imposes high standards on a county before it can disapprove a housing development project and sets a maximum of 30 or 60-days, depending on the number of units to be constructed, for the county to approve a project once a complete application is accepted. The 30 or 60-day time limit begins when the county determines it has received a complete application package. This bill does not, however, specify standards for when a permit application is determined complete.

Counties do not consider whether a project should be submitted to the Department's State Historic Preservation Division (SHPD) for review under section 6E-42, Hawaii Revised Statutes (HRS), until an application is received. This bill would impose considerable pressure on a county to approve an application subject to its provisions resulting in a significant potential that a project will result in inadvertent damage or destruction of significant historic properties, archaeological resources, or burial sites. To avoid such outcomes, the Department recommends this bill clarify that either (1) a county cannot consider an application complete until it has made a reasonable and good faith determination that the project does not have the potential to affect historic properties, archaeological resources, or burial sites, or (2) the project has been submitted to SHPD and the HRS chapter 6E process has been completed. Alternatively, the Department recommends this bill require that developers, as part of its

application, submit documentation showing that the developer worked with SHPD and completed any work necessary to satisfy HRS chapter 6E.

Moreover, page 8, lines 9-13, of this bill provides that a housing development project will be deemed automatically compliant with applicable plans, programs, ordinances, standards, or requirements if the county does not meet certain notice and documentation requirements. We caution that an automatic presumption of compliance could be inconsistent with the National Flood Insurance Program (NFIP) and result in unintended consequences to State and county eligibility and participation.

Pursuant to 44 CFR § 60.3(a), all proposed development and subdivisions encroaching within Special Flood Hazard Areas identified as “A” or “V” zones on the Federal Emergency Management Agency’s Flood Insurance Rate Maps must be reviewed for floodplain management compliance and issued a development permit for construction by the applicable community official.

Any State law or county law that is not consistent with the NFIP may jeopardize continued eligibility and participation in the program. *See* 44 CFR § 60.24. The unintended consequences of program suspension, include the following:

- No federal flood insurance can be sold or renewed in non-participating communities.
- Certain forms of federal disaster assistance, including mitigation grants, will not be available in the event of a Presidential Disaster Declaration.

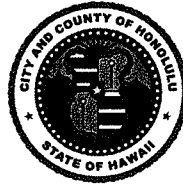
Furthermore, unregulated and/or noncompliant development within floodplains increases the risk to life and property from flooding.

Mahalo for the opportunity to comment on 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

January 25, 2024

The Honorable Stanley Chang, Chair
and Members of the Committee on Housing
Hawai'i State Senate
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Chang and Committee Members:

Subject: Senate Bill No. 2027
Relating to Housing

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 2027, which would restrict any county from disapproving or imposing certain conditions on the development of a housing development project or emergency shelter unless the county meets certain requirements.

We strongly support legislation aimed at increasing the supply of housing if the potential outcomes align with a county's established policies to direct growth and create livable communities for our residents. We do not believe, however, that SB2027 is a workable solution and are concerned that its broad language could lead to haphazard development patterns, which would be detrimental to our island home.

Fundamentally, the proposed legislation oversteps important county responsibilities and, arguably, overrides county plans and regulations. The City's O'ahu General Plan, regional Development Plans and Sustainable Communities Plans, and Neighborhood Transit-Oriented Development (TOD) Plans have been thoughtfully developed with considerable and comprehensive community input that establish long-range planning and land use policies that address housing and the desired development. The Land Use Ordinance and the City's zoning code establish zoning districts that define where housing, including mixed-developments, are permitted.

The Honorable Stanley Chang, Chair
and Members of the Committee on Housing
Hawai'i State Senate
Senate Bill No. 2027
January 25, 2024
Page 2

We further note that a "housing development project" makes no mention of income or price restrictions, and only requires that owners or renters be Hawai'i residents who own no other real property. According to the City's Fiscal Year 2021 Annual Report on the Status of Land Use on O'ahu, a shortage exists in the short-term for affordable housing units, as opposed to market-rate units. A shortage of over 10,800 affordable housing units is anticipated between FY 2020 and FY 2027. During the same period, there is an anticipated surplus of over 12,300 market-rate units.

