

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi

Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING AND SENATE COMMITTEE ON GOVERNMENT OPERATIONS

Thursday, March 17, 2022

1:30 PM – Videoconference – Room 225, Hawaii State Capitol

In consideration of

HB 1837, HD1

RELATING TO HOUSING

Honorable Chair Chang, Honorable Chair Moriwaki, and Members of the Senate Committee on Housing, and Members of the Senate Committee on Government Operations, thank you for the opportunity to provide testimony concerning House Bill (HB) 1837, HD1, relating to housing.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of HB 1837, HD1, which requires each county to submit biennial reports to the legislature on its efforts to reduce zoning and regulatory barriers to housing development. Requires the Hawaii Housing Finance and Development Corporation and Hawaii Public Housing Authority to submit biennial reports, based on their individual review of the counties' reports, to the Legislature and their respective board on streamlining affordable housing development.

The HPHA believes in reducing administrative barriers and encouraging the adoption of more flexible zoning and regulatory policies that would assist in the creation of more affordable housing. The HPHA stands ready and looks forward to assisting the Legislature in this endeavor and looks at this measure as an opportunity to be part of the overall solution needed to address all housing related issues in Hawaii.

The HPHA appreciates the opportunity to provide the Committees with the HPHA's testimony. We thank you very much for your dedicated support.

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
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

IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

**SENATE COMMITTEE ON HOUSING
AND
SENATE COMMITTEE ON GOVERNMENT OPERATIONS**

March 17, 2022 at 1:30 p.m.
State Capitol, Room 225

In consideration of
**H.B. 1837 HD1
RELATING TO HOUSING.**

HHFDC offers comments on H.B. 1837 HD1. This bill requires each county to submit biennial reports to the Legislature on its efforts to reduce zoning and regulatory barriers to housing development and requires HHFDC and the Hawaii Public Housing Authority to submit biennial reports, based on their individual review of the counties' reports, to the Legislature and their respective board on streamlining affordable housing development.

HHFDC recognizes the need for a study to streamline county efforts to reduce zoning and regulatory barriers to housing development.

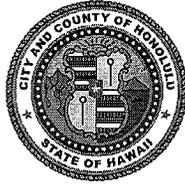
However, HHFDC does not currently have the capacity to implement this bill in-house. Implementation will likely require an additional 1.0 FTE at an annual cost of \$130,000 to manage the reports and information from the counties and to prepare the reports requested in this measure.

Thank you for the opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

RICK BLANGIARDI
MAYOR



DEAN UCHIDA
DIRECTOR

DAWN TAKEUCHI APUNA
DEPUTY DIRECTOR

EUGENE H. TAKAHASHI
DEPUTY DIRECTOR

March 17, 2022

The Honorable Stanley Chang, Chair
and Members of the Committee on Housing
The Honorable Sharon Y. Moriwaki, Chair
and Members of the Committee on Government Operations
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chairs Chang and Moriwaki, and Committee Members:

**Subject: House Bill No. 1837, HD 1
Relating to Housing**

The Department of Planning and Permitting (DPP) **offers comments** on House Bill No. 1837, HD 1, the "Yes in My Backyard Act." This Bill would require counties to submit a biennial report to the Legislature on its efforts to reduce or remove regulatory or zoning barriers to housing for residents at all income levels to obtain housing.

While the DPP supports the intent of this Bill to increase the inventory of housing, we take a much broader view that county regulations, including zoning, support the City's growth management policies, long-range regional development plans, and transit-oriented development neighborhood plans. Yes, housing is an important component, but regulations must also support and encourage diverse neighborhoods that further our collective transportation and energy goals, and that have an appropriate mix of uses to support residents, businesses, and visitors.

The DPP already has taken steps in implementing measures outlined in the Bill. For example, an amendment to the Revised Ordinances of Honolulu, Chapter 21 (Land Use Ordinance) to revise use regulations is currently at City Council. In addition, the City recently adopted rules to govern the City's Multi-Family Rental Housing program and restore the City and County of Honolulu as an active issuer of tax-exempt special revenue bonds or private activity bonds.

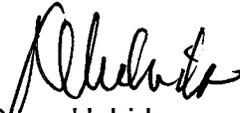
The DPP website provides details on current initiatives, such as the LUO amendment, for legislators, agencies, and the community. This platform may be more

The Honorable Stanley Chang, Chair
and Members of the Committee on Housing
The Honorable Sharon Y. Moriwaki, Chair
and Members of the Committee on Government Operations
Hawaii State Senate
House Bill No. 1837, HD 1
March 17, 2022
Page 2

timely and useful than a report produced every other year. Efforts are also underway to revamp the DPP website, making it more user-friendly and providing timely and transparent information on projects and initiatives under consideration.

Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in black ink, appearing to read "D. Uchida", written in a cursive style.

Dean Uchida
Director



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEES ON
HOUSING and GOVERNMENT OPERATIONS
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225
THURSDAY, MARCH 17, 2022 AT 1:30 P.M.**

To The Honorable Senator Stanley Chang, Chair
The Honorable Senator Dru Mamo Kanuha, Vice Chair
Members of the committee on Housing
To The Honorable Senator Sharon Y. Moriwaki, Chair
The Honorable Senator Donovan M. Dela Cruz, Vice Chair
Members of the committee on Government Operations

COMMENTING ON HB1837 HD1 RELATING TO HOUSING

The Maui Chamber of Commerce supports the concept and intent of this bill and would like to share a few comments. We think this information from the counties would be valuable to have. However, we recognize there is no incentive for counties to complete the report. There are also no consequences if the counties are not making improvements to keep up with demand.

