

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300
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IN REPLY PLEASE REFER TO:

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

**HOUSE COMMITTEE ON WATER & LAND
AND
HOUSE COMMITTEE ON HOUSING**

March 21, 2023 at 9:05 a.m.
State Capitol, Room 430

In consideration of
S.B. 1573 SD2
RELATING TO AFFORDABLE HOUSING.

HHFDC **supports** S.B. 1573 SD2, which establishes a working group within the Office of the Governor to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development. The executive director of the Hawaii Housing Finance and Development Corporation (HHFDC) is identified as a working group member.

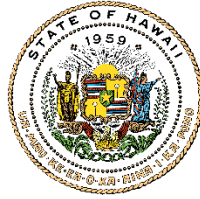
Permitting for the development of potable-water systems is a critical issue affecting housing development in many areas of the state, particularly in North Kona where it has stalled HHFDC's Kamakana Villages, a master-planned community in north Kona with the potential of 1,600 affordable housing units. Lack of potable water and the water permit process is also affecting HHFDC's Villages of Leialii housing project on Maui.

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, particularly in North Kona.

Thank you for the opportunity to provide testimony.

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

LAURA H.E. KAAKUA
FIRST DEPUTY

M. KALEO MANUEL
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 House Committees on
WATER & LAND
and
HOUSING

Tuesday, March 21, 2023
9:05 AM

State Capitol, Conference Room 430 and Videoconference

In consideration of
SENATE BILL 1573, SENATE DRAFT 2
RELATING TO AFFORDABLE HOUSING

Senate Bill 1573, Senate Draft 2, proposes to: 1) establish a working group within the Office of the Governor for administrative purposes, to ascertain the State's available water resources as pertaining to affordable housing; 2) inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development; 3) streamline the well permit approval process to ensure available water supply and 4) require a report to the Legislature. **The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers the following comments.**

The Hawai'i Water Plan (HWP) serves as a dynamic, long-range planning guide for the Department's Commission on Water Resource Management (Commission) to help protect and regulate the State's fresh water resources. The plan consists of five component parts:

- Water Resource Protection Plan (WRPP) – last updated 2019
- Water Quality Plan (WQP) –last updated 2019
- State Water Projects Plan (SWPP) – last updated 2020
- Agricultural Water Use and Development Plan (AWUDP) – last updated 2019
- County Water Use and Development Plans (WUDP) – Kaua'i 1990; Maui 2022; Lana'i 2011; Moloka'i (in process); Hawai'i 2010; O'ahu 1990 (update in process), Ko'olau Loa Watershed

Management Plan 2009, Wai‘anae Watershed Management Plan 2009, Ko‘olau Poko Watershed Management Plan 2012, North Shore Watershed Management Plan 2016

The latest update of the State Water Projects Plan (SWPP), one of the five components above, prepared by the Department’s Engineering Division accounts for water demands for affordable housing by the Hawai‘i Housing Finance and Development Corporation (HHFDC) and the Hawai‘i Community Development Authority (HCDA). HHFDC’s two projects are identified in the SWPP 1) Villages of Leiali‘i in Lahaina, Maui and 2) Kamakana Villages in Keauhou, Hawai‘i Island, and HCDA’s two projects, 630 Cooke Street Micro Unit and 690 Pohukaina.

The 2017 SWPP update only considered water projects of the Department of Hawaiian Home Lands (DHHL). Water needs of DHHL, which constitute affordable housing water demand, are a public trust purpose of water and have a special protection and priority in the State Water Code (Hawai‘i Revised Statutes (HRS) chapter 174C). The Commission is committed to fulfill its mandate to incorporate and protect adequate reserves of water for current and foreseeable development and use of Hawaiian home lands as set forth in Section 221 of the Hawaiian Homes Commission Act, as provided in HRS section 174C-101. The Commission’s 2019 WRPP includes a priority task (Task 2.3.4) to establish additional water reservations for the DHHL.

The County WUDPs are intended to inventory all projected water demands within each county and ensure that the future water needs of the county are met. This includes future affordable housing projects. The WUDPs need to be consistent with county land use plans and land use entitlements, including affordable housing, are included the county’s calculation of authorized planned use. The Department acknowledges that several County WUDP are long overdue for an update and the Commission is working with the counties to ensure timely updates.

