



Written **STATE OF HAWAII**
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Written Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
Thursday, February 27, 2025, 2:00 PM
State Capitol, Conference Room 325 & Videoconference

in consideration of
HB 732 HD1
RELATING TO SHORELINE MANAGEMENT AREAS.

Chair Tarnas, Vice Chair Poepoe, and Members of the House Committee on Judiciary & Hawaiian Affairs:

The Office of Planning and Sustainable Development (OPSD) **supports** HB 732 HD1, and respectively provides the following **amendments** to HB 732 HD1:

“Special management area minor permit” means:

- (1) Development of a single-family residence that is less than three thousand five hundred square feet of floor area and is not part of a larger development; or
- (2) An action by the authority authorizing development^[5] the valuation of which is not in excess of \$750,000₂ with inflation adjustment every five years thereafter starting from the effective date of this Act [~~and every five years thereafter~~] by the lead agency in accordance with the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor, and that has no substantial adverse environmental or ecological effect, taking into account potential cumulative effects.

“Special management area use permit” means an action:

- (1) By the authority authorizing development^[5] the valuation of which exceeds \$750,000₂ with inflation adjustment every five years thereafter starting from the effective date of this Act [~~and every five years thereafter~~] by the lead agency in accordance with the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the United States Department of Labor; or

HB 732 HD1 RELATING TO SHORELINE MANAGEMENT AREAS – SUPPORT
State Office of Planning and Sustainable Development
February 27, 2025

- (2) That may have a substantial adverse environmental or ecological effect, taking into account potential cumulative effects.

Thank you for the opportunity to testify 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
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RICK BLANGIARDI
MAYOR
MEIA



DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

BRYAN GALLAGHER, P.E.
DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

February 27, 2025

The Honorable David A. Tarnas, Chair
and Members of the Committee on Judiciary
and Hawaiian Affairs
Hawai'i House of Representatives
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Subject: House Bill No. 732, HD 1
Relating to Shoreline Management Areas

Dear Chair Tarnas and Committee Members:

The Department of Planning and Permitting (DPP) **supports** House Bill No. 732, HD 1, which would increase the valuation of development that determines the necessity of a Special Management Area (SMA) Minor Permit or SMA Use Permit to \$750,000 and requires that amount to be adjusted every five years for inflation. This Bill also would allow single-family residences under 3,500 square feet in floor area and not part of a larger development to be eligible for an SMA Minor Permit, regardless of cost.

The DPP processes both SMA Minor and Major Permits. By increasing the threshold, we expect fewer SMA Major Permits and more SMA Minor applications, which are processed administratively by DPP and have a more streamlined review process.

For both permit types, Hawaii Revised Statutes (HRS) Title 13 Chapter 205A requires the agency to make a finding that the proposal has no substantial adverse environmental or ecological effects. The DPP performs a thorough review of SMA Minor projects based on the review criteria, policies, and guidelines listed in HRS Chapter 205A. If we find that a project may have substantial adverse environmental, ecological, or cumulative effects, the SMA Minor Permit is denied and the project may proceed by applying for an SMA Major Permit, which is a lengthier and more involved process that requires City Council action. Given all this, we believe that allowing more

The Honorable David A. Tarnas, Chair
and Members of the Committee on Judiciary & Hawaiian Affairs
Hawai'i State House of Representatives
House Bill No. 732, HD 1
February 27, 2025
Page 2

projects to be processed as minor permits will streamline the permitting process without sacrificing environmental review.

Thank you for the opportunity to testify.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Dawn', with a long horizontal flourish extending to the right.

Dawn Takeuchi Apuna
Director Designate

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: Representative David A. Tarnas, Chair
Representative Mahina Poepoe, Vice Chair
House Committee on Judiciary and Hawaiian Affairs

FROM: John Smith, P.E. Office of Recovery Administrator
Jordan E. Hart, Office of Recovery Staff

DATE: February 26, 2025

**SUBJECT: SUPPORT OF HB732 HD1, RELATING SPECIAL MANAGEMENT
AREA MINOR PERMIT VALUATION**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. This measure provides relief for property owners in the Special Management Area (SMA) resulting from inflation of the dollar.

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

- HRS 205A coastal zone management regulations interpret the magnitude of a proposed action in dollar cost.
- SMA Minor Permits may be administratively approved, greatly reducing the complexity, time and cost of the application and approval process for smaller scale “minor” actions.
- The last time an adjustment for inflation was made was in 2014, setting the amount to \$500,000, with significant further inflation incurring.
- This measure can provide relief to properties in the SMA statewide and is the correct interpretation and application of this regulatory legislation.
- Each County (and for Maui County, each Island Planning Commission) maintains the ability to further tailor its Special Management Area administrative rules at the local level.

Mahalo for your consideration.

