

1050 Bishop St. #508 Honolulu, HI 96813 808-864-1776 info@grassrootinstitute.org

Removing barriers to Hawaii's prosperity

Feb. 28, 2024, 10 a.m.

Hawaii State Capitol

Conference Room 016 and Videoconference

To: Senate Committee on Judiciary Sen. Karl Rhoads, Chair Sen. Mike Gabbard, Vice-Chair

From: Grassroot Institute of Hawaii

Ted Kefalas, Director of Strategic Campaigns

RE: SB2018 — RELATING TO HOUSING

Aloha Chair Rhoads, Vice-Chair Gabbard and Committee Members,

The Grassroot Institute of Hawaii would like to offer its support for <u>SB2018</u>, which would prohibit the counties from reducing the allowable density of a parcel or zoning district unless the county also enacts measures to ensure there is no net loss in allowable residential density throughout the county.

Basically, HB2018 would prevent counties from exacerbating the housing crisis. When a county changes a zoning ordinance to reduce the amount of housing that is allowed in a certain zone, it reduces the potential housing supply.

These sorts of "downzonings" have occurred in the past. For example, in 1973, Honolulu lowered the density of a parcel zoned for apartment use and the owner sued in response.¹

More recently, some iterations of Honolulu's land-use reform bill included downzoning provisions. One draft would have limited the lot area of farm dwellings beyond the current limitations in the city code.²

¹ David Callies, "<u>Land Use: Herein of Vested Rights, Plans, and the Relationship of Planning and Controls,</u>" University of Hawai'i Law Review, 1979, pp. 171-172.

² See Bill 10 (2022), CD1, p. 21; Revised Ordinances of Honolulu, § 21-5.250 Farm dwellings., accessed Jan. 20, 2024.

That particular draft of Honolulu's land-use reform bill would likely have qualified under the balanced approach of SB2018, as it included several amendments to increase the housing stock. However, a state law would ensure that the housing supply is protected from future downzoning.

SB2018 would not strip the counties of the power to downzone entirely. But it would maintain a balance by allowing them to downzone a parcel or a zoning classification only if they upzone another area of land so as to retain or increase the total allowable housing in the county.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

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

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-8000 • FAX: (808) 768-6041 • WEBSITE: honolulu.gov/dpp

RICK BLANGIARDI MAYOR *MEIA*



DAWN TAKEUCHI APUNA DIRECTOR PO'O

> JIRO A. SUMADA DEPUTY DIRECTOR HOPE PO'O

February 28, 2024

The Honorable Karl Rhoads, Chair and Members of the Committee on Judiciary Hawai'i State Senate Hawai'i State Capitol 415 South Beretania Street Honolulu, Hawai'i 96813

Subject: Senate Bill 2018
Relating to Housing

Dear Chair Rhoads and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 2018, which prohibits a county from changing the land use designation or zoning of a parcel or parcels of property to a less intensive use or reducing the intensity of land use within an existing zoning district below what was allowed under the general plan or specific land use designation and zoning ordinances. The Bill allows a county to change a land use designation or zoning ordinance to a less intensive use if the county concurrently enacts measures to ensure that there is no net loss in residential capacity.

We support legislation aimed at increasing the supply of housing if the potential outcome aligns with a county's established policies to direct growth and create livable communities for our residents in a manner that prioritizes public health and safety. We do not believe, however, that denying counties the power to designate properties for less intensive use is the solution, especially in the face of sea level rise and hazards from climate change, including wildfires. Implementing this Bill may put public health and safety at risk and would be detrimental to the long-term well-being of our residents and communities.

This Bill oversteps county homerule responsibilities, and would override county plans and regulations. It goes against the Oʻahu General Plan (GP), specifically the objective and related policies pertaining to public safety and community resilience. The GP calls for protecting residents and visitors and their property against natural disasters

The Honorable Karl Rhoads, Chair and Members of the Committee on Judiciary Hawai'i State Senate Senate Bill No. 2018 February 28, 2024 Page 2

and other emergencies, traffic and fire hazards, and unsafe conditions. This includes creating resilient, disaster-ready communities that are mentally and physically prepared for disasters and environmental stressors, including those driven by climate change. In addition, updates to the City's long-range development and sustainable communities plans have specific goals and policies related to community resilience, disaster preparedness, and adapting regulations to address climate change and coastal hazards.

The GP also contains objectives and policies relating to the physical environment of Oʻahu, and ensuring that all new developments are timely, well-designed, and appropriate for the areas in which they will be located. The GP contains policies that require developments to be compatible with the surrounding community, and seeks to protect residents' quality of life and to maintain the integrity of neighborhoods by strengthening regulatory and enforcement strategies. It is under this purview that the City passed an ordinance (Ord. 20-43), which limits the floor area ratio (FAR), number of bathrooms and wet bars for large detached dwellings, otherwise known as "monster homes." This would meet the definition of "less intensive use" under this Bill, and would render the City's ability to pass legislation to address such concerns that have overwhelmed communities.

The City's plans and regulations need to respond to the continuously evolving science on sea level rise and climate change. Over the long-term, we must plan for area-wide adaptation that includes identifying priority growth areas outside of high impact areas, and considering transfer of development rights and managed retreat solutions. All of this requires the City to have the tools to respond, including the ability to amend its regulations and downzone properties if necessary for public health and safety. Accordingly, we oppose Senate Bill No. 2018, and request that it not move forward.

Thank you for the opportunity to testify.

Very truly yours,

Dawn Takeuchi Apuna

Director