

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  
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### Statement of DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation  
Before the

### HOUSE COMMITTEE ON HOUSING

February 07, 2025 at 9:00 a.m.  
State Capitol, Room 430

In consideration of  
**H.B. 527**  
**RELATING TO HOUSING.**

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC **supports** HB 527, which prohibits the legislative body of a county from making modifications to housing development proposals that would increase the cost of the project.

In many cases, the legislative body will impose conditions on projects that increase project costs. We therefore suggest that the new language in section (C) (i) on page 2 be amended as follows:

; provided that the legislative body shall not make any modifications **or impose conditions** that will increase the cost of the project.

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**

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RICK BLANGIARDI  
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DAWN TAKEUCHI APUNA  
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DEPUTY DIRECTOR  
HOPE PO'O

REGINA MALEPEAI  
2<sup>ND</sup> DEPUTY DIRECTOR  
HOPE PO'O KUALUA

February 7, 2025

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

**Subject: House Bill No. 527**  
**Relating to Housing**

Dear Chair Evslin and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 527, which prohibits the legislative body of a county from making modifications to housing development proposals that would increase the cost of the project.

While the City supports policies that will stimulate affordable housing production, prohibiting the county legislative body from imposing necessary conditions that would increase the cost of the project negates the quality of their review and forces a de facto up or down vote on each project. This could result in good projects being denied because conditions could not be imposed to ensure impacts were mitigated.

Essentially any condition that required a change to the plans and drawings could be argued to increase the cost of the project. Rising consultant fees are, after all, a cost of the project. Furthermore, if the legislative body could not impose conditions to ensure traffic safety measures and infrastructure needs, they may need to deny projects. Then applicants would need to make the changes and start the process over because there would not be room for changes to the plan or collective agreements on pathways forward after the application was received.

It may help you to know that for one 201H project, an applicant requested that the City Council impose a condition to change the project in a way that allayed community concerns. The change did impact the cost of the project, but the applicant

The Honorable Luke A. Evslin, Chair  
and Members of the Committee on Housing  
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House Bill No. 527  
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was able to move forward with the support of both the Council and the community. This was a win-win solution that would not be available if the bill passes in its current form.

To this end, we respectfully oppose House Bill No. 527 and request that it not move forward.

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna  
Director Designate



Testimony of **Lahaina Strong**  
Before the House Committee on  
**Housing**

In Opposition of House Bill No. 527  
RELATING TO HOUSING

To Chair Evslin, Vice Chair Miyake, and the honorable members of the committee,

We are writing on behalf of Lahaina Strong, an organization deeply rooted in our community's resilience and advocacy. Originally formed in 2018 following the Hurricane Lane fire in Lahaina and revitalized after the devastating fires of August 8, 2023, Lahaina Strong has become the largest grassroots, Lahaina-based community organization, with over 35,000 supporters. Our mission is to amplify local voices and champion community-driven solutions, which are more critical than ever as we continue rebuilding and recovering.

Lahaina Strong stands in **opposition of HB527** and its provisions that diminish the County Council's role, remove its authority to approve housing projects, and undermine the vital need for community input. Ensuring local voices are heard in the decision-making process is essential for responsible and equitable development.

The County Council is the body closest to the people and the realities on the ground, particularly in disaster-affected communities like Lahaina. Ensuring that housing projects align with our community's needs and values requires a process where local voices are heard. The current proposal undermines this essential process by allowing the State to bypass county-level approval for projects that have received state funding. This sets a dangerous precedent and risks disenfranchising communities across Hawai'i.

Moreover, the provision that prohibits the County Council from making any modifications that could increase the cost of a project is deeply concerning. It effectively ties the hands of the County Council, preventing them from addressing

critical design, safety, or infrastructure concerns that could arise during the review process. Responsible development often requires adjustments to ensure a project is sustainable, accessible, and aligned with local needs—adjustments that may incur additional costs but are essential to long-term success. This limitation prioritizes cost savings over the well-being and functionality of our communities.

Additionally, not every island faces the same resource challenges, particularly when it comes to water. Maui, and specifically Lahaina, is grappling with significant water resource issues that must be carefully considered in any housing project. A blanket approval process that removes local oversight risks overlooking these critical factors, potentially leading to projects that fail to address or even exacerbate local needs and concerns.