The proposed legislation is also silent as to whether the State or counties would be responsible for ensuring eligibility requirements are met, for not only initial sales but also resales going forward. If left to the counties, this would be extremely burdensome on staff and would constitute a large consumption of public resources should the majority of the developments be sold at market prices. Lastly, the proposed legislation replaces community-based long-range planning with a system that is punitive to counties by imposing court action and hefty fines.

The City continues to make progress in addressing the cost and supply of housing – we have adopted exemptions and fee waivers for affordable housing, reduced certain zoning standards, eliminated the minimum parking requirement for new homes and businesses in areas well-served by transit, and have added 'ohana and accessory dwelling units in residential areas. More recently, we have established the Multi-Family Rental Housing Program for the issuance of tax-exempt Private Activity Bonds, and have put in place procedures for approving and certifying eligible affordable housing projects for exemption from general excise taxes. Accordingly, we respectfully oppose Senate Bill No. 2027, and request that it not move forward. We are, however, keenly interested in working with the Senate on other ideas that advance the construction of affordable housing in mixed-use, mixed-income projects that activate our communities, including transit-oriented communities.

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna
Director

Jan. 25, 2024

1 p.m.

Conference Room 225 & Videoconference

To: Senate Committee on Housing
Senator Stanley Chang, Chair
Senator Troy Hashimoto, Vice-Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of strategic campaigns

Re: SB2027 — RELATING TO HOUSING

Comments only

Aloha Chair Chang, Vice-Chair Hashimoto and members of the Committee,

Thank you for considering [SB2027](#), which would prohibit the counties from disapproving certain housing developments and temporary shelters unless they abide by quantifiable, objective standards.

The Economic Research Organization at the University of Hawai'i has determined that Hawaii's housing approval system is one of the slowest in the country,¹ and slow, uncertain approval processes increase housing prices for buyers and renters.²

One reason for the slowness is that final say over many proposed housing projects often lies with the many political bodies at the county level, such as planning departments, planning commissions and county councils.

This increases uncertainty for prospective homebuilders, and many of them — for-profit and nonprofit alike — often opt to forego risking the time and money needed to obtain the necessary approvals. This means fewer homes are built.

¹ Rachel Inafuku, Justin Tyndall and Carl Bonham, "[Measuring the Burden of Housing Regulation in Hawaii](#)," UHERO, April 14, 2022, p. 6.

² Paul Emrath, "[How Government Regulation Affects the Price of a New Home](#)," National Association of Homebuilders, Economics and Housing Policy Group, 2011, p. 5; and Adam Millsap, Samuel Staley and Vittorio Nastasi, "[Assessing the Effects of Local Impact Fees and Land-use Regulations on Workforce Housing in Florida](#)," James Madison Institute, Dec. 11, 2018, p. 19.

SB2027 could help provide more certainty to prospective homebuilders by requiring that the counties use objective standards when voting on whether to approve a proposed housing development.

Thank you for the opportunity to testify.

Ted Kefalas

Director of strategic campaigns

Grassroot Institute of Hawaii



**Church
of the
Crossroads**
United Church of Christ



TESTIMONY IN SUPPORT OF BILL SB 2027

Senate Committees on Housing
January 25, 2024 at 1:00 p.m.
Conference Room 225 & Video

Chair Chang, Vice Chair Hashimoto, Members,

Church of the Crossroads, Hawaii's first deliberately interracial congregation now over 100 years old, remains committed to supporting Hawaii's richly diverse population. We ask you to **please pass SB 2027**. By clearing potential roadblocks at the county level to home construction, SB 2027 will help deliver the homes for Hawaii residents at prices they can afford.

Hawaii has been building homes at a rate of only 2,000 units per year, far lower than the 10,000 necessary to house residents. Hawaii's limited housing production coupled with sky-high demand drives our people to the mainland. The State's population has declined for seven consecutive years. The people leaving include our young and others most needed for our future. It's a tragedy that more Native Hawaiians now live outside Hawaii than in Hawaii. Unless we *reverse* this downward spiral, Hawaii will suffer the fate of Japan, China, and Western Europe, where declining birthrates fail to keep pace with increased retirees, dimming economic futures.

