

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

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DAWN N.S. CHANG  
CHAIRPERSON  
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FIRST DEPUTY

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ACTING DEPUTY DIRECTOR - WATER

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FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

Testimony of  
DAWN N. S. CHANG  
Chairperson

Before the Senate Committees on  
GOVERNMENT OPERATIONS  
and  
WATER AND LAND,

Tuesday, March 19, 2024  
03:10 PM

State Capitol Room 225 & Via Videoconference

In consideration of  
HOUSE BILL 2090 HOUSE DRAFT 1  
RELATING TO HOUSING

House Bill 2592 House Draft 1 amends Chapter 46, Hawaii Revised Statutes (HRS), to authorize homes in areas zoned commercial, and adaptive reuse of commercial buildings for residential purposes. **The Department of Natural Resources (Department) supports this measure and offers comments.**

The Department believes that reuse of commercial buildings for residential purposes can make an important contribution to easing Hawai'i's housing shortage. The commercial centers of most older communities had a mix of commercial and residential uses. Residential units were frequently found on the upper floors of commercial structures above the commercial spaces. Reintroducing such mixed uses is a return to the historic character of these communities, while increasing the stock of available housing units. Such reuse also supports protection of the historic character of these commercial centers, which are often defining elements of their physical and social character.

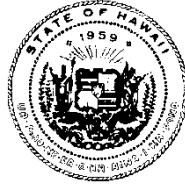
Adaptive reuse of existing structures is often significantly less expensive than building new, even when the building being rehabilitated is significantly deteriorated and in need of introduction of critical upgrades to meet contemporary expectations and standards.

Finally, an approved rehabilitation of a historic income producing structure can qualify for a 20% federal income tax credit, and income producing or not a 30% State of Hawai'i income tax credit on qualifying rehabilitation expenses.

Mahalo for the opportunity to testify in support of this measure.

**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 GOVERNMENT OPERATIONS AND SENATE COMMITTEE ON WATER AND LAND**

Tuesday, March 19, 2024 at 3:10 p.m.  
State Capitol, Room 225

In consideration of  
**H.B. 2090 HD1**  
**RELATING TO HOUSING.**

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

HHFDC **supports** HB 2090 HD1, which allows limited residential uses in areas zoned for commercial use to be considered permitted with certain provisions and requires the counties to adopt or amend its ordinances to allow for adaptive reuse of existing commercial buildings by January 1, 2026. The bill includes a carveout for Hawaii Community Development Authority-zoned lands.

This bill has the potential to expand Hawaii's housing inventory while also facilitating the creation of more vibrant communities. It does so by allowing the development of housing in commercial districts (located above building ground floors) and encouraging the repurposing of older commercial buildings that are underutilized due to market conditions or functional obsolescence. Many older buildings with potential for residential conversion are in central business districts that can become desirable communities, as they tend to be proximate to public services, community facilities, entertainment venues, and the like in addition to employment centers.

Thank you for the opportunity to testify on this bill.

**COUNTY COUNCIL**

Mel Rapozo, Chair  
KipuKai Kualii, Vice Chair  
Addison Bulosan  
Bernard P. Carvalho, Jr.  
Felicia Cowden  
Bill DeCosta  
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**OFFICE OF THE COUNTY CLERK**

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**Council Services Division**  
4396 Rice Street, Suite 209  
Lihu'e, Kaua'i, Hawai'i 96766

March 14, 2024

**TESTIMONY OF ADDISON BULOSAN  
COUNCILMEMBER, KAUAI COUNTY COUNCIL  
ON  
HB 2090, HD 1, RELATING TO HOUSING  
Senate Committee on Government Operations  
Senate Committee on Water and Land  
Tuesday, Mach 19, 2024  
3:10 p.m.  
Conference Room 225  
Via Videoconference**

Dear Chair McKelvey, Chair Inouye, and Members of the Committees:

Thank you for this opportunity to provide testimony in SUPPORT of HB 2090, HD 1, Relating to Housing. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I wholeheartedly support the intent of HB 2090, HD 1, which would greatly affect the Kaua'i community.

Thank you again for this opportunity to provide testimony in support of HB 2090, HD 1. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to [cokcouncil@kauai.gov](mailto:cokcouncil@kauai.gov).