Lahaina Strong firmly believes in home rule and the importance of maintaining the County Council's oversight to ensure transparency, accountability, and alignment with our unique circumstances. By removing the requirement for county approval and restricting the ability to make necessary project modifications, the proposed Bill concentrates power at the state level, leaving no meaningful avenue for local voices to shape the decisions that directly impact them.

In conclusion, Lahaina Strong urges you to **oppose House Bill 527**. Preserving the County Council's authority and ensuring housing projects remain rooted in the communities they are meant to serve is critical to a just recovery and sustainable future. Our collective resilience depends on it.

Mahalo for your attention to this vital matter and your dedication to safeguarding our community.

Sincerely,

Lahaina Strong



### **Opposition for HB527/SB38**

Aloha e Representatives, Chair, Vice Chair:

We are testifying on behalf of Locals In My Backyard (LIMBY) Hawai‘i. LIMBY Hawai‘i is a hui of concerned kama‘āina and kānaka working to help develop solutions to our state’s housing crisis.

We are concerned that NIMBYism has driven up costs and driven our friends and families out by opposing all development. We are equally concerned that the apparent answer to this, YIMBYism, insists that anything resembling true affordability is impossible so instead they promote building housing that gets bought by overseas investors. ***We know we won’t solve our housing woes without building more, but we won’t solve them by simply building more.***

The true solution is to create a housing market for locals: one that houses locals first, is tied to local wages, and is managed in trust. We detail real solutions to our housing woes on our website and through our newsletter.

The future for kama‘āina and kānaka will be LIMBY or Las Vegas.

This bill does nothing to keep locals here. Instead it proposes an incredibly broad requirement that nothing may be done which would increase project costs.

This ignores that adding some costs to the developer may indeed represent a genuine public benefit. A bike rack, an easement for a sidewalk all are genuinely reasonable costs.

More critically, it’s a hopelessly poorly written piece of legislation. There is in this legislation nothing that defines “costs” nor anything that defines who gets to decide what constitutes a cost. A developer could with apparently equal rights refuse a request for relocation assistance, as at Kuilei place, as one to print out a plan because doing so would add a \$1.50 in printing costs.

This legislation is uselessly vague and ought to be rejected on those grounds alone. Poorly defined law is a scourge.

Makana Hicks-Goo,  
Organizer on behalf of LIMBY Hawaii



Housing Hawai'i's Future  
PO Box 3043  
Honolulu, HI 96802-3043

February 7, 2025

TO: Chair Evslin and members of the House Committee on Housing  
RE: HB 527 RELATING TO HOUSING.

Dear Chair Evslin and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

**We support HB 527, a measure that prohibits county councils from increasing the cost of affordable housing.**

Projects that seek 201H-38 approval supplement Hawai'i's inventory of workforce housing. However, history shows that when these projects become subject to county approval, their timelines and construction costs can increase due to 'not-in-by-backyard' (NIMBY) opposition.

The result is not better housing. Instead, concessions extracted from county review processes increase the cost of housing, stifling housing projects. Housing unaffordability—or the lack of more workforce housing—is the product of unnecessary risk, uncertainty, and delay to well-scrutinized developments.

The result is a housing crisis. And here we are.

We need to expedite the construction of affordable workforce housing.

**We are grateful for your careful consideration of HB 527.**

Thank you,

A stylized, circular signature in black ink, appearing to be the name "Lee Wang".

Lee Wang  
Executive Director  
Housing Hawai'i's Future  
[lee@hawaiisfuture.org](mailto:lee@hawaiisfuture.org)

A handwritten signature in black ink, appearing to be the name "Perry Arrasmith".

Perry Arrasmith  
Director of Policy  
Housing Hawai'i's Future  
[perry@hawaiisfuture.org](mailto:perry@hawaiisfuture.org)

Feb. 7, 2025, 9 a.m.  
Hawaii State Capitol  
Conference Room 430 and Videoconference

**To: House Committee on Housing**  
**Rep. Luke Evslin, Chair**  
**Rep. Tyson Miyake, Vice-Chair**

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

RE: HB527 — RELATING TO HOUSING

Aloha Chair Evslin, Vice-Chair Miyake and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [HB527](#), which would prohibit Hawaii's county councils from adding requirements that increase costs for a 201H affordable housing project already approved by the Hawaii Housing Finance and Development Corp.

