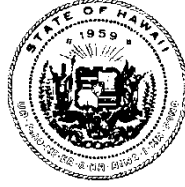


JOSH GREEN, M.D.
GOVERNOR

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

HOUSE COMMITTEE ON HOUSING

February 07, 2025 at 9:00 a.m.
State Capitol, Room 430

In consideration of
H.B. 416
RELATING TO HOUSING.

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

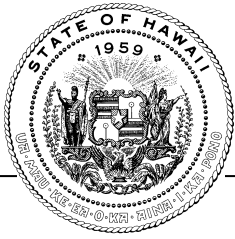
HHFDC has comments on HB 416, which exempts state-financed housing developments from the requirement to obtain approval from the applicable county council.

HHFDC supports efforts to streamline legislative body and ministerial approvals to expedite the development of critically needed affordable housing. This bill streamlines approval for 201H-38 projects by not requiring county council approval for projects that have received financing from the State.

We note, however, that projects going through the 201H-38 process typically may have received a financing commitment from the state, rather than actually having received financing. We therefore request that the language be **amended** to:

provided further that projects that have received
[financing] a financing commitment from the State shall be
exempt from approval by the legislative body of the county
in which the housing project is to be situated;

Thank you for the opportunity to testify on this bill.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
INTERIM DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawai'i 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

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

Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON HOUSING

Friday, February 7, 2025
9:00 AM
State Capitol, Conference Room 430

in consideration of
HB 416
RELATING TO HOUSING.

Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing.

The Office of Planning and Sustainable Development (OPSD) would like to provide **comments** on HB 416, which allows the Hawai'i Housing Finance and Development Corporation on behalf of the State or with an eligible developer to be exempt from all statutes, charter provisions, ordinances, and rules of any government agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and construction of dwelling units.

OPSD believes the State needs to expedite housing production in areas suited and planned for housing. However, we are concerned with any proposal to preempt all government agency development and permitting requirements and processes for housing projects, whether public or private. Development and permitting processes play a critical role in ensuring that development projects are in alignment with local zoning laws, building codes, and other regulations designed to protect public health, safety, and welfare.

Rather than exempting projects from development and permitting processes, OPSD believes that the State, in partnership with the counties, should strengthen efforts to identify where development and permitting processes can be consolidated or streamlined and project implementation facilitated without compromising public and environmental health or cultural resources.

Thank you for the opportunity to testify on this measure.

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, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041 • WEBSITE: honolulu.gov/dpp

RICK BLANGIARDI
MAYOR
MEIA



DAWN TAKEUCHI APUNA
DIRECTOR
PO'O

BRYAN GALLAGHER, P.E.
DEPUTY DIRECTOR
HOPE PO'O

REGINA MALEPEAI
2ND DEPUTY DIRECTOR
HOPE PO'O KUALUA

February 7, 2025

The Honorable Luke Evslin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Subject: House Bill No. 416
Relating to Housing

Dear Chair Evslin and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 416, which exempts state-financed housing developments from the requirement to obtain approval from the applicable county council.

While the City supports policies that will stimulate affordable housing production, removing the role of the county legislative body from the review of projects that are designed with greater heights and densities than allowed under adopted plans and regulations eliminates an important review component. Many Hawai'i Revised Statutes Chapter 201H approvals are tantamount to a zone change of the project site. Zone changes are adopted as ordinances during which the DPP and Honolulu City Council evaluate potential impacts to critical infrastructure and services, and ensures the change in allowable densities, heights, and uses can be accommodated without adverse impacts. This is a vitally important part of the process and should not be eliminated.

If the legislative body's role is removed, it is unclear who would make the final decision that the project could move forward without adverse impacts to the counties and their communities. Would it be the Hawai'i Housing Finance and Development Corporation? If so, would it adopt administrative rules to guide their procedures and create an appeal process?

The Honorable Luke Evslin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
House Bill No. 416
February 7, 2025
Page 2

The description of the Bill states that it “exempts state-financed housing developments.” Was the intention to limit the exemption to State projects proposed and financed by public agencies such as the Hawai'i Public Housing Authority and Department of Hawaiian Homelands? If that is the case, we recommend clarifying the Bill because nearly all of the 201H projects we review will ultimately receive some kind of financing from the State, so the Bill as written would remove almost all 201H projects from the purview of the legislative body. Finally, we note the HHFDC's current rules require applicants to obtain a 201H approval from the legislative body before applying for funding.

To this end, we respectfully request that House Bill No. 416 be held in committee.

Thank you for the opportunity to testify.

Very truly yours,



Dawn Takeuchi Apuna
Director Designate



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

Support for HB416 – Relating to Housing

House Committee on Housing

Wednesday February 7, 2025 at 9:00AM Conf. Rm.430 and via Videoconference

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

Mahalo for the opportunity to testify in strong support of HB416, which would exempt state-financed housing developments from county council approval requirements. This measure would help accelerate the development of critically needed affordable housing in Hawaii.