Sincerely,

**ADDISON BULOSAN**  
Councilmember, Kaua'i County Council

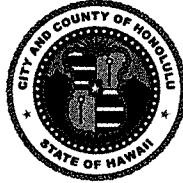
AAO:mn

DEPARTMENT OF PLANNING AND PERMITTING  
KA 'OIHANA HO'OLĀLĀ A ME NĀ PALAPALA 'AE  
CITY AND COUNTY OF HONOLULU

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**LATE**

RICK BLANGIARDI  
MAYOR  
MEIA



DAWN TAKEUCHI APUNA  
DIRECTOR  
PO'O

JIRO A. SUMADA  
DEPUTY DIRECTOR  
HOPE PO'O

March 19, 2024

The Honorable Angus L.K. McKelvey, Chair  
and Members of the Committee on Government Operations  
The Honorable Lorraine R. Inouye, Chair  
and Members of the Committee on Water and Land  
Hawaii State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

**Subject: House Bill No. 2090, HD 1  
Relating to Housing**

Dear Chairs McKelvey, Inouye and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 2090, HD 1, which 1) allows residential uses in areas zoned for commercial use to be considered permitted under certain circumstances; and 2) requires each county to adopt or amend its ordinances to allow for adaptive reuse of existing commercial buildings in the county's building codes.

While we support legislation aimed at increasing the supply of housing and creating vibrant, mixed-use communities, this Bill fundamentally oversteps county home rule responsibilities. Every county is different, and within each county there are regional differences, as described in Honolulu's Development Plans and Sustainable Communities Plans. Determining permitted land uses should be done at the county level, rather than with broad-sweeping State legislation.

Currently, Bill 64(23), FD 1, relating to use regulations in the City's Land Use Ordinance, is before the Honolulu City Council. Bill 64 addresses residential use in the business districts, but considers regional differences and where infill residential development would be most appropriate. Furthermore, Bill 64 aims to ensure that there is bona fide commercial space in the building, not parking or outdoor storage.

The DPP also opposes the portion of HB 2090, HD 1, that requires the counties to adopt or amend its ordinances to allow for adaptive reuse of commercial buildings for

The Honorable Angus L.K. McKelvey, Chair  
and Members of the Committee on Government Operations  
The Honorable Lorraine R. Inouye, Chair  
and Members of the Committee on Water and Land  
Hawai'i State Senate  
House Bill No. 2090, HD 1  
March 19, 2024  
Page 2

residential purposes. Section 46-B(a) is redundant, as current laws and ordinances already allow adaptive reuse of existing commercial buildings. There is nothing prohibiting developers from repurposing existing buildings for residential purposes.

While the DPP supports the effort to convert vacant commercial building space to residential use for the purpose of revitalizing neighborhoods, and provide housing in developed areas near existing services, we must ensure that health, safety, and quality of life are not compromised. The University of California Berkeley Turner Center for Housing Innovation's report entitled, Adaptive Reuse Challenges and Opportunities in California (<https://turnercenter.berkeley.edu/wp-content/uploads/2021/11/Adaptive-Reuse-November-2021.pdf>), provides a comprehensive understanding of adaptive reuse advantages and challenges. It is important to note that not every commercial property is a good candidate for adaptive reuse purposes.

Lastly, the DPP opposes the blanket exemption on park dedication. Counties should have the authority to determine whether such an exemption is warranted and consideration should be given to the neighborhood's existing active and passive recreation areas. Many urban areas are lacking in adequate park space, which is an important component of creating a desirable and livable community.

Thank you for the opportunity to testify.

Very truly yours,

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

Dawn Takeuchi Apuna  
Director

March 19, 2024

**The Honorable Angus L.K. McKelvey, Chair**  
Senate Committee on Government Operations

**The Honorable Lorraine R. Inouye, Chair**  
Senate Committee on Water and Land  
State Capitol, Conference Room 225 & Videoconference

**RE: House Bill 2090, HD1, Relating to Housing**

**HEARING: Tuesday, March 19, 2024, at 3:10 p.m.**

Aloha Chair McKelvey, Chair Inouye, 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 Hawaii and its over 11,000 members. HAR **supports** House Bill 2090, HD1, which beginning 1/1/2026, allows residential uses in areas zoned for commercial use to be considered permitted under certain circumstances. Requires, no later than 1/1/2026, each county to adopt or amend its ordinances to allow for adaptive reuse of existing commercial buildings in the county's building codes. Effective 7/1/3000.

Adaptive reuse gives an old building new purpose instead of tearing it down. It helps extend the life of existing buildings by repurposing them, keeping their historical charm, and preserving its role in the community. Additionally, "research shows that building reuse avoids 50-75% of the embodied carbon emissions that an identical new building would generate because renovations typically reuse most of the carbon-intensive parts of the building — the foundation, structure, and building envelope."<sup>1</sup>

One of the consequences of the COVID-19 pandemic was that many businesses adopted remote or hybrid work strategies for their employees. This is at least one reason for a rising inventory of vacant office space. Other businesses, such as restaurants and retail stores, found it harder to meet their rent because of prolonged shutdowns, staffing shortages, and changes in consumer behavior. As a consequence, many cities are embracing the adaptive reuse of this inventory for residential purposes.<sup>2</sup>

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawaii, the state needs up to 45,497, housing units

