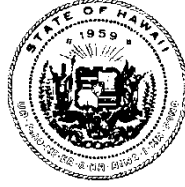


JOSH GREEN, M.D.  
GOVERNOR

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 WATER & LAND AND HOUSE COMMITTEE ON PUBLIC SAFETY

March 11, 2025 at 9:00 a.m.  
State Capitol, Room 411

In consideration of  
**S.B. 867 SD2**  
**RELATING TO AFFORDABLE HOUSING.**

Chairs Hashem and Belatti, Vice Chairs Lamosao and Iwamoto, and members of the Committees.

HHFDC **supports** SB 867 SD2, which establishes a working group within the Office of the Governor for administrative purposes to ascertain the State's available water resources and water system source capacity and to streamline well permit approval processes to further plan for the development of affordable housing. It also requires the working group to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development. Lastly, it requires an interim and final report to the Legislature.

The executive director of the Hawaii Housing Finance and Development Corporation (HHFDC) is named as a working group member.

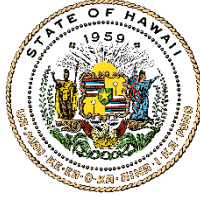
Permitting for the development of potable water systems is a critical issue affecting housing development in many areas of the state. On Hawaii island, HHFDC's Kamakana Villages, a master-planned community with the potential of providing 1,600 affordable housing units, has been stalled for over a decade due to the lack of potable water. On Maui, the lack of potable water is also affecting HHFDC's Villages of Leialii and hampering the recovery of affordable housing projects in Lahaina.

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.

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

CIARA W.K. KAHAHANE  
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 House Committees on  
WATER & LAND, and  
PUBLIC SAFETY

Tuesday, March 11, 2025  
9:00 AM

State Capitol, Conference Room 411 & Videoconference

In consideration of  
SENATE BILL 867 SD2  
RELATING TO AFFORDABLE HOUSING

Senate Bill 867 SD2 proposes to establish a working group within the Office of the Governor for administrative purposes to ascertain the State's available water resources and water system source capacity and to streamline well permit approval processes to further plan for the development of 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; and requires an interim and final report to the Legislature. **The Department of Land and Natural Resources (Department) offers comments.**

The Commission on Water Resource Management (Commission) was established by the Hawai'i State Legislature in 1987 to implement and administer the State Water Code (HRS chapter 174C). Under the laws and constitution of the State of Hawai'i, the Commission has a dual mandate of protecting and preserving the state's fresh water resources while providing for the maximum reasonable and beneficial use of water by present and future generations. The Commission allocates water to support needs like affordable housing, agriculture, and other important uses. Under the Hawai'i Constitution and the State Water Code, the Commission must ensure the protection of public trust uses—maintenance of waters in their natural state, domestic uses, traditional and customary practices of Native Hawaiians, and adequate reservations of water for the Department of Hawaiian Home Lands—and appurtenant rights.

Sustainable yields establish the availability of groundwater from an aquifer system.<sup>1</sup> The Commission sets sustainable yields via the Water Resource Protection Plan. Additionally, water demands and water system source capacity are defined in the counties' Water Use and Development Plans.

The Commission is seeking to develop processes to more efficiently carry out its duty to balance public trust uses with reasonable-beneficial uses of water. A working group within the Office of the Governor would help to inform a comprehensive strategy to address those challenges and identify opportunities for greater collaboration and partnership with the counties.

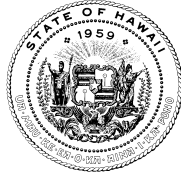
Mahalo for the opportunity to testify on this measure.

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<sup>1</sup> Under HRS § 174C-3, “[s]ustainable yield” is defined as “the maximum rate at which water may be withdrawn from a water source without impairing the utility or quality of the water source as determined by the commission.”

JOSH GREEN, M.D.  
GOVERNOR  
STATE OF HAWAII  
*Ke Kia'āina o ka Moku'āina 'o  
Hawai'i*

SYLVIA J. LUKE  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Kia'āina o ka Moku'āina  
'o Hawai'i*



KALI WATSON  
CHAIRPERSON, HHC  
*Ka Luna Ho'okele*

KATIE L. LAMBERT  
DEPUTY TO THE CHAIR  
*Ka Hope Luna Ho'okele*

**STATE OF HAWAII**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**  
*Ka 'Oihana 'Āina Ho'opulapula Hawai'i*

P. O. BOX 1879  
HONOLULU, HAWAII 96805

**TESTIMONY OF KALI WATSON, CHAIR**  
**HAWAIIAN HOMES COMMISSION**  
**BEFORE THE HOUSE COMMITTEES ON WATER & LAND AND PUBLIC SAFETY**  
**HEARING ON MARCH 11, 2025 AT 9:00AM IN CR 411**

**SB 867, SD2, RELATING TO AFFORDABLE HOUSING**

March 11, 2025

Aloha Chairs Hashem and Belatti, Vice Chairs Lamosao and Iwamoto, and Members of the Committees:

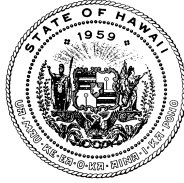
The Department of Hawaiian Home Lands (DHHL) submits **comments** on this bill which 1) establishes a working group within the Office of the Governor for administrative purposes to ascertain the State's available water resources and water system source capacity and to streamline well permit approval processes to further plan for the development of affordable housing, 2) requires the working group to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development, and 3) requires an interim and final report to the Legislature.