The Economic Research Organization at the University of Hawai'i has found that Hawaii's housing regulations are the strictest in the country, and that "local political pressure" in Hawaii on housing developments is in the top 5% of communities surveyed.<sup>1</sup> Likewise, UHERO researchers estimated that regulations comprise 58% of the cost of new condominium construction.<sup>2</sup>

This suggests that reducing the power of Hawaii's county councils over state-approved affordable housing projects could lower carrying costs, which would benefit builders and residents alike.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

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<sup>1</sup> Rachel Inafuku, Justin Tyndall and Carl Bonham, "[Measuring the Burden of Housing Regulation in Hawaii](#)," The Economic Research Organization at the University of Hawai'i, April 14, 2022, p. 6.

<sup>2</sup> Justin Tyndall and Emi Kim, "[Why are Condominiums so Expensive in Hawai'i?](#)" The Economic Research Organization at the University of Hawai'i, May 2024, p. 11.

**HB-527**

Submitted on: 2/5/2025 9:00:13 PM

Testimony for HSG on 2/7/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Brett Kurashige	Individual	Oppose	Written Testimony Only

Comments:

I am submitting testimony in strong opposition to HB527 which proposes to amend Hawai‘i Revised Statutes 201H-38 by adding language stipulating the State would essentially revoke the authority of County representative bodies/appointed officials to “approve, approve with modification, or disapprove the (proposed affordable housing) project by resolution should County government “make any modifications that will increase the cost of the (proposed affordable housing) project.”

In my opinion, HB527 potentially constrains County governments from carrying out their duty to review and approve and make modifications as necessary to developments within their County jurisdictions for safety and well-being of County communities. We can all agree that County governments are ultimately responsible for all County-level infrastructure and services as well as the general well-being of communities within their respective Counties. Why constrain County governments from doing their job?

A hypothetical example: Say a proposed 150 unit affordable housing development comes before the County Council for review. Suppose there is only a single 18 foot access road (with street parking) for that proposed development which runs through an established neighborhood. For practical safety reasons, the County would not approve the development unless that access road was widened to support the addition of 150 housing units to the existing neighborhood. Of course, any required additional infrastructure (e.g., widening streets) increases development cost. As currently written, SB38 would constrain County governments from doing their job.

It would be far better, in my opinion, for State and County governments to work together in a Pono and community-friendly way to preserve our precious Aina and make permanent progress of truly affordable housing solutions for local residents and families.

Mahalo for the opportunity to submit testimony in opposition to HB527.

**HB-527**

Submitted on: 2/6/2025 8:47:40 AM

Testimony for HSG on 2/7/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Christine Otto Zaa	HI Good Neighbor	Oppose	Written Testimony Only

Comments:

Aloha Representatives,

I strongly oppose HB527.

Community benefit and need should be the top priority for affordable housing projects that are provided generous subsidies and regulatory exemptions by the government. And county councils and the community have a better sense of the impacts to a community versus a nine member appointed board. So, if the county determines that a project needs to make modifications for the community's health, safety, benefit and need, they should have that right since it will impact the county's infrastructure, resources and community.

For example, when the Kobayashi Group's 201H project, Kuilei Place, came before the Honolulu City Council, the developer agreed to increase the number of affordable units and extend the resident only buying period as a result of the Council requesting changes. The impacted community needed more affordable housing for local residents and that is what the council requested of the developer - added costs that increase affordable units for locals is a good thing.

Thank you,

Christine Otto Zaa

HI Good Neighbor

**HB-527**

Submitted on: 2/6/2025 11:26:12 AM

Testimony for HSG on 2/7/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Linda Legrande	Individual	Oppose	Written Testimony Only

Comments:

This bill does not provide public transparency. If modifications need to be made, they should be financed. Thank you. Linda Legrande

**HB-527**

Submitted on: 2/6/2025 1:19:31 PM

Testimony for HSG on 2/7/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Janyce Mitchell	Individual	Oppose	Written Testimony Only

Comments:

I am writing to voice my strong opposition to this bill. This bill strips away the ability of the county legislative bodies to properly control development within their county. In order to gain community support for a project or meet other goals of the county (e.g., improved infrastructure, more green space for residents of the project etc.), the county council must be allowed to put conditions on their approval of a project even if those conditions increase the project's cost. Without this ability, the county council may be forced to reject a development they would have approved with conditions. This may greatly delay the project or even result in the good projects dying on the vine because of delays. Moreover, this is an unnecessary removal of the power of county councils that violates the principle of home rule. Please, vote against this bill.

Thank you for your time and attention.

Janyce Mitchell