Instead, our islands need to help Hawaii's "priced out" children, relatives, and friends find homes here. Our people don't like having the world's wealthy overwhelm this small local market with their often-vacant vacation homes.

SB 2027 contains an extremely valuable feature. It forces the counties imposing conditions on "housing development projects" to reserve residential units "exclusively for residents of the State who are owner- or renter- occupants and own no other real property." ["§46- (n)(1)"] It is our understanding that any person who qualifies for a Hawaii drivers license or State ID qualifies as a resident. Asking residents to live in the unit and to own no other property means occupants will likely be local people needing an affordable home. It means housing for *us*.

Mahalo for your attention to the Church's testimony in support of SB 2027.

Aloha,

Galen Fox
Crossroads Moderator (President)

LATE

To: Senate Committee on Housing
Re: **SB 2027 – Relating to Housing**
Hawai'i State Capitol & Via Videoconference
January 25, 2024, 1:00 PM

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of SB 2027**. This bill restricts any county from disapproving or imposing certain conditions on the development of a housing development project or emergency shelter unless the county meets certain requirements.

A concerning 39% of all children in our state live in families that spend more than 30% of their income on housing, which is considered a high housing cost burden. That ranks Hawai'i at a dismal 49th place among the states for housing affordability, according to KIDS COUNT.¹

Hawai'i Children's Action Network is a member of the current ALICE Initiative Cohort, which supports the upward mobility of ALICE (Asset Limited, Income Constrained, Employed) households by focusing on improving systemic economic inequities in Hawai'i.²

According to United for ALICE research, nearly half of children in Hawai'i live in households experiencing financial hardship. While almost 1 in 8 are in poverty, an additional one-third of families in Hawaii aren't officially poor but still don't earn enough to afford the basic life essentials.³

It is also well established that housing instability has harmful effects on children's health and educational outcomes⁴ and that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.⁵

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo
Director of Research and Economic Policy

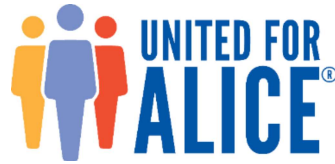
¹ https://www.hawaii-can.org/kids_count_2023_hawaii_profile

² <https://www.hawaiicomunityfoundation.org/strengthening/alice-initiative>

³ <https://www.auw.org/sites/default/files/pictures/ALICE-in-Focus-Children-Hawaii%20%283%29.pdf>

⁴ <https://housingmatters.urban.org/articles/how-housing-affects-childrens-outcomes>

⁵ <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>



Committee on Housing
Senator Stanley Chang, Chair
Senator Troy N. Hashimoto, Vice Chair

BILL: SB2027
POSITION: SUPPORT

Hearing Date: Jan 25, 2024, 1pm, Rm. 225

Aloha Chair Chang Vice Chair Hashimoto, and Committee Members:

Aloha United Way and the ALICE Initiative support SB 2027, and the Housing Accountability Act, which restricts counties from disapproving or imposing certain conditions on the development of a housing development project or emergency shelter and critically defines such projects as only those units that **“are exclusively for residents of the State who are owner or renter occupants and own no other real property or are transitional or supportive housing.”**

Hawaii is losing its local ALICE families and workforce, and the high cost and lack of access to housing is the main cause for this crisis. The huge rise in housing costs as residents increasingly compete with investors and corporations who profit from Hawaii’s housing stock means ALICE families are being forced out and losing to short-term rentals and building projects targeted to investment instead of long-term occupancy.

ALICE stands for Asset Limited, Income Constrained, Employed, and refers to households who are employed but whose incomes are not sufficient to meet their basic costs. According to our 2022 report **44% of Hawaii’s households are ALICE households.**

Acts like SB2027 are essential to providing housing for those who live and work here and are key to stabilizing our workforce. Aloha United Way and ALICE Initiative partners strongly support the Housing Accountability Act and ask the Legislature to act quickly and boldly to ensure housing development and shelters are created for those who live and work in Hawaii.

Thank you for the opportunity to testify and for supporting housing for our ALICE families. Your strong action is needed now and we urge you to pass SB2027.