In general, DHHL and its beneficiaries hold three distinct rights that are impacted by any proposed disposition of water by the Board of Land and Natural Resources. First, under HRS 171-58(g), no water lease or license can be issued until after "a reservation of water rights sufficient to support current and future homestead needs" is adopted. Second, our beneficiaries may exercise traditional and customary practices related to the waters that are being disposed. Third, in section 213 of the Hawaiian Homes Commission Act (HHCA) and Article XII, section 1 of the State Constitution, DHHL is entitled to 30% of the revenue from water licenses, and those moneys are deposited into the Native Hawaiian Rehabilitation Fund, which finances grants across the islands to achieve the purposes of the HHCA.

Given DHHL's distinct rights, the Chair of the Hawaiian Homes Commission or the Chair's designee, should be a member of the working group.

Thank you for your consideration of our testimony.

JOSH GREEN, M.D.  
GOVERNOR OF HAWAII  
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII'



KENNETH S. FINK, MD, MGA, MPH  
DIRECTOR OF HEALTH  
KA LUNA HO'OKELE

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
P. O. Box 3378  
Honolulu, HI 96801-3378  
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of SB0867 SD2  
RELATING TO AFFORDABLE HOUSING.**

REPRESENTATIVE MARK J. HASHEM, CHAIR  
HOUSE COMMITTEE ON WATER & LAND

March 11, 2025; 9:00 am; Room Number: 411

1 **Fiscal Implications:** None.

2 **Department Position:** The Department of Health (“Department”) supports this measure.

3 **Department Testimony:** The Environmental Management Division (EMD) provides the  
4 following testimony on behalf of the Department.

5 The Department supports this measure to establish a working group to: (1) ascertain the  
6 State's available water resources and water system source capacity; and (2) streamline well  
7 permit approval processes to ensure available water supply to further plan for the development  
8 of affordable housing. The Director of Health or designee is a member of the working group  
9 whose directed effort encompasses work related to the Clean Water Branch, Safe Drinking  
10 Water Branch, Surface Water Protection Branch, and Wastewater Branch of EMD.

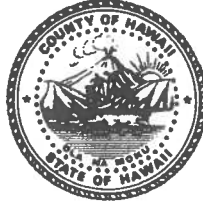
11 **Offered Amendments:** None

12 Thank you for the opportunity to testify on this measure.

C. Kimo Alameda, Ph.D.  
*Mayor*

William V. Brillhante Jr.  
*Managing Director*

Merrick Nishimoto  
*Deputy Managing Director*



Kehaulani M. Costa  
*Housing Administrator*

Keiko M. Mercado  
*Assistant Housing Administrator*

**County of Hawai'i**  
**Office of Housing and Community Development**

1990 Kino'ole Street, Suite 102 • Hilo, Hawai'i 96720 • (808) 961-8379 • Fax (808) 961-8685  
Existing Housing: (808) 959-4642 • Fax (808) 959-9308  
Kona: (808) 323-4300 • Fax (808) 323-4301

March 10, 2025

TESTIMONY IN SUPPORT OF SENATE BILL 867, SD2  
A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING  
COMMITTEE ON WATER & LAND  
Rep. Mark J. Hashem, Chair  
Rep. Rachele F. Lamosao, Vice Chair  
COMMITTEE ON PUBLIC SAFETY  
Rep. Della Au Belatti, Chair  
Rep. Kim Coco Iwamoto, Vice Chair  
Hearing Date: Tuesday, March 11, 2025, at 9:00 AM  
Place of Hearing: Conference Room 411 & Videoconference

Aloha Honorable Chairs Hashem, Lamosao, Au Belatti, and Iwamoto, and members of the Committee on Water & Land and Committee on Public Safety,

On behalf of the County of Hawai'i Office of Housing and Community Development (OHCD), I am pleased to provide testimony in **support of Senate Bill 876, SD2**, which establishes a working group within the Office of the Governor to assess the State's water resources, streamline well permit approvals, and support the development of affordable housing across Hawai'i.

Addressing Hawaii's affordable housing crisis requires a comprehensive approach, and ensuring access to sufficient water resources is a key component of that effort. By establishing a working group to inventory the State's available water resources and streamline well permit approval processes, this measure is a significant step toward enabling the sustainable development of affordable housing.

Addressing the development of water systems is a critical issue affecting housing development in many areas of the state, as stated by the Hawai'i Housing Finance and Development Corporation (HHFDC). In North Kona, HHFDC's Kamakana Villages, a master-planned community with the potential of providing 1,600 affordable housing units, has been stalled for over a decade due to the lack of accessible water.