The bill asks the working group to conduct a variety of tasks, including an inventory of all available water resources statewide, address state watershed management, and identify appropriate aquifer replenishment. Most of this information can be found in the WRPP, which identifies hydrologic units for ground and surface water statewide, the quantity of available water resources and the sustainable limits for water supply (i.e.: ground water sustainable yields and surface water interim instream flow standards). The WRPP also highlights the importance of watershed protection and the value of native forests in the creation of long-term sources of water supply. The Department’s Division of Forestry and Wildlife is primarily responsible for the management of mauka watersheds and has identified priority watersheds where management is critical to ensure future water supply. These locations often overlap with priority recharge and replenishment areas for the counties where affordable housing may be located.

The bill also asks the working group to streamline the well permit approval process to ensure available water supply. The approval of new wells and the issuance of permits by the Commission is informed by the HWP and its various components, but is assessed on a case-by-case basis. Even if an affordable housing project is identified in the HWP, this does not mean the project will have sufficient water. In its determination and approval of new well permits, the Commission must weigh reasonable and beneficial use and is mandated to give priority to public trust uses of water. A robust permit review process is already in place, which includes review from a variety of State and County agencies. The Commission is willing to work with the working group to identify more ways that the permitting process can be streamlined for affordable housing projects.

Mahalo for the opportunity to comment on this measure.



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Testimony of **Nani Medeiros**
Chief Housing Officer
Office of the Governor

Before the
House Committees on Water and Land and Housing
Tuesday, March 21, 2023
9:05 a.m.
Conference Room 430

In consideration of
Senate Bill No. 1573, SD2
RELATING TO AFFORDABLE HOUSING

Aloha Chairs Ichiyama and Hashimoto, Vice-Chairs Poepoe and Aiu, and members of the committees.

Mahalo for the opportunity to testify in support of Senate Bill 1573, SD2. This bill does the following: 1) establish a working group within the Office of the Governor for administrative purposes, to ascertain the State's available water resources as pertaining to affordable housing; 2) inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development; 3) streamline the well permit approval process to ensure available water supply; and 4) require a report to the Legislature.

We support the creation of the working group and look forward to developing thoughtful solutions for affordable housing that take into consideration our limited natural resources.

Mahalo,

Nani Medeiros

Mitchell D. Roth
Mayor

Lee E. Lord
Managing Director

Robert H. Command
Deputy Managing Director



Susan K. Kunz
Housing Administrator

Harry M. Yada
Assistant Housing Administrator

County of Hawai'i
Office of Housing and Community Development

1990 Kino'ole Street, Suite 102 • Hilo, Hawai'i 96720 • (808) 961-8379 • Fax (808) 961-8685
Existing Housing: (808) 959-4642 • Fax (808) 959-9308
Kona: (808) 323-4300 • Fax (808) 323-4301

March 17, 2023

TESTIMONY IN SUPPORT OF SENATE BILL 1573 SD2
A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING
COMMITTEE ON WATER AND LAND
Representative Linda Ichiyama, Chair
Representative Mahina Poepoe, Vice Chair
COMMITTEE ON HOUSING
Representative Troy N. Hashimoto, Chair
Representative Micah P.K. Aiu, Vice Chair
Hearing Date: Wednesday, March 21, 2023, at 9:05 AM
Time/Place of Hearing: Via Video Conference/ Conference Room 430

Aloha Honorable Chairs Ichiyama and Hashimoto and Honorable Vice Chairs Poepoe and Aiu and Members of the Committee on Water and Land and Housing,


The Hawai'i County Office of Housing and Community Development (OHCD) **supports SB 1573 SD2** to establish a working group that will determine the State's available water resources and water system source capacity and will provide recommendations on streamlining well permit approval processes to ensure available water supply to further plan for the development of affordable housing.

Infrastructure for the development of affordable housing is a critical issue and delays in permitting processes, including the permitting of potable water systems, create barriers to needed affordable housing development.

OHCD supports the increase in the inventory of affordable housing units within the County of Hawai'i and agrees that development must be done sustainably through proper planning and appropriate resource management.

Thank you for the opportunity to provide testimony in **support** of this measure.