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<sup>1</sup> American Institute of Architecture and The National Trust for Historic Preservation. (n.d.). *Building Reuse: A Proven Climate and Economic Strategy*. [https://content.aia.org/sites/default/files/2023-04/AIA\\_NTHP\\_Building\\_Reuse\\_42\\_.pdf](https://content.aia.org/sites/default/files/2023-04/AIA_NTHP_Building_Reuse_42_.pdf)

<sup>2</sup> National Association of REALTORS®. (October 2022). *Hot Topic Alert: Adaptive Reuse*. <https://realtorparty.realtor/wp-content/uploads/2022/10/HTA-NAR-Adaptive-Reuse-Hot-Topic-Alert-FINAL-2.pdf>



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to meet demand in Hawaii by 2030.<sup>3</sup> Ultimately, we have a housing supply problem, and creative approaches are needed to meet our state's housing challenges. As such, by repurposing commercial buildings for residential uses can help address our housing challenges.

Mahalo for the opportunity to testify on this measure.

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<sup>3</sup> Department of Business, Economic Development & Tourism. (2019). *Hawaii Housing Demand 2020-2030*. <https://files.hawaii.gov/dbedt/economic/reports/housing-demand-2019.pdf>

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March 19, 2024

Senator Angus McKelvey, Chair  
Senator Mike Gabbard, Vice Chair  
Committee on Government Operations

Senator Lorraine Inouye, Chair  
Senator Brandon Elefante, Vice Chair  
Committee on Water and Land

RE: **HB 2090 HD1 – RELATING TO HOUSING**  
**Hearing date – March 19, 2024 at 3:10 P.M.**

Aloha Chair McKelvey, Chair Inouye, and members of the committees,

Thank you for allowing NAIOP Hawaii to submit testimony in providing **STRONG SUPPORT of HB 2090 HD1 – RELATING TO HOUSING**. NAIOP Hawaii is the Hawaii chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

HB 2090 HD1 allows residential uses in areas zoned for commercial, to be considered permitted as long as the residential use is limited by ordinance to floors above the ground floor of a building or structure and development standards are met, but exempts areas zoned under chapter 206E, HRS, relating to the Hawai'i Community Development Authority. Specifically, this measure requires each county to adopt ordinances that allow for adaptive reuse of existing commercial buildings in the county's building codes and:

(1) Allow for the construction of micro units with a minimum size of two hundred twenty square feet;

(2) *Allow for adaptive reuse to meet the interior environment requirements of the International Building Code; and*

(3) Provide for an exemption to any requirements regarding additional off-street parking or park dedication; provided that the building's floor area, height, and setbacks do not change as a result of adaptive reuse.

NAIOP Hawaii is strongly supportive of requiring for the county the Housing Code to align the building requirements of the city with the International Building Code ("IBC") especially in relation to light and ventilation. The measure will help address the requirements imposed on building construction which differ from the IBC. Specifically, the measure amends Chapter 16A, Revised Ordinances of Honolulu 2021 ("ROH") to provide an exemption for property, buildings and structures that are subject to the requirements of ROH section 16-1.1.

As background, Honolulu is the only county in the state that has a Housing Code that is imbedded into the building code. The Housing Code specifically requires operable windows to allow for natural lighting and direct ventilation for living rooms and bedrooms. Honolulu's building code dictates that IBC governs except as maybe contrarily specified in the Housing Code. This bill seeks to allow for more consistency between the Housing Code and the IBC.

NAIOP Hawaii supports this measure which will encourage adaptive reuse projects which require flexible design options. Most office buildings do not have sufficient windows to provide direct window access. The measure allows for the conversion of office buildings resulting in gaining additional housing units for Honolulu residents. The splitting of existing "larger" units into more units and or bedrooms will increase available inventory in the market.

The IBC approved the change in 2012 and Hawai'i adopted the changes in 2018. The new code allows for indirect or artificial light and mechanical ventilation options to consider rooms to become "bedrooms" and living rooms. By requiring adequate lighting and ventilation, the changes continue to protect the life and safety of potential residents.

Furthermore, prior to the Housing Code that was created for Honolulu (circa 1990's), there were residential buildings built without operable windows including Century Center, Executive Center and many of the older hotels. Additionally, 1132 Bishop had recently gone through 201H to convert to residential. There are several decaying buildings that could be converted with by-right permitting, without the expense and time delays of processing 201H applications. Many small infill lots within the urban core could be developed with higher densities such as the 67-unit Fort St mall senior affordable project being built on a 6,900 sf lot. Many of the downtown conversion projects could become more financially viable for residential conversions.

Lastly, the IBC code is an international code. Advances in technology for artificial lighting and ventilation methodologies with proven application in living spaces have been validated by the IBC. Further, the IRC is still in effect to address smaller projects such as single family, duplex and or projects smaller than 3 stories.

In order to further the purpose of this measure NAIOP Hawaii would recommend the following amendments:

- **Amend § 46-A(a) and 46-B(a) to reference January 1, 2025.** The current draft restricts rehabilitation until after January 1, 2026, which unfortunately will not help ongoing permits or existing projects. We ask for an expedited timeline to assist with enabling adaptive reuse at the county level to assist with existing projects.