Water is essential for housing development, and the proposed working group, with its



March 10, 2025

Page 2

diverse representation, will provide the necessary coordination to balance housing needs with cultural, environmental and regulatory requirements.

Thank you for the opportunity to provide testimony on Senate Bill 867, SD2.

Mahalo,



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Kehaulani M. Costa  
Housing Administrator



**BOARD OF WATER SUPPLY  
KA 'OIHANA WAI  
CITY AND COUNTY OF HONOLULU**

630 SOUTH BERETANIA STREET • HONOLULU, HAWAII 96843  
Phone: (808) 748-5000 • www.boardofwatersupply.com

RICK BLANGIARDI  
MAYOR  
*MEIA*

ERNEST Y. W. LAU, P.E.  
MANAGER AND CHIEF ENGINEER  
*MANAKIA A ME KAHU WILIKI*

ERWIN KAWATA  
DEPUTY MANAGER  
*HOPE MANAKIA*



NĀ'ĀLEHU ANTHONY, Chair  
JONATHAN KANESHIRO, Vice Chair  
BRYAN P. ANDAYA  
LANCE WILHELM  
KĒHAULANI PU'U  
EDWIN H. SNIFFEN, Ex-Officio  
GENE C. ALBANO, P.E., Ex-Officio

March 11, 2025

The Honorable Mark J. Hashem, Chair  
and Members  
House Committee on Water and Land  
Hawai'i State Capitol, Room 411  
Honolulu, Hawai'i 96813

The Honorable Della Au Belatti, Chair  
and Members  
House Committee on Public Safety  
Hawai'i State Capitol, Room 411  
Honolulu, Hawai'i 96813

Dear Chair Hashem, Chair Au Belatti and Members:

**SUBJECT: Senate Bill 867, SD2: Relating to Affordable Housing**

The Honolulu Board of Water Supply (BWS) supports Senate Bill (SB) 867, Senate Draft (SD) 2, relating to affordable housing, which establishes a working group within the Office of the Governor to ascertain the State's available water resources and water system source capacity, identify sources of aquifer replenishment and streamline well permit approval processes for the development of affordable housing.

We look forward to participating in the proposed working group. It is important and practical to streamline well permit approval processes, especially the Well Construction Permit, because of the exploratory nature and risks involved in constructing a competent water source, and because the subsequent Pump Installation Permit will be conditioned based on the findings of the exploratory well test pumping standard procedures. Well Construction Permits approval timeframes are inordinately long, some pending for close to 2 years. This administrative permit used to take 2-3 months. Timely water supply development and advanced water conservation programs are critical to avoid water shortages.

The Honorable Mark J. Hashem, Chair  
The Honorable Della Au Bellati, Chair  
and Members  
March 11, 2025  
Page 2

We also support aquifer replenishment as a mitigative measure to more intense drought from climate change. BWS is working on the Nuuanu managed aquifer recharge feasibility project where treated stormwater from Nuuanu Reservoir No. 4 would be injected into the aquifer to enhance natural recharge.

Thank you for the opportunity to testify in support of SB867, SD 2.

Very truly yours,



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



**SB-867-SD-2**

Submitted on: 3/9/2025 12:05:28 AM

Testimony for WAL on 3/11/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Leimomi Khan	Individual	Comments	Written Testimony Only

Comments:

SB867 SD2 proposes to establish a working group within the Office of the Governor for administrative purposes to ascertain the State's available water resources and water system source capacity and to streamline well permit approval processes to further plan for the development of 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 an interim and final report to the Legislature. (SD2)

Strongly urge that the this bill be amended to include the Department of Hawaiian Homes and the Office of Hawaiian Affairs on the working group to assure that the working group considers water distribution needs of affordable housing development by DHHL and does not infringe on water distribution needs of Native Hawaiian traditional practices such as lo'i patches, fish ponds, etc.

Mahalo for your consideration of my testimony.

**SB-867-SD-2**

Submitted on: 3/10/2025 9:58:32 AM

Testimony for WAL on 3/11/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

GOOD IDEA. MAHALO!

**SB-867-SD-2**

Submitted on: 3/10/2025 9:34:27 PM

Testimony for WAL on 3/11/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Cedric Duarte	Individual	Comments	Written Testimony Only

Comments:

SB867 SD2 proposes to establish a working group within the Office of the Governor for administrative purposes to ascertain the State's available water resources and water system source capacity and to streamline well permit approval processes to further plan for the development of 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 an interim and final report to the Legislature. (SD2)

Strongly urge that the this bill be amended to include the Department of Hawaiian Home Lands and the Office of Hawaiian Affairs on the working group to assure that the working group considers water distribution needs of affordable housing development by DHHL and does not infringe on water distribution needs of Native Hawaiian traditional practices such as lo'i patches, fish ponds, etc.

Mahalo for your consideration of my testimony.

**SB-867-SD-2**

Submitted on: 3/11/2025 6:36:29 AM

Testimony for WAL on 3/11/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Frank Schultz	Individual	Support	Written Testimony Only

Comments:

I support this initiative.