Mahalo,

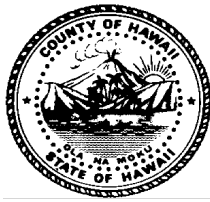


Susan K. Kunz
Housing Administrator



Ashley L. Kierkiewicz
County Council District IV

*Policy Committee on Planning,
Land Use and Development – Chair*



(808) 961-8265
ashley.kierkiewicz@hawaiiicounty.gov

*Policy Committee on Infrastructure
and Assets – Vice-Chair*

HAWAI‘I COUNTY COUNCIL

25 Aupuni Street • Hilo, Hawai‘i 96720

March 18, 2023

House Committee on Water & Land

Rep. Linda Ichiyama, Chair
Rep. Mahina Poepoe, Vice-Chair

House Committee on Housing

Rep. Troy Hashimoto, Chair
Rep. Micah Aiu, Vice-Chair

RE: Support for SB1573 SD2, relating to affordable housing

Aloha, Chair Ichiyama, Chair Hashimoto, and Members of the House Committees on WAL & HSG:

Mahalo for the opportunity to testify in **strong support for SB 1573 SD2**, relating to affordable housing and water resources.

Water is key to the development and sustainability of communities. This measure would establish a working group of State and County partners to inventory water resources and determine aquifer replenishment. This information is critical as all counties work to address impediments to housing development and rapidly increase housing inventory for local residents.

Hawai‘i County is currently updating its General Plan. The recommendations made by this working group will help us better understand what water infrastructure is necessary to meet future needs, and help our County be strategic in securing and braiding funding resources as I firmly believe it is government’s responsibility to invest in infrastructure that supports smart, responsible community growth while protecting and preserving our precious water resources.

Cheers,

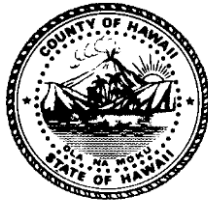
A handwritten signature in black ink, appearing to read "Ashley Kierkiewicz". The signature is fluid and cursive.

Ashley Lehualani Kierkiewicz
COUNCIL MEMBER, DISTRICT IV

Mitchell D. Roth
Mayor

Lee E. Lord
Managing Director

West Hawai'i Office
74-5044 Ane Keohokālole Hwy
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County of Hawai'i PLANNING DEPARTMENT

Zendo Kern
Director

Jeffrey W. Darrow
Deputy Director

East Hawai'i Office
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March 20, 2023

Testimony by
ZENDO KERN, Planning Director
County of Hawai'i Planning Department
before the
Committee on Water & Land & Committee on Housing
Wednesday, March 21, 2023, 9:05 A.M.
State Capitol, Conference Room 430
In consideration of
SB 1573, SD2
Relating to Affordable Housing

Representative Linda Ichiyama, Chair, Representative Mahina Poepoe, Vice Chair and Members of the Committee on Water & Land

Representative Troy Hashimoto, Chair, Representative Micah P.K. Aiu, Vice Chair and Members of the Committee on Housing

The County of Hawai'i Planning Department supports SB 1573, SD2 which will establish a working group within the Office of the Governor for administrative purposes to determine the State's available water resources and water system source capacity and streamline well permit approval to further plan for the development of affordable housing.

As water resources and infrastructure are one of the major challenges in the development of affordable housing, we support the establishment of this working group as it will be key to supporting affordable housing initiatives, while providing proper water resource management.

Thank you for this opportunity to testify in **SUPPORT** of SB 1573, SD2

BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU
630 SOUTH BERETANIA STREET
HONOLULU, HI 96843
www.boardofwatersupply.com



March 21, 2023

RICK BLANGIARDI, MAYOR

BRYAN P. ANDAYA, Chair
KAPUA SPROAT, Vice Chair
MAX J. SWORD
NA'ALEHU ANTHONY
JONATHAN KANESHIRO

DAWN B. SZEWCZYK, P.E., Ex-Officio
EDWIN H. SNIFFEN, Ex-Officio

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

ERWIN M. KAWATA
Deputy Manager

The Honorable Linda Ichiyama, Chair
and Members
House Committee on Water and Land
Hawaii State Capitol, Room 430
Honolulu, Hawaii 96813

The Honorable Troy N. Hashimoto, Chair
and Members
House Committee on Housing
Hawaii State Capitol, Room 430
Honolulu, Hawaii 96813