This would increase the production of housing units in Hawaii by allowing the provisions of this measure to apply existing projects currently going through the permitting and development process. The amendment to help expedite enabling additional housing units to be brought online faster in Hawaii.

Ultimately, Hawaii is currently in a housing crisis which is continuing to worsen due to the ongoing economic changes. NAIOP Hawaii supports this measure which seeks to encourage the conversion of commercial units into residential units. NAIOP Hawaii is dedicated to the creation of affordable housing for our communities. Thank you for the opportunity to testify on this measure and we look forward to working with all interest stakeholders to address this issue.

Mahalo for your consideration,



Reyn Tanaka, President  
NAIOP Hawaii



**HAWAII STATE SENATE  
COMMITTEES ON GOVERNMENT OPERATIONS; AND WATER AND LAND  
Conference Room 225 & Videoconference  
3:10 PM**

MARCH 19, 2024

Honorable Senators Chairs McKelvey, and Inouye, Vice-Chairs Gabbard, and Elefante, and members of the Committees:

Subject: HB 2090 - RELATING TO HOUSING

My name is Max Lindsey, Government Relations Committee Chair of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

SB 2948 proposes to allow residential uses in areas zoned for commercial use to be considered permitted under certain circumstances, and requires, no later than 1/1/2026, each county to adopt or amend its ordinances to allow for adaptive reuse of existing commercial buildings in the county's building codes.

BIA-Hawaii is in **strong support** of HB 2090 as it provides opportunities to increase the supply of housing at all price points in areas with existing infrastructure. As the Legislature is well aware, there is a critical need for more housing in Hawaii. Typically, large scale housing developments have occurred in "greenfield" developments which required significant upfront cost for major regional infrastructure projects (i.e. sewer, water, drainage, roads, etc.).

By creating opportunities to develop multi-family projects on all non-residential zoned lands in each county, developers will not have to incur large infrastructure costs if sufficient capacity is available at the project site. Counties should also consider relaxing some of the height, setback, parking and density requirements to further incentivize investment in developing more housing. These types of developments will also create mixed-use neighborhoods where residents can live-work-play in one area.

We are in **strong support** of HB 2090, and appreciate the opportunity to provide our comments on this matter.

March 19, 2024

TO: Chair Evslin, Chair Ichiyama, Chair Tarnas and members of the Hawai'i State House Housing, Water and Land, and Judiciary and Hawaiian Affairs Committees  
RE: HB 2090 RELATING TO HOUSING.

Dear Chair and Committee Members,

My name is Sterling Higa, and I serve as executive director of Housing Hawai'i's Future, a nonprofit creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

**We support HB 2090, the “Mixed-Use and Adaptive Reuse Housing” Bill.**

Building code and zoning changes are necessary to allow conversions from commercial to residential use. So too are investments in infrastructure and tax incentives to support adaptive reuse and redevelopment.

This bill is a sensible first step. It helps to reverse decades of single-use zoning that have caused sprawl.

“Single-use zoning is designed to separate residential, commercial and industrial uses. It makes sense to separate homes and factories; it's counterproductive to separate residential and commercial uses. The most vibrant cities in the world (think: London, Paris, Tokyo) favor mixed-use development. And charming small towns do too. This is as true in Hawai'i as it is everywhere else. For example, it's no coincidence that the most popular towns to visit on Maui were all developed before the county's current zoning code was adopted in 1960: think of Hāna, Makawao, Pā'ia, Wailuku and pre-fire Lahaina. Compare those quaint towns with Kihei, the land of strip malls.”<sup>1</sup>

Given our state's constitutional imperative to conserve agricultural resources, it's vital that we make efficient use of already developed land.

Mixed-use development is a pattern of development that is better economically and environmentally.

We cannot afford to keep bad zoning codes on the book.

**Thank you for your support of HB 2090!**

Thank you,



Sterling Higa  
Executive Director  
Housing Hawai'i's Future  
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+1 (808) 782-7868

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<sup>1</sup>Read more in *Hawaii Business Magazine*, “Five Ways to Build More Housing in Hawai'i”  
<https://www.hawaiibusiness.com/hawaii-housing-crisis-barriers-and-solutions/>



# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice  
Support for H.B. 2090 HD1 – Relating to Housing  
Joint Senate Committees on Government Operations and Water & Land  
Tuesday, March 19, 2024, at 3:10 PM, Conf. Rm. 325 and via Videoconference

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Dear Chair McKelvey, Vice Chair Gabbard, Chair Inouye, Vice Chair Elefante, and fellow committees members:

Thank you for the opportunity to express our **SUPPORT for HB2090**, which would allow the counties to implement sensible zoning reforms to allow for residential housing in certain commercial zones.