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
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LATE

TO: Representative David A. Tarnas, Chair
Representative Mahina Poepoe, Vice Chair
House Committee on Judiciary and Hawaiian Affairs

FROM: Richard T. Bissen, Jr., Mayor
John Smith, P.E. Office of Recovery Administrator

DATE: February 26, 2025

SUBJECT: **SUPPORT OF HB732 HD1, RELATING TO SHORELINE MANAGEMENT AREAS**

Thank you for the opportunity to testify in **SUPPORT** of this important measure. This Act increases the valuation of development that determines the necessity of a special management area minor permit or special management area use permit to \$750,000 and requires that amount to be adjusted every five years for inflation. Allows single-family residences that are less than 3,500 square feet in floor area and not part of a larger development, regardless of development valuation, to be eligible for a special management area minor permit.

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

- HRS 205A coastal zone management regulations interpret the magnitude of a proposed action in dollar cost.
- SMA Minor Permits may be administratively approved, greatly reducing the complexity, time and cost of the application and approval process for smaller scale “minor” actions.
- The last time an adjustment for inflation was made was in 2014, setting the amount to \$500,000, with significant further inflation incurring.
- This measure can provide relief to properties in the SMA statewide and is the correct interpretation and application of this regulatory legislation.
- Each County (and for Maui County, each Island Planning Commission) maintains the ability to further tailor it’s Special Management Area admirative rules at the local level.

Mahalo for your consideration.

RICHARD T. BISSEN, JR.
Mayor

JOSIAH K. NISHITA
Managing Director



OFFICE OF THE MAYOR
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TO: Representative David A. Tarnas, Chair
Representative Mahina Poepoe, Vice Chair
House Committee on Judiciary and Hawaiian Affairs

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

- HRS 205A coastal zone management regulations interpret the magnitude of a proposed action in dollar cost.
- SMA Minor Permits may be administratively approved, greatly reducing the complexity, time and cost of the application and approval process for smaller scale “minor” actions.
- The last time an adjustment for inflation was made was in 2014, setting the amount to \$500,000, with significant further inflation incurring.
- This measure can provide relief to properties in the SMA statewide and is the correct interpretation and application of this regulatory legislation.
- Each County (and for Maui County, each Island Planning Commission) maintains the ability to further tailor its Special Management Area administrative rules at the local level.

Mahalo for your consideration.



 808-733-7060
 808-737-4977

 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 27, 2025

The Honorable David A. Tarnas, Chair

House Committee on Judiciary & Hawaiian Affairs
State Capitol, Conference Room 325 & Videoconference

RE: House Bill 732, HD1, Relating to Shoreline Management Areas

HEARING: Thursday, February 27, 2025, at 2:00 p.m.

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** House Bill 732, HD1, which increases the valuation of development that determines the necessity of a special management area minor permit or special management area use permit to \$750,000 and requires that amount to be adjusted every five years for inflation. Allows single-family residences that are less than 3,500 square feet in floor area and not part of a larger development, regardless of development valuation, to be eligible for a special management area minor permit. Effective 7/1/3000.

Currently, any non-exempt development must obtain a Shoreline Management Area ("SMA") minor permit if the project is valued at \$500,000 or less and does not pose a significant environmental impact. Projects exceeding this amount or posing substantial environmental risks must obtain an SMA use permit. These monetary thresholds have remained unchanged since 2011.

Since then, inflation and rising construction costs, including labor and materials, have significantly increased. Adjusting the valuation threshold for SMA minor permits and implementing inflation-based adjustments every five years would help address these rising costs. This is especially crucial for those affected by the Lahaina wildfires, as the community works to rebuild and restore their homes and properties.

Mahalo for the opportunity to provide testimony on this measure.



Feb. 27, 2025, 2 p.m.
Hawaii State Capitol
Conference Room 325 and Videoconference

To: House Committee on Judiciary and Hawaiian Affairs
Rep. David Tarnas, Chair
Rep. Mahina Poepoe, Vice Chair

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

RE: HB732 HD1 — RELATING TO SHORELINE MANAGEMENT AREAS

Aloha Chair Tarnas, Vice-Chair Poepoe and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [HB732 HD1](#), which would increase the valuation thresholds for determining whether a project in a special management area must apply for a minor permit or a use permit, and index those thresholds to inflation.

The bill would also allow single-family homes 3,500 square feet or smaller to be processed under a SMA minor permit, regardless of valuation and contingent on the home not being part of a larger development.

Currently, any non-exempt “development” must apply for an SMA minor permit if the project is valued at \$500,000 or less and has no significant environmental impact. If the “development” is valued above \$500,000 or could have a significant environmental impact, it requires an SMA use permit.¹

These figures have not been updated since 2011, when the threshold was increased from \$125,000 to \$500,000.² Adjusted for inflation, \$500,000 in December 2010 had the same purchasing power as \$719,970 in December 2024.³

¹ [205A-22 Definitions](#), Hawaii Revised Statutes, accessed Jan. 31, 2025.

² [Session Laws of Hawaii 2011 Act 153](#), accessed Jan. 31, 2025.

³ [“CPI Inflation Calculator”](#), U.S. Bureau of Labor Statistics, December 2010 compared to December 2024, accessed Jan. 31, 2025.

Increasing the threshold and requiring inflation adjustments every five years would protect builders from inflation and save the Legislature time from having to update the threshold by statute.

Applying for an SMA minor permit takes less time and resources than applying for an SMA use permit, which often requires a public hearing and a vote from a county planning commission or County Council. Minor permits, on the other hand, often only need approval from the county planning director.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii



February 26, 2025

TO: Honorable David Tarnas, Chair
House Committee on Judiciary & Hawaiian Affairs

Honorable Mahina Poepoe, Vice Chair
House Committee on Judiciary & Hawaiian Affairs

FROM: Legislative Advocacy Group
American Institute of Architects, Hawai'i State Council

SUBJECT: **HB 732 HD 1 – Relating to Special Management Areas**

The American Institute of Architects

AIA Hawaii State Council
828 Fort Street Mall, Suite 100
Honolulu, HI 96813

T (808) 628-7243
contact@aiahonolulu.org
aiahonolulu.org/AIAHawaiiStateCouncil

Dear Chair Tarnas, Vice-Chair Poepoe and Members of the Committee,

My name is Reid Mizue, Chair of American Institute of Architects Hawai'i State Council Legislative Advocacy Committee testifying in **STRONG SUPPORT OF THE INTENT** of HB 732 HD1. The redefinition of single-family houses on shoreline parcels as "development" has greatly aggravated permitting time, cost to build, and rebuild homes by requiring SMA Major Permits.

Our recollection is that development of "outsized" houses coupled with ever-increasing shoreline erosion were factors driving the redefinition. But since that redefinition, counties such as Honolulu have enacted new zoning ordinances relating to "monster houses" and increased science-based shoreline setbacks to mitigate these concerns. This increased "codification" can take the place of lengthy, expensive SMA Major Permits. Based on our architect experience, county planning departments are capable of internal decisions balancing development and environmental issues in this sensitive land area.

Current state law allows county decision to require SMA Major Permit in lieu of SMA Minor Permit, should conditions warrant this (HRS § 205A-22 & 28). AIA supports continuing authority for counties to make this decision.

Increasing the valuation threshold is also a positive move to expedite building permits. Thank you for this opportunity to **STRONGLY SUPPORT THE INTENT** of HB 732 HD1.

Sincerely,

A handwritten signature in black ink that reads "Reid T. Mizue".

Reid Mizue, AIA
Legislative Advocacy Committee
American Institute of Architects, Hawai'i State Council



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 325
Thursday, February 27, 2025 AT 2:00 P.M.

To The Honorable David A. Tarnas, Chair
The Honorable Mahina Poepoe, Vice Chair
Members of the Committee on Judiciary & Hawaiian Affairs

SUPPORT HB732 HD1 RELATING TO SHORELINE MANAGEMENT AREAS

The Maui Chamber of Commerce **SUPPORTS HB732 HD1** which requires the valuation of development that determines the necessity of a special management area minor permit or special management area use permit to be adjusted annually for inflation.

The Chamber notes that the current valuation threshold of \$500,000 for developments is no longer sufficient to cover most projects. The measure sets the initial threshold at \$750,000 and ensures it is updated each year to reflect changes in construction costs and economic conditions. This adjustment will maintain the financial threshold for determining whether a coastal development project requires a special management area permit, ensuring it remains relevant and responsive to inflation. The goal is to avoid under-regulation of high-value projects that could have significant impacts on coastal ecosystems.

For these reasons we **SUPPORT HB732 HD1** and respectfully ask that it be passed.

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.

HB-732-HD-1

Submitted on: 2/26/2025 1:51:45 PM

Testimony for JHA on 2/27/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel G. Chun	Individual	Support	Written Testimony Only

Comments:

I **SUPPORT THE INTENT** of this bill that will reduce permitting time/cost to homeowners, while still regulating SMA house development. For transparency. I admit that I unsuccessfully **OPPOSED** Act 16 SLH 2020 due to this problem. I also worked on unsuccessful 2424 bill to mitigate this problem.

As part of my research, I asked professional colleague what have been his experiences with SMA Major Permits for houses. He said 10-12 months duration with costs ranging from \$70,000 to \$130,000. Bear in mind that these are "soft costs" to homeowners that **CANNOT** be mortgaged. This is what caused opposition in 2020 from long-time owners of beachfront house lots wanting to pass these lands (often long-time family assets) to their children. He also said that the county council process resulted in some inappropriate disputes unrelated to technical issues of SMA. And that these came from elected officials. Allowing SMA Minor Permit seems to be much needed relief. Generally speaking SMA Minor permits have shorter duration and much reduced cost in comparison to SMA Major Permits.