

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

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February 20, 2025

The Honorable 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 No. 25  
Relating to Reduction in Housing**

Dear Chair Rhoads and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 25, which authorizes a county to reduce the number of housing units that may be built within any portion of the county only if the county increases the number of housing units that may be built elsewhere in the county, such that there is no net loss in residential capacity.

While the City supports policies that will stimulate housing production, this Bill's language is confusing and misleading – it appears to give counties discretion with the word “authorizes,” but upon closer read it is a mandate. A county would only be allowed to reduce the number of housing units in one portion of the county, if it increases the number of units that may be built elsewhere. This Bill does not define a “portion” of a county. Would it be based on the City's defined development plan areas or subareas, or would it be on a smaller-scale such as census blocks? Also, this Bill shifts the focus from the City's long-range planning framework, which considers a myriad of inter-related topics other than just housing, to a mathematical equation of the net increase or decrease in housing units.

Furthermore, pursuant to Ordinance 25-2, the City will significantly increase development capacity in residential zoning districts by allowing one accessory dwelling unit and one ohana unit in addition to the principal dwelling unit on most zoning lots, effective September 30, 2025. Ordinance 25-2 also makes changes to the B-1

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(Neighborhood Business District) and B-2 (Community Business District) to allow multi-unit dwellings, subject to meeting other requirements of the Land Use Ordinance.

Lastly, with increasing hazards due to climate change, e.g., sea level rise and wildfires, counties need to address the potential downzoning of properties due to the growing risk to public health and safety. To do so, the City should not be required to upzone other portions of the county or expand the community growth boundary as defined in our development plans and which is a key element of our directed growth policy.

To this end, we respectfully ask that Senate Bill No. 25 be held in committee.

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna  
Director Designate

Feb. 20, 2025, 10:01 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: SB25 — RELATING TO HOUSING

Aloha Chair Rhoads, Vice-Chair Gabbard and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [SB25](#), which would allow counties to decrease the number of housing units that can be built in one area of the county only if the county allows more housing units in another area of the county — so there is no net loss in residential development potential.

Basically, SB25 would prevent counties from exacerbating the housing crisis, because when a county changes a zoning ordinance to reduce the amount of housing that is allowed in a certain zone, it reduces the potential housing supply.

These sorts of “downzonings” have occurred in the past. For example, in 1973, Honolulu lowered the density of a parcel zoned for apartment use and the owner sued in response.<sup>1</sup> These downzonings might be infrequent, but SB25 takes the right approach by attempting to limit their occurrence.

After all, Hawaii’s housing shortage is acute. The Hawaii Department of Business, Economic Development and Tourism pointed out in a March 2024 report that Hawaii needs an average of 3,297 new housing units per year to satisfy demand between 2025 and 2035.<sup>2</sup>

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<sup>1</sup> David Callies, “[Land Use: Herein of Vested Rights, Plans, and the Relationship of Planning and Controls](#),” University of Hawai’i Law Review, 1979, pp. 171-172.

<sup>2</sup> “[Hawai’i Housing Demand: 2025-2035](#),” Research and Economic Analysis Division, Hawaii Department of Business, Economic Development and Tourism, March 2024, p. 2.

Furthermore, as measured by the state’s Honolulu Construction Cost Index, the cost for building single-family homes in 2024 was 2.6 times higher than the cost in 2020. For highrises, the cost was 2.5 times higher.<sup>3</sup>

Hawaii needs more housing, not less, and SB25 would help make sure that less housing would no longer be an option.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

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<sup>3</sup> [“Quarterly Statistical and Economic Report, 4th Quarter 2024,”](#) Hawaii Department of Business, Economic Development & Tourism, pp. 107-108.