HB 1415 Companion SB 1038



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813 Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804 DAVID Y. IGE GOVERNOR

LEO R. ASUNCION ACTING DIRECTOR OFFICE OF PLANNING

Telephone: (808) 587-2846 Fax: (808) 587-2824 Web: http://planning.hawaii.gov/

Statement of LEO R. ASUNCION Acting Director, Office of Planning before the HOUSE COMMITTEE ON HOUSING

Monday, February 9, 2015 8:30 AM State Capitol, Conference Room 329

in consideration of HB 1415 SPECIAL MANAGEMENT AREAS.

Chair Hashem, Vice Chair Jordan, and Members of the House Committee on Housing.

The Office of Planning (OP) administers Hawaii Revised Statutes (HRS) Chapter 205A, the Coastal Zone Management (CZM) law. The purpose of the Hawaii CZM Act is to "provide for the effective management, beneficial use, protection, and development of the coastal zone." See L. 1977, c 188, § 1. SMA permitting is part of Hawaii CZM Program and is administered by the counties.

HB 1415 proposes to amend HRS § 205A-22 by amending the maximum size of floor area of a single-family residence, the construction or reconstruction of which is excluded from the definition of development for the requirement of special management area (SMA) permit, from 7,500 square feet to 2,500 square feet.

The OP respectfully offers comments on this measure:

 Act 153, Session Laws of Hawaii (SLH) 2011 excluded the construction or reconstruction of a single-family residence that is less than 7,500 square feet of floor area and is not part of a larger development from the definition of development in HRS § 205A-22. Before Act 153, SLH 2011, construction or reconstruction of a single-family residence that is not part of a larger development was exempted from the SMA permit.

- 2) As a result of significant change in the size threshold of floor area from the proposed amendment of HB 1415, construction or reconstruction of more single-family residences will have to go through the SMA permit review process, and may require an SMA Use Permit because of valuation, and even Environmental Assessment from the county planning departments, and the county authorities.
- 3) We are uncertain whether the rationale for the proposed amendment in this bill is based on technical or science-based information, environmental impacts of construction, or increases of reconstruction of single-family residences.
- OP recommends that county authorities retain the responsibility of determining whether construction of specific size single-family residences is exempted from the requirements of the SMA permit.

Thank you for the opportunity to testify on this measure.

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: <u>www.honoluludpp.org</u> • CITY WEB SITE: <u>www.honolulu.gov</u>

KIRK CALDWELL MAYOR



GEORGE I. ATTA, FAICP DIRECTOR

ARTHUR D. CHALLACOMBE DEPUTY DIRECTOR

February 9, 2015

The Honorable Mark J. Hashem, Chair and Members of the Committee on Housing Hawaii House of Representatives Hawaii State Capitol 415 South Beretania Street Honolulu, Hawaii 96813

Dear Chair Hashem and Members:

Subject: House Bill No. 1415 Relating to Special Management Areas

The Department of Planning and Permitting (DPP) is **opposed** to House Bill No. 1415, which will lower the Special Management Area (SMA) permit trigger for a single-family dwelling (not otherwise associated with a larger development) from 7,500 to 2,500 square feet.

Throughout the life of the SMA provisions of the Hawaii Revised Statutes (HRS), from its inception in 1975, stand-alone single-family dwellings had been exempt from SMA permit requirements until recently, when a 7,500-square-foot trigger was established as part of a compromise to increase the monetary threshold between an SMA Use (Major) permit and Minor permit from \$125,000 to \$500,000. Although there is no true nexus for having instituted such a trigger, the DPP did not actively oppose this compromise, since it felt that very few properties will be affected by the 7,500-square-foot trigger. Indeed, since it was instituted, no major permit has yet been issued for a single-family dwelling under this recent change; and, we are only just now processing our first such application for a property in Kahala.

However, this will dramatically change if the proposed lowering of the trigger to 2,500 square feet is adopted. At an average estimated cost of \$200 per square foot to construct a new dwelling on Oahu, virtually any new single-family dwelling at or above the 2,500-square-foot trigger will need to obtain a major permit. This will add a minimum cost of at least \$100,000 to each dwelling simply to process and obtain the SMA permit. We should be looking for ways to lower the cost of housing, not unnecessarily increasing it.

The Honorable Mark J. Hashem, Chair and Members of the Committee on Housing Hawaii House of Representatives Hawaii State Capitol RE: House Bill No. 1415 February 9, 2015 Page 2

Furthermore, there are tens of thousands of existing residential lots on Oahu with single-family dwellings that are near, at, or above the proposed 2,500-square-foot trigger that will suddenly and unnecessarily become subject to SMA permit requirements, when they have previously been exempt. Oahu has extensive residential development along its coastlines, including, but not necessarily limited to, the following neighborhoods: Kahala, Diamond Head, Wailupe, Aina Haina, Niu Valley, Kuliouou, Hawaii Kai, Portlock, Waimanalo, Lanikai, Kailua, Kaneohe and Kaneohe Bay, Kahaluu, Heeia, Waiahole, Waikane, Kaaawa, Punaluu, Hauula, Laie, Kahuku, Kawailoa, Sunset Beach, Waimea, Haleiwa, Waialua, Mokuleia, Makaha, Waianae, Maili, Nanakuli, Ocean Pointe, and Ewa Beach.

Single-family dwellings that are not associated with larger developments have traditionally been exempted from SMA regulation because there is little possibility of adverse impacts to SMA resources from such developments. Existing laws governing historic and archeological resources, environmental quality, and coastal access already provide adequate protections. Also, existing SMA provisions already provide that the county planning agencies can impose SMA permit requirements under circumstances where potential significant impacts may result, regardless of a statutory exemption. Therefore, there is no inherent need or justification for lowering the trigger for standalone single-family dwellings. Our preference would be to eliminate this trigger, but we certainly should not be lowering it.

This proposal is a clear example of an unjustified regulatory overreach, and we strongly recommend that House Bill No. 1415 be held in committee. Thank you for this opportunity to comment.

Very truly yours,

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George I. Atta, FAICP Director

jordan3-Kevin

| Cc: Subject: | kaimanacd22@yahoo.com *Submitted testimony for HB1415 on Feb 9, 2015 08:30AM* | |
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| To: | HSGtestimony | - |
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3

HB1415

Submitted on: 2/9/2015 Testimony for HSG on Feb 9, 2015 08:30AM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------|--------------|---------------------------|--------------------|
| caren diamond | Individual | Support | No |

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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