

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
AND
SENATE COMMITTEE ON WATER AND LAND**

February 07, 2025 at 1:15 p.m.
State Capitol, Room 229

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

Chairs Chang and Inouye, Vice Chairs Hashimoto and Elefante, and members of the Committees.

HHFDC **supports** SB 867, 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 Senate Committees on
HOUSING, and
WATER AND LAND

Friday, February 7, 2025
1:15 PM

State Capitol, Conference Room 229 & Videoconference

In consideration of
SENATE BILL 867
RELATING TO AFFORDABLE HOUSING

Senate Bill 867 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.**

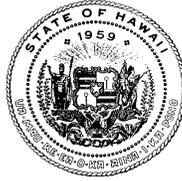
The Commission on Water Resource Management (Commission) was established by the Hawai'i State Legislature in 1987 to implement and administer the State Water Code (HRS chapter 174C). Under the laws and constitution of the State of Hawai'i, the Commission has a dual mandate of protecting and preserving 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.¹ 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.

¹ 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.”



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

Testimony COMMENTING on SB0867
RELATING TO AFFORDABLE HOUSING.

SENATOR STANLEY CHANG, CHAIR
SENATE COMMITTEE ON HOUSING

SENATOR LORRAINE R. INOUYE, CHAIR
SENATE COMMITTEE ON WATER AND LAND

February 7, 2025; 1:15 pm; Room Number: 229

1 **Fiscal Implications:** None.

2 **Department Position:** The Department of Health (“Department”) offers comments and
3 proposed amendments.

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

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

11 **Offered Amendments:** Additions appear as underlined and deletions appear as bracketed
12 strikeouts.

13 SECTION 2, Page 5, lines 9-10: “(5) The [chief] director of the department of health, [clean
14 ~~water branch,~~] or their designee;”

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



DEPARTMENT OF WATER SUPPLY • COUNTY OF HAWAI`I

345 KEKŪANAŌ`A STREET, SUITE 20 • HILO, HAWAI`I 96720

TELEPHONE (808) 961-8050 • FAX (808) 961-8657

February 6, 2025

TESTIMONY OF KEITH K. OKAMOTO, MANAGER-CHIEF ENGINEER
DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAII

HEARING BEFORE THE SENATE COMMITTEES ON HOUSING; AND WATER AND LAND

DATE: Friday, February 7, 2025

TIME: 1:15 p.m.

PLACE: Conference Room 229 & videoconference

SB 867 - RELATING TO AFFORDABLE HOUSING

Honorable Chairs Chang and Inouye, Vice-Chairs Hashimoto and Elefante, and committee members,

The County of Hawaii, Department of Water Supply (DWS) submits this letter in support of Senate Bill (SB) 867.

This bill proposes to establish a working group 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. DWS would be happy to participate in this working group.

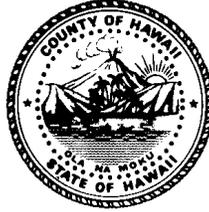
We thank you for your attention to this matter, and for your dedication and commitment to serving our State.

Please feel free to contact me at (808) 961-8050 or via email at dws@hawaiidws.org with any questions you may have regarding DWS' comments. Thank you for your time and consideration of our testimony on HB 306.

...Water, Our Most Precious Resource...Ka Wai A Kāne...

The Department of Water Supply is an Equal Opportunity provider and employer.

Holeka Goro Inaba, Ed.D.
Council Chair, District 8, North Kona



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HAWAI'I COUNTY COUNCIL

County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

February 6, 2025

COMMITTEE ON HOUSING

Senator Stanley Chang, Chair
Senator Troy N. Hashimoto, Vice Chair

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair
Senator Brandon J.C. Elefante, Vice Chair

RE: Support for SB867 Relating to Affordable Housing; Establishes a Working Group within the Office of the Governor to ascertain available water resources, etc., related to affordable housing.
Hearing: Wednesday, February 7, 2025 at 1:15 p.m.

Aloha,

On behalf of Council District 8 in North Kona, thank you for the opportunity to express strong support for SB867.

This measure would 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 plan for the development of affordable housing.

This bill would also require the working group to inventory all available water resources statewide and identify sources of aquifer replenishment related to affordable housing development.

We recognize, and agree that the State's ongoing housing crisis warrants a thorough examination of every impediment to the development of affordable housing, including access to potable water.

Mahalo for your time. We urge you to pass SB867.

Sincerely,

HOLEKA GORO INABA, Ed.D.,
Council Chair, District 8, North Kona

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
KÉHAULANI PU'U
EDWIN H. SNIFFEN, Ex-Officio
GENE C. ALBANO, P.E., Ex-Officio

February 7, 2025

The Honorable Stanley Chang, Chair
and Members
Committee on Housing
State Capitol, Room 229
Honolulu, Hawaii 96813

The Honorable Lorraine R. Inouye, Chair
and Members
Committee on Water and Land
State Capitol, Room 229
Honolulu, Hawaii 96813

Dear Chair Chang, Chair Inouye and Members:

Subject: Senate Bill 867: Relating to Affordable Housing

The Honolulu Board of Water Supply (BWS) supports Senate Bill (SB) 867, 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.

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

Chair Chang
Chair Inouye
and Members
February 7, 2025
Page 2

feasibility project where treated stormwater from Nuuanu Reservoir No. 4 would be injected into the aquifer to enhance natural recharge.

Thank you for your consideration of our testimony in support of SB 867.

Very truly yours,

Ernest Y.W. Lau

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

SB-867

Submitted on: 2/5/2025 8:54:24 PM

Testimony for HOU on 2/7/2025 1:15:00 PM

Submitted By	Organization	Testifier Position	Testify
Jacob Wiencek	Individual	Support	Written Testimony Only

Comments:

Aloha Committee Members,

Proper management of our water resources is non-negotiable. Water supports human life, environmental and ecosystem health, and sustainable socioeconomic development in Hawaii. Our limited water resources necessitate careful and prudent management. Prior preparation prevents poor performance.

I urge this Committee to SUPPORT this bill!