A wide array of housing options are sorely missed in Hawaii's current development landscape largely due to our restrictive county zoning rules. HB2090 is an important part in addressing our ongoing housing crisis by encouraging mixed-used development for those who would like the opportunity to live, work, and play in close proximity to their daily needs.

Lack of diverse housing options drive up prices and push many locals out of Hawai'i. Current practices across the counties are not aligned in encouraging development which allows people to live closer to things that they need. Development above or reuse of commercial zoned areas is sustainable in that it can capitalize on existing infrastructure and utilize underused or vacant spaces, reduce "dead space" where commercial units sit empty, and help revitalize these areas without the need for extensive new construction.. Providing more options in our housing market is necessary to prevent the displacement of long-standing residents and ensure that Hawai'i remains accessible to the diverse range of housing needs.

Increasing our housing supply through promoting residential over existing commercial buildings or adaptive reuse of empty commercial buildings is not new; this is a housing form which was of common practice in Hawaii and across the globe. Residents used to be able to live above or behind their shops in places like Paia, Kapa'a, Hilo, Chinatown, and many other iconic Hawai'i places. HB2090 draws from this tradition while modernizing zoning regulations to meet contemporary housing needs.

Allowing residential development in commercial zones and repurposing commercial buildings for housing we can increase the housing supply through more diverse housing options. The current limited restrictive options for residential zoning does not reflect the needs of Hawaii's people. Housing needs change over time, our zoning rules should accommodate those changes, and we should not be baselessly restricting our options as to where residential housing can occur. HB2090 would allow for a wider and more diverse array of housing options and give greater opportunities for residents to stay in Hawaii and give more choice to housing forms.

Mahalo for the opportunity to testify.



March 18, 2024

TO: Honorable Angus McKelvey, Chair  
Senate Committee on Government Operations

Honorable Mike Gabbard, Vice-Chair  
Senate Committee on Government Operations

Honorable Lorraine R. Inouye, Chair  
Senate Committee on Water and Land

Honorable Brandon Elefante, Vice-Chair  
Senate Committee on Water and Land

The American Institute of Architects

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FROM: Legislative Advocacy Committee (LAC)  
**American Institute of Architects, Hawaii State Council**

SUBJECT: **House Bill 2090  
Relating to Housing**

Dear Chair McKelvey, Vice-Chair Gabbard and Members of the Committee,

My name is Reid Mizue, President of the American Institute of Architects (AIA) Hawaii State Council, providing **COMMENTS** on HB 2090 HD1. AIA is a national professional architect society with 96,000 members; with some +800 members in Hawaii. AIA has following concerns:

- While housing is state-wide concern, the bill intrudes into customary *kuleana* of four counties that are closer to land / people and devote more time than state legislature to carefully craft ordinance for adaptive reuse of commercial buildings into residential buildings.
- Bill language repeatedly confuses ministerial “building code” with discretionary “zoning code” that regulate two different issues in built environment.
- AIA wants any reference to state building code council deleted from the bill. Architects are not supportive of reducing life-safety protection of building codes, as was done in Honolulu ROH 32, under guise of “affordable housing” apartments.

### Page 3 comments

**Line 3:** What is reason for discussing possible ban on ground floor residential use? Shouldn't uses be decided by developer / designer based on actual conditions that can vary significantly across the State? Some commercial buildings may no longer have any viable commercial use; sitting unused. Ground floor seems ideal location for residential lobby or accessible dwelling units.

**Line 6:** Why is HB 2090 not applicable to any areas zoned under chapter 206E?

**Line 11:** Revise "building code" to "zoning code" because "zoning" is being regulated. Adaptive reuse of existing commercial buildings is **already allowed** in state building codes based on International Building Code IBC and International Existing Building Code IEBC; then adopted by all counties. "Commercial building" is actually several kinds of uses that have much better detailed definitions in county zoning ordinances.

**Lines 12-13:** Revise "building code" to "zoning code" because "zoning" is being regulated. Language is actually redundant because in counties both zoning and building codes are "ordinances."

**Lines 20-21 through Page 4 lines 1-2:** Despite policy to reduce automobile use, the state must not mandate "blanket county exemption" to off-street parking because actual neighborhood density / design and conditions may suffer. Common negative impact on nearby residential streets is overflow parked cars from commercial districts. State exemption disrespects local community decision-making.

### Page 4 comments

**Line 20:** Delete any reference to section 46-B. This is unacceptable addition to State Building Code Law because §107-22 (2) is for DCCA licensing; HRS Chapter 444 being building contractors and HRS Chapter 464 being engineers, architects, surveyors and landscape architects. More critically, reference to section 46-B creates confusion because owners / developers can challenge IBC and IEBC by claiming that adaptive reuse of existing buildings is inhibited by building codes.