Sincerely,

A handwritten signature in blue ink that reads "Suzanne Skjold".

Suzanne Skjold
Chief Operating Officer
Aloha United Way

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

January 22, 2024

TO: The Honorable Senator Stanley Chang, Chair, and
Members of the Senate Committee on Housing

F R O M: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF JANUARY 25, 2024; TESTIMONY IN SUPPORT OF SB
2027, RELATING TO HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. This measure establishes the Housing Accountability Act to restrict any county from disapproving or imposing certain conditions on a housing development project or emergency shelter unless the county meets certain requirements.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, 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. This measure draws an appropriate balance between two important principles: expediting the development of much-needed housing and respecting the counties' traditional land-use authority.
2. The criteria restricting the counties' ability to deny a housing development or emergency shelter are sensible and protect against unreasonable "not in my back yard" opposition.
3. If this measure passes the counties would have an additional tool to ensure critical housing projects are not denied due to arbitrary reasons.

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

ocs:proj:legis:24legis:24testimony:sb2027paf24-002(1)_alkl

SB-2027

Submitted on: 1/22/2024 3:00:18 PM

Testimony for HOU on 1/25/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Golojuch Jr	Individual	Comments	Remotely Via Zoom

Comments:

Aloha Senators,

I could support this bill if it only covered emergency shelters, workforce housing, and included a requirement for low-barrier shelters on all the islands for homeless unaccompanied minors.

The State should not be forcing counties to build housing developments that does not meet the needs of our residents like emergency shelters, workforce housing, and low-barrier shelters for homeless unaccompanied minors.

I hope you will make the needed amendments to address the needs of our fellow residents.

Mahalo,

Michael Golojuch, Jr. (he/him)
Civil Rights Activist

SB-2027

Submitted on: 1/23/2024 8:07:55 PM

Testimony for HOU on 1/25/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keith Webster	Individual	Support	Written Testimony Only

Comments:

Senator Stanley Chang, Chair

Senator Troy N. Hashimoto, Vice Chair

Committee on Housing

TESTIMONY of
Keith Webster

Thursday, January 25, 2024; 1:00 PM

SUPPORT for SB 2027, relating to housing development

I encourage you to support this bill which provides for the construction of needed housing and shelters where appropriate and ensures the Counties identify areas in their jurisdiction where this needed housing is appropriate and can be built.

Our families are being separated due to the lack of housing. Our young people are affected the most and for social justice and economic sustainability we need to ensure our working people and their families have access to housing that is affordable across the pay range our service economy provides.

Everyone seems to support housing local people in general but, specific projects are hard to get through. This bill will help us to make the changes needed to maintain our vibrant and economically sustainable communities.

I came to Hawaii 35 years ago and we were in a housing crisis then. Our young people and our Kapuna are in a much more difficult situation now. To keep our families together and to strengthen our workforce I ask for your support for this and other ALICE legislation.

Respectfully,

Keith Webster

Kaneohe, HI

January 23, 2024

Senator Stanley Chang, Chair, Senate Housing Committee

Troy Hashimoto, Vice-chair, Senate Housing Committee

Re: SB 2027. Relating to Housing; Chapter 46, the Housing Accountability Act

Dear Senators Chang and Hashimoto:

I am Gail Breakey, resident of Waipio Gentry and an advocate for vulnerable young children and their families. I am testifying in general support for the purpose of SB 2027, which adds a significant section to S 46, Hawaii Revised Status titled the Housing Accountability Act.

Restricts any county from disapproving or imposing certain conditions on the development of a housing development project or emergency shelter unless the county meets certain requirements.

This legislation should enable more plans for housing projects and shelters to be approved.

Thank you very much for the opportunity to testify in support of this legislation.

Sincerely,

A handwritten signature in black ink that reads "Gail Breakey". The signature is written in a cursive, flowing style.

Gail Breakey, RN, MPH

SB-2027

Submitted on: 1/24/2024 10:02:09 AM

Testimony for HOU on 1/25/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Loren	Individual	Support	Written Testimony Only

Comments:

Housing should be available for people who live and work here.