Dear Chair Ichiyama, Chair Hashimoto and Members:

SUBJECT: Senate Bill 1573, SD2: Relating to Affordable Housing

The Honolulu Board of Water Supply (BWS) supports Senate Bill (SB) 1573, Senate Draft (SD) 2, which establishes a working group within the Office of the Governor to ascertain and address state watershed management to enable the development and construction of affordable housing projects across the State. The bill requires the working group to inventory all available water resources statewide and identify appropriate aquifer replenishment as it pertains to each county water use and development plan, including water source in relation to affordable housing development and submit an interim report no later than September 15, 2023 and a final report to the 2024 Legislature.

The purpose of this Act is to establish a working group that will ascertain available water resources and water system source capacity and streamline well permit approval processes to ensure available water supply to further plan for the development of affordable housing.

Recent Commission on Water Resource Management (CWRM) regulation has reduced municipal groundwater source and stream diversion supply to restore streams in support of traditional and customary practices at the expense of municipal and agricultural water systems. CWRM is further expected to reduce aquifer sustainable yields to increase groundwater flow to groundwater dependent ecosystems that will reduce available water resources. CWRM is required to balance water resource needs of all 4 public trust resources (water in its natural state, traditional and customary

The Honorable Linda Ichiyama, Chair
The Honorable Troy N. Hashimoto, Chair
and Members
March 21, 2023
Page 2

practices, water for DHHL developments and domestic use as a component of municipal water systems), as well ensure existing non-public trust uses are not significantly impacted.

Thank you for the opportunity to testify in support of SB 1573, SD 2.

Very truly yours,



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





NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY



An Authority of the State of Hawaii attached to the Department of Business, Economic Development & Tourism

Statement of
Gregory P. Barbour
Executive Director
Natural Energy Laboratory of Hawaii Authority
before the

HOUSE COMMITTEE ON WATER & LAND

and

HOUSE COMMITTEE ON HOUSING

Tuesday, March 21, 2023
9:05 am
State Capitol, Conference Room 430 & Videoconference

in consideration of

SB 1573 S.D. 2
RELATING TO AFFORDABLE HOUSING.

The Natural Energy Laboratory of Hawaii Authority (NELHA) is pleased to support SB 1573 S.D. 2 which establishes a working group attached to the Office of the Governor to inventory all available water resources statewide and identify sources of aquifer replenishment in relation to affordable housing development. This makes good sense.

Hawaii Housing and Finance Development Corporation (HHFDC) and NELHA need a new well to support new affordable housing and economic development. We have been trying to get approval drill a new well since 2018. With court rulings regarding the “public trust doctrine” and the “precautionary principles” there have been many changes over the past

several decades with issues surrounding the development of new freshwater wells, especially in West Hawaii.

We understand that there are very important deep social and traditional cultural values to provide for clean flows of groundwater, in part tied to the historical significance of traditional food production, and as such the process for obtaining approval to drill a new well is problematic and needs to be addressed on a Statewide level.

Thank you for the opportunity to offer these comments.



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

March 21, 2023

The Honorable Linda Ichiyama, Chair

House Committee on Water & Land

The Honorable Troy N. Hashimoto, Chair

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

RE: Senate Bill 1573, SD2, Relating to Affordable Housing

HEARING: Tuesday, March 21, 2023, at 9:05 a.m.

Aloha Chair Ichiyama, Chair Hashimoto, and Members of the Joint Committees:

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 Hawai'i and its over 11,000 members. HAR **supports** Senate Bill 1573, SD2, 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 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. Requires an interim and final report to the Legislature.

Infrastructure, including water resources, are one of the challenges in the development of affordable housing. As such, we support the creation of a working group to ascertain and address the State's available water resources to enable the State to better plan for affordable housing projects and development.

For the foregoing reasons, Hawai'i REALTORS® supports this measure. Mahalo for the opportunity to testify.



SB-1573-SD-2

Submitted on: 3/16/2023 9:25:52 PM

Testimony for WAL on 3/21/2023 9:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Silva	Individual	Oppose	Written Testimony Only

Comments:

Sounds like a Pay for Play Job . Some body needs to be taken Care of. This is why nobody trust the Government Any Longer!!!!