**Building codes do not inhibit adaptive reuse, but building codes add varying construction cost for life-safety based on existing building to be adapted.** One good example is "occupancy fire separations" IBC Table 508.3.3 that prescribe certain minimum levels of fire protection in the floor separating residential use from commercial use. Building structure supporting the floor must also have minimum code fire-rating. For buildings like existing Bishop



Street concrete office building, this is not adaptation problem. But shorter commercial buildings of wood construction may require upgraded occupancy fire separation between commercial and residential uses. Adding fire-sprinklering is credit reducing fire-rating by one hour when such system is more cost-efficient in some older wooden buildings. It takes building code to allow this.

In current state legislature there is huge misunderstanding that building codes only add construction cost. Building codes set minimum “professional standard-of-care” that, as in medical care, architects and owners owe to the public who inhabit, own and visit our buildings. As in example above, the code sets minimum occupancy fire separation in hours of fire-rating. Without code there would be no accepted hours of fire-rating within which architects/owners are not liable to public. Every time the code is relaxed by citing construction costs the “professional standard-of-care” to the public is reduced. Or the “standard-of-care” confusingly varies by which county the building is in.

### **There is progress on adaptive reuse of commercial buildings**

City & County of Honolulu is most densely populated county and has most commercial building stock for adaptive reuse. AIA is working closely for over year with Councilman Tyler Dos Santos Tam on county ordinance for adaptive reuse of commercial buildings. Honolulu also has completed five examples of adaptive reuse, some for very high-rise commercial offices adapted for residential use.

### **Potential for incompatible uses**

Careful attention must be paid to unique situation of existing business districts that each have different mixes of commercial use. In many business and industrial districts, housing is “accessory use” Termed “accessory” because the primary use is business-oriented and needs of housing need to take “back seat” to primary commercial zoning. In industrial districts, Honolulu allows one residential unit per lot for off-hour security and often as owner’s house.

Let’s not prioritize housing to detriment of zoning long-intended to support other uses. That’s why House has consistently opposed residential use in potentially noisy Kakaako Makai. For example, housing newly-adapted into existing commercial district might suffer acoustical problems from local bar or nightclub. Similarly, barbeque restaurants may not allow living units above / next to it as major commercial bbq kitchen exhausts are difficult to contain. Additionally, several years ago, UH tried to build faculty housing


next to McKinley football field. Alumni protests because school athletics and band practice would prove a nuisance to residents.

Supporting testimony for adaptive reuse comes from many influential organizations and county officials. Their enthusiasm should be channeled into county-driven legislation that is tailored for local historical, social and built-environmental considerations. AIA has total of 100 members practicing in Hawaii, Maui and Kauai) counties who can offer assistance.

As the bill has awakened interest in adaptive reuse and has no state reward or penalty for failure to meet January 2026 deadline, we gently suggest the bill be **deferred** and state legislative enthusiasm be transferred into advocating for necessary county ordinances.

Thank you for this opportunity to present **COMMENTS**.  
Mahalo for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Reid T. Mizue". The signature is fluid and cursive, with a long horizontal stroke at the end.

Reid Mizue, AIA  
American Institute of Architects, Hawaii State Council

March 19, 2024, 3:10 p.m.  
Hawaii State Capitol  
Conference Room 225 and Videoconference

**To: Senate Committee on Government Operations**

**Sen. Angus L.K. McKelvey, Chair**

**Sen. Mike Gabbard, Vice-Chair**

**Senate Committee on Water and Land**

**Sen. Lorraine R. Inouye, Chair**

**Sen. Brandon J.C. Elefante, Vice-Chair**

**From: Grassroot Institute of Hawaii**

**Ted Kefalas, Director of Strategic Campaigns**

RE: TESTIMONY IN SUPPORT OF HB2090 HD1 — RELATING TO HOUSING

Aloha Chairs McKelvey and Inouye, Vice-Chairs Gabbard and Elefante, and other members of the committees,

The Grassroot Institute of Hawaii would like to offer its **strong support** for [HB2090 HD1](#), which would direct the counties to allow for residential uses in all areas zoned for commercial use — except areas under the authority of the Hawai'i Community Development Authority — starting no later than Jan. 1, 2026.

It also would allow for the construction of “micro units” with a minimum size of 220 square feet, as well as, quote, “allow for adaptive reuse to meet the interior environment requirements of the International Building Code; and provide for an exemption to any requirements regarding additional off-street parking or park dedication; provided that the building’s floor area, height, and setbacks do not change as a result of adaptive reuse,” unquote.

Together, these changes would boost Hawaii’s housing stock and foster the creation of vibrant, walkable communities, as discussed in the Grassroot Institute’s recent policy report, “How to facilitate more homebuilding in Hawaii.”<sup>1</sup>

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<sup>1</sup> Jonathan Helton, [“How to facilitate more homebuilding in Hawaii.”](#) Grassroot Institute of Hawaii, December 2023.