Thank you for the opportunity to provide this testimony.

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.

March 17, 2022

The Honorable Stanley Chang, Chair
Senate Committee on Housing

The Honorable Sharon Y. Moriwaki, Chair
Senate Committee on Government Operations
Via Videoconference

RE: H.B. 1837, HD1, Relating to Housing

HEARING: Thursday, March 17, 2022, at 1:30 p.m.

Aloha Chair Chang, Chair Moriwaki, and Members of the Joint Committees,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 11,000 members. HAR **strongly supports** House Bill 1837, HD1, which requires each county to submit biennial reports to the Legislature on its efforts to reduce zoning and regulatory barriers to housing development. Requires the Hawaii housing finance and development corporation and Hawaii Public Housing Authority to submit biennial reports, based on their individual review of the counties' reports, to the legislature and their respective board on streamlining affordable housing development.

Homeownership is one of the most important ways for families to build wealth, connect more deeply with their communities and support the economic growth of the State. Unfortunately, that goal has become difficult for many families in Hawai'i, which has the highest cost of living in the country and high housing prices.

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawai'i, the state needs up to 46,000, housing units to meet demand in Hawai'i by 2030. Ultimately, we have a housing supply problem, and this measure is a creative approach to address those challenges.

Many of the levers of home building are at the local level – from permitting to planning and zoning. According to the National Association of Homebuilders, regulatory costs account for a quarter of the final price of single-family housing and a third of the cost of multifamily housing. As such, by having the counties identify regulatory barriers and housing opportunities for residents of all income levels, is a great step towards addressing our State's housing needs.

Mahalo for the opportunity to testify.



March 17, 2022

1:30 p.m.

Conference Room 225 & Videoconference

To: Senate Committee on Housing

Sen. Stanley Chang, Chair

Sen. Dru Mamo Kanuha, Vice Chair

Senate Committee on Government Operations

Sen. Sharon Y. Moriwaki, Chair

Sen. Donovan M. Dela Cruz, Vice Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: HB1837 HD1 — RELATING TO HOUSING

Comments Only

Dear Chair and Committee Members:

The Grassroot Institute of Hawaii would like to offer its comments on [HB1837 HD1](#), which, if enacted, would be an important first step toward identifying the regulatory barriers that restrain homebuilding in Hawaii and has led to the state’s notoriously high cost of housing for both owners and renters.

HB1837 HD1 would achieve this goal by requiring the counties to submit biennial reports to the Legislature concerning their efforts to reduce zoning and other regulatory barriers to housing development.

In addition, it would require the Hawaii Housing and Finance Development Corp. and Hawaii Public Housing Authority to submit complementary reports about the actions and efforts of the counties to streamline the development of affordable housing.

Ideally, this bill would move Hawaii toward “light-touch density,” which allows projects that meet all zoning requirements to proceed without going through a discretionary approval

process. The idea is to incentivize small, fast, economical, adaptable and simple additions to housing supply while still accounting for health and safety.

This approach is also known as the “Tokyo Model,” because it emulates the “by-right” zoning approach that has allowed Tokyo to produce adequate affordable housing while keeping housing prices stable over two decades.

During that same period, home prices in Hawaii, California and other locales with heavy regulation have seen their housing prices skyrocket.

According to housing expert Edward Pinto, if Hawaii were to adopt the Tokyo model, Oahu alone could add 26,000 homes over the next decade.

The Grassroot Institute has issued several publications that analyze how zoning and other regulations throttle the growth of housing.

One was our policy report [“Reform the Hawaii LUC to encourage more housing.”](#) which advocates giving the counties more authority to make decisions, thus reducing the amount of bureaucracy and preventing the state Land Use Commission from becoming a de facto state zoning commission.

Another was [“Build up or build out? How to make housing more affordable.”](#) which recommends “increasing the area of urbanized land and building marketable densities outside of the existing urban footprint,” which currently is about only 5% of all land in the state. For example, an increase of only 1 or 2 percentage points in Hawaii’s urban-designated land would be equivalent to a 20% to 40% increase, respectively, in lands available for more housing.

In addition, the institute has made available a zoning-reform toolkit, [“How to Build Affordable, Thriving Neighborhoods.”](#) which explores different ways to increase housing supply and improve affordability by reforming state and local zoning restrictions.

We summarized many proposals from the toolkit in a commentary published in The Maui News, [“50 ways — at least — to update Maui’s zoning code.”](#)

We do have one concern about this bill: It offers no incentive or penalty to ensure that the counties comply with the bill’s proposed reporting requirement.

Likewise, there is no incentive for the counties to reduce regulations. As experience demonstrates, municipalities can be reluctant to reduce zoning, or may do so in a haphazard way that will not achieve the objective of spurring housing growth.

In the end, it may be necessary for the Legislature to step in and put limits on the types of zoning and land-use regulations permitted to the counties.

Nonetheless, this bill is an important first step towards addressing the state housing crisis and we commend the Legislature for recognizing that one of the primary causes of the state's housing crisis is regulation that stifles development.

We hope that it will lead to the adoption of a model that removes the many unnecessary barriers to the development of more homes.

Thank you for the opportunity to submit our comments.

Sincerely,

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii