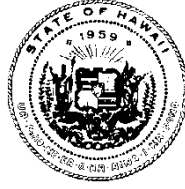


**JOSH GREEN, M.D.**  
GOVERNOR

**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  
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Statement of  
**DEAN MINAKAMI**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON HOUSING**  
Wednesday, March 13, 2024 at 10:00 a.m.  
State Capitol, Room 312

In consideration of  
**S.B. 2066 SD2**  
**RELATING TO HOUSING.**

Chair Evslin, Vice Chair Aiu, and members of the Committee.

HHFDC has comments on SB 2066 SD2, which requires certain projects meeting the criteria of Section 201H-38(a)(1), Hawaii Revised Statutes to be exclusively for sale or rent to qualified residents as defined in Section 201H-32 who are deemed to be moderate income households.

If the intent of this bill is to help to make more housing available to more of Hawaii's residents who meet certain criteria by creating two separate paths for projects to be processed under Section 201H-38, then HHFDC suggests that the bill be amended to read as follows:

SECTION 1. Section 201H-38, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The corporation may develop on behalf of the State or with an eligible developer, or may assist under a government assistance program in the development of, housing projects that shall be exempt from all statutes, ordinances, charter provisions, and rules of any government agency relating to planning, zoning, construction standards for subdivisions,

development and improvement of land, and the construction of dwelling units thereon; provided that~~[÷]~~ either:

(1) The housing projects meet the following conditions:

- ~~[(1)]~~ (A) The corporation finds the housing project is consistent with the purpose and intent of this chapter, and meets minimum requirements of health and safety;
- ~~[(2)]~~ (B) The development of the proposed housing project does not contravene any safety standards, tariffs, or rates and fees approved by the public utilities commission for public utilities or of the various boards of water supply authorized under chapter 54;
- ~~[(3)]~~ (C) The legislative body of the county in which the housing project is to be situated shall have approved the project with or without modifications:
  - ~~[(A)]~~ (i) The legislative body shall approve, approve with modification, or disapprove the project by resolution within forty-five days after the corporation has submitted the preliminary plans and specifications for the project to the legislative body. If on the forty-sixth day a project is not disapproved, it shall be deemed approved by the legislative body;
  - ~~[(B)]~~ (ii) No action shall be prosecuted or maintained against any county, its officials, or employees on account of actions taken by them in reviewing, approving, modifying, or disapproving the plans and specifications; and
  - ~~[(C)]~~ (iii) The final plans and specifications for the project shall be deemed approved by the legislative body if the final plans and specifications do not

substantially deviate from the preliminary plans and specifications. The final plans and specifications for the project shall constitute the zoning, building, construction, and subdivision standards for that project. For purposes of sections 501-85 and 502-17, the executive director of the corporation or the responsible county official may certify maps and plans of lands connected with the project as having complied with applicable laws and ordinances relating to consolidation and subdivision of lands, and the maps and plans shall be accepted for registration or recordation by the land court and registrar; and

~~[(4)]~~ (D) The land use commission shall approve, approve with modification, or disapprove a boundary change within forty-five days after the corporation has submitted a petition to the commission as provided in section 205-4. If, on the forty-sixth day, the petition is not disapproved, it shall be deemed approved by the commission~~[-]~~; or

(2) The housing projects:

- (A) Meet the conditions of paragraph (1);  
and
- (B) Shall be exclusively for sale or rent to qualified residents."

SECTION 2. Section 201H-38, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) For the purposes of this section:

"Government assistance program" means a housing program qualified by the corporation and administered or operated by the corporation or the United States or any of their political subdivisions, agencies, or instrumentalities, corporate or otherwise."

"Qualified resident" has the same meaning as in section 201H-32 and shall be deemed moderate income."

SECTION 3. Section 201H-41, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The corporation may accept and approve housing projects independently initiated by private developers that fully comply with subsections (a) and (b). The corporation may review the plans, specifications, districting, and zoning of the project for the purpose of exempting the project from all statutes, ordinances, charter provisions, and rules of any government agency relating to zoning and construction standards for subdivisions, development, and improvement of land and the construction, improvement, and sale of dwelling units thereon; provided that the procedures in section [~~201H-38(a)(1), (2), and (3)~~] 201H-38(a)(1)(A) through (C) have been satisfied."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

Thank you for the opportunity to testify on this bill.



COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

HAWAII CHAPTER

March 12, 2024

Representative Luke Evslin, Chair  
Representative Micah Aiu, Vice Chair  
Members of the House Housing Committee

RE: **SB 2066 SD2– RELATING TO HOUSING**  
**Hearing date – March 13, 2024 at 10:00 AM**

Aloha Chair Evslin, Vice Chair Aiu, and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii providing **COMMENTS** on SB 2066 SD2. NAIOP Hawaii is the local 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.

SB 2066 SD2 requires certain housing projects that meet the criteria of Hawaii Revised Statute (HRS) Section 201H-38(a)(1)(A) through (C) to be exclusively for sale or rent to qualified residents as defined by HRS Section 201H-32 who are deemed to be moderate income.

Primarily, NAIOP Hawaii finds that this measure may be unnecessary and needs additional clarity based on the current language. The insertion of “either” (page 1, line 10) appears to complicate what is required. Also, adding the undefined term of “moderate income” adds ambiguity. Furthermore, we are concerned that the new requirement proposed under this measure may negatively impact 201H projects in the longer term.

Thank you for the opportunity to present NAIOP Hawaii’s concerns with SB 2066 SD1. We respectfully ask that this measure be held at this time for further discussion. NAIOP appreciates the Legislature’s commitment to collaborating on this issue and look forward to working together.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Reyn Tanaka".

Reyn Tanaka, President  
NAIOP Hawaii



## TESTIMONY IN SUPPORT OF BILL SB 2066 SD 2

House Committee on Housing  
March 13, 2024 at 10:00 a.m.  
Conference Room 312 & Video

Chair Evslin, Vice Chair Aiu, Members,

Church of the Crossroads, Hawaii's first deliberately interracial congregation now over 100 years old, remains committed to supporting Hawaii's richly diverse population. We ask you to **please pass SB 2066 SD 2**, which expands the range of affordable housing projects able to benefit from 201H-38 exemptions supported by Hawaii Housing Finance and Development Corporation.

Hawaii has been building homes at a rate of only 2,000 units per year, far lower than the 10,000 necessary to house residents. Hawaii's limited housing production coupled with sky-high demand drives our people to the mainland. The State's population has declined for seven consecutive years. The people leaving include our young and others most needed for our future. It's a tragedy that more Native Hawaiians now live outside Hawaii than in Hawaii.

Instead, our islands need to help Hawaii's "priced out" children, relatives, and friends find homes here. Our people don't like having the world's wealthy overwhelm this small local market with their often-vacant vacation homes.

SB 2066 SD 2 provides the Hawaii Housing Finance and Development Corporation the option to offer 201H-38 exemptions "exclusively for sale or rent to qualified residents as defined in section 201H-32, Hawaii Revised Statutes, who are deemed to be moderate income households." It is our understanding that any person who qualifies for a Hawaii drivers license or State ID qualifies as a resident. Asking residents to live in the unit and to own no majority interest in any other property means occupants will likely be local people needing an affordable home. It means housing for *us*.

Mahalo for your attention to the Church's testimony in support of SB 2066 SD 2.

Aloha,

Galen Fox, Past Moderator (President)  
for Church of the Crossroads

**SB-2066-SD-2**

Submitted on: 3/12/2024 11:03:15 AM

Testimony for HSG on 3/13/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jay Henderson	Individual	Support	Written Testimony Only

Comments:

I strongly support this bill.