Our report recommended that Hawaii’s counties allow “residential uses in all existing business-related zones,” and that “such residential uses should not be limited to either the ground floor or floors above the ground floor; all floors should be available for use as dwelling units.”<sup>2</sup>

This bill currently would allow the counties to limit residential use in converted commercial buildings to only floors above the ground floor. Nevertheless, this bill would be a major step toward recognizing the economic and social value that mixed-use neighborhoods can have on our local communities.

In the brief, Grassroot discussed how it was common prior to the advent of the automobile to find buildings with both commercial and residential uses in the same neighborhoods.<sup>3</sup>

“It was normal for watchmakers, bakers, lawyers and all sorts of other business people to live in the same buildings in which they worked,” the report said. “Their stores or offices were usually on the bottom floors, and their living quarters were typically on the floor or floors above or in an apartment in back.”

Economically speaking, it makes sense to build more housing in urban areas because water and wastewater infrastructure is usually already present. It also is sometimes cheaper to convert a commercial building to housing than it is to start a structure from scratch.

From a social standpoint, research indicates that mixed-use buildings save people money on transportation and promote walking, which can lead to many health benefits. Just as important, they give people a variety of lifestyles to choose from when deciding where to live.

Our policy brief also noted the success that Los Angeles has had with its adaptive reuse ordinance, which it authorized in 1999.<sup>4</sup> As stated in brief, the LA ordinance:

>> Allowed buildings to change uses from commercial to residential “by right” — that is, automatically — without going before a council or commission where the project could be voted up or down.

>> Exempted adaptive reuse projects from California Environmental Quality Act review.

>> Relaxed parking and loading-space mandates.

>> Allowed one-story rooftop additions automatically.

>> And added a new building code section to specify requirements for adaptive reuse projects.

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<sup>2</sup> [Ibid](#), p. 16.

<sup>3</sup> Jonathan Helton, [“How to facilitate more homebuilding in Hawaii.”](#) Grassroot Institute of Hawaii, December 2023, p. 15.

<sup>4</sup> [Ibid](#), pp. 8-10.

These policy changes enabled builders to bypass regulations that would have held up their efforts to create new housing or otherwise find new uses for existing buildings — and have led to the construction of 12,000 units in the city’s downtown area since the ordinance was enacted.

I hope all this information will encourage you to approve HB2090 HD1.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii



# Hawai'i Island Chamber of Commerce

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March 18, 2024

## Hawai'i Island Chamber of Commerce Government Affairs Committee

### Testimony before the Senate Committees on GOVERNMENT OPERATIONS, and WATER AND LAND

Tuesday, March 19, 2024  
3:10 PM State Capitol Room 225 & Via Videoconference

In consideration of  
**House Bill 2090 HD1**  
**Relating to Housing**

The Hawai'i Island Chamber of Commerce (HICC) **supports** HB2090, HD1 which allows limited residential uses in any area zoned for commercial to be considered permitted with certain provisions and requires the counties to adopt ordinances to promote adaptive reuse of existing commercial buildings, amongst other things.

Hawai'i has arguably the highest housing prices in the country, and data attributes it as a direct result of regulatory restrictions. With House Bill 2090 HD1, we can address the critical need for affordable housing while fostering vibrant, sustainable communities across Hawai'i.

Founded in 1898, HICC has been a part of our island's business community for 125 years. Our organization is comprised of over 300 member businesses and professionals from a variety of industries including non-profit organizations from Hawai'i Island.

Mahalo for this opportunity to express our support for this measure.



"Advancing the Commercial Real Estate Industry through Education, Networking and Advocacy"

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Committees: SENATE COMMITTEE ON GOVERNMENT OPERATIONS  
SENATE COMMITTEE ON WATER AND LAND  
Date: March 19, 2024  
Time: 3:10 PM  
Place: Conference Room 225 and Via Remote Access  
RE: HB2090, HD1 Relating to Housing

Aloha Chair McKelvey, Chair Inouye, Vice Chair Gabbard, Vice Chair Elefante, and members of the committees:

Thank you for the opportunity to submit **support** testimony on House Bill 2090 HD1, Relating to Housing. This bill allows residential uses in areas zoned for commercial use to be considered permitted under certain circumstances and requires each county to adopt or amend its ordinances to allow for adaptive reuse of existing commercial buildings in the county's building codes.

BOMA Hawai'i is a non-profit trade association dedicated to advancing the commercial real estate industry through education, networking and advocacy. Please consider BOMA a resource for policy makers. Thank you for the opportunity to testify on this measure.

Sincerely,

Jamie Barboza  
BOMA Hawai'i Government Affairs Committee Chair

Chairs McKelvey and Inouye  
GVO/WTL

HB2090

3/19/2024, 3:10pm

Conference Room 225

## **In Support**

The Hawai'i Zoning Atlas is part of a nationwide research collective revealing how zoning laws have been used to restrict housing supply and reduce housing affordability. On behalf of our dedicated team of volunteers and student researchers, **we urge the Chairs to advance HB2090**, which would permit residential uses above ground level in commercial zones across Hawai'i. Mixed use development is wise urban planning that can offer low-cost housing near businesses and essential services and reduce burdens on outlying land and infrastructure.

*Mixed use development is wise urban planning*

The American Planning Association, the national professional organization of urban planners has endorsed the ideas this bill enacts. Their [Equity in Zoning Policy Guide](#) recommends widespread use of mixed-use zoning districts to “increase opportunities for historically disadvantaged and vulnerable populations to live closer to sources of quality employment, goods, and services (p.17).” Failing to pass HB2090 now would mean ignoring the experts on our most pressing policy issue.

Planners also recognize health and safety benefits of mixed-use development. It [encourages](#) walking and biking for able-bodied residents, offers proximity to shopping and services for residents with mobility challenges, and reduces traffic congestion.

*Mixed use development reduces burdens on outlying land and infrastructure*

Land use policy experts have found that planned, compact growth reduces land conversion at the urban edge by [20 to 45](#) percent. These mixed-use developments can help ease the pressure to develop Hawai'i's [threatened](#) agricultural lands and reduce [transportation emissions](#). Well-designed mixed-use development can reduce infrastructure costs as infill development and redevelopment is concentrated on land served by [existing infrastructure](#).

HB2090 targets specifically designated urban districts that can support commercial and residential uses together, unlocking a small but significant amount of land for development that can alleviate the housing crisis. As such, HB2090 would provide low-cost housing options in desirable locations for Hawai'i households while conserving land and infrastructure spending.

*Trey Gordner and Devon Chodzin, Hawai'i Zoning Atlas*



**HB-2090-HD-1**

Submitted on: 3/13/2024 7:53:19 PM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Andy ozie	Individual	Support	Written Testimony Only

Comments:

2 words for you folks.

Housing crisis

**HB-2090-HD-1**

Submitted on: 3/13/2024 9:22:48 PM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Donald Carroll	Individual	Support	Written Testimony Only

Comments:

I'm writing in support of HB2090 to allow housing in commercial areas. With many offices and retail spaces sitting vacant after COVID closures, this bill would help convert unused commercial real estate into affordable housing units. I urge you to vote yes on this important bill to increase housing access for your constituents.

Mahalo

**HB-2090-HD-1**

Submitted on: 3/13/2024 10:38:00 PM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tonic Bille	Individual	Support	Written Testimony Only

Comments:

This Bill makes sense.

**HB-2090-HD-1**

Submitted on: 3/14/2024 3:58:39 AM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alice Abellanida	Individual	Support	Written Testimony Only

Comments:

I support this bill. Vote yes.

**HB-2090-HD-1**

Submitted on: 3/14/2024 3:23:39 PM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ellen Godbey Carson	Individual	Support	Written Testimony Only

Comments:

Aloha,

Please suport this bill to allow more flexible residential uses in areas zoned for commercial use. We need modernization options for our urban core and for commercial buidlings that are no longer in demand. Our housing crisis warrants many new solutions. This bill could help, breathing new life and homes into dis-used commercial buidlings. The future success of our state depends on building more housing in our urban core (keep the country country), with mass transit and retail access so that people don't need as many cars.

So, I hope you will pass this bill and require each county to adopt ordinances that allow for adaptive reuse of existing commercial buildings in the county's building codes. Bring it on!

Thank you for your consideration of my testimony.

Ellen Carson, Honolulu, Hawai'i.

**HB-2090-HD-1**

Submitted on: 3/17/2024 10:58:06 AM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Regina Gregory	Individual	Support	Written Testimony Only

Comments:

suggest change 2026 to 2025

**HB-2090-HD-1**

Submitted on: 3/18/2024 9:23:48 AM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

WILL HELP WITH HOUSING.

MAHALO!

**HB-2090-HD-1**

Submitted on: 3/18/2024 12:32:15 PM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Joy Dillon	Individual	Support	Written Testimony Only

Comments:

Aloha, members of the GVO, WTL and JDC Committees.

I strongly support this bill. This bill will greatly contribute to being able to provide much needed housing here in Hawaii. Our zoning codes were established in the 1950's. They are outdated, inefficient and no longer applicable to the situations that we find ourselves in now. We need to change with the times and stop doing things "the way we've always done it." Being able to convert commercial buildings that are no longer being used is a streamlined way to provide housing for many that so deparately need it.

I urge you to pass this bill. Thank you for your consideration.

Joy Dillon

Hilo Resident



**HB-2090-HD-1**

Submitted on: 3/18/2024 2:48:20 PM

Testimony for GVO on 3/19/2024 3:10:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
joann sarubbi md	Individual	Support	Written Testimony Only

Comments:

This bill will enable affordable housing on family's property