This bill would streamline the development process while maintaining crucial protections:

- Projects must still meet health and safety requirements.
- Projects cannot contravene safety standards or utility regulations.
- The Land Use Commission maintains oversight of boundary changes.
- All units must be exclusively for qualified residents.
- Income requirements cannot be stricter than state standards.

The need for streamlining our process is at an all-time high. Hawaii faces one of the most severe housing crises in the nation, with median home prices surpassing \$1.1 million in 2024 and interest rates making it increasingly difficult for residents to secure home loans¹. A study by UHERO found that only 20% of residents can afford the median home sale price, while over 50% of Hawaii renters are cost-burdened, spending more than 30% of their income on housing².

Yet Hawaii's development process is notably slow:

- Our development process is among the most regulated in the nation.
- Building permits take three times longer to secure than the national average.
- Current approval processes can delay affordable housing projects by 12–36 months, adding an estimated \$230,000–\$325,000 to the cost of each housing unit.

An additional challenge is that county approval of 201H is a duplicative process. If a project is rejected at the county level, developers can still seek approval through the Hawaii Housing Finance and Development Corporation (HHFDC). This redundancy adds unnecessary delays without yielding significant additional benefits, further exacerbating the housing crisis.

The case of the Kawainui Street Apartments in Kailua illustrates the stakes. Despite offering affordable rents starting at \$521 for one-bedroom units and \$598 for two-bedroom

¹ <https://governor.hawaii.gov/emergency-proclamation-relating-to-housing/>

² <https://uhero.hawaii.edu/wp-content/uploads/2024/05/HawaiiHousingFactbook2024.pdf>



HAWAII APPLSEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Applesseed Center for Law and Economic Justice
Support for HB416 – Relating to Housing
House Committee on Housing
Wednesday February 7, 2025 at 9:00AM Conf. Rm.430 and via Videoconference

units—affordable for families earning less than \$72,300 annually—the project faced significant local opposition. As a result, Kailua has not seen a new affordable housing project since 1992³.

This example highlights a persistent issue: while the majority of Hawaii residents recognize the desperate need for affordable housing, hyper-local opposition often dominates the approval process. This imbalance allows vocal opponents to halt much-needed projects, leaving future residents without a voice.

State-financed projects already undergo rigorous review by HHFDC. Requiring county council approval creates redundancy, adds delays, and provides opportunities for local opposition to obstruct projects that serve the broader public interest. HB416 addresses this inefficiency while ensuring that critical health, safety, and affordability standards are upheld.

We urge the committee to pass HB416. This legislation represents a sensible change to the 201H process by removing unnecessary administrative barriers, preserving essential oversight, and ensuring that affordable housing can be developed across all communities in Hawaii.

Mahalo for the opportunity to testify.

³ <https://www.civilbeat.org/2020/07/kailua-project-illustrates-affordable-housing-dilemma/>



Testimony of **Lahaina Strong**
Before the House Committee on
Housing

In Opposition of House Bill No. 416
RELATING TO HOUSING

To Chair Evslin, Vice Chair Miyake, and the honorable members of the committee,

We are writing on behalf of Lahaina Strong, an organization deeply rooted in our community's resilience and advocacy. Originally formed in 2018 following the Hurricane Lane fire in Lahaina and revitalized after the devastating fires of August 8, 2023, Lahaina Strong has become the largest grassroots, Lahaina-based community organization, with over 35,000 supporters. Our mission is to amplify local voices and champion community-driven solutions, which are more critical than ever as we continue rebuilding and recovering.

Lahaina Strong **stands in strong opposition to House Bill 416**, which exempts state-financed projects from requiring approval by the county's legislative body where the housing project is located.

The 45-day review period in the current 201H process ensures that housing projects are reviewed thoroughly while remaining time-sensitive. In the broader context of Maui's permitting process, 45 days is not a significant delay. If a project truly meets the intent of the 201H law to prioritize affordable housing, then it should easily gain County Council approval. Eliminating this review period undermines the County Council's role and the community's opportunity to weigh in on projects that directly impact their lives.

West Maui, in particular, has had to grapple with the misuse of the 201H process. Developers have used it to push projects that may technically include affordable housing units but ultimately serve to subdivide rural land into multi-million-dollar "gentlemen's estates." These projects have created deep mistrust in the community, as

they fail to address the pressing need for truly affordable housing while exploiting loopholes for profit.

For Lahaina, this is not just an abstract policy concern—it's a matter of survival. Our community faces unique challenges, including water scarcity and ongoing infrastructure recovery, which demand thoughtful, inclusive decision-making. Senate Bill 27 would sideline these considerations by fast-tracking projects without sufficient community engagement, exacerbating an already fragile situation.

We urge you to **oppose House Bill 416**, which strips away critical local oversight, creates exploitable loopholes for developers, and diminishes the voices of the communities most affected by these decisions. Protecting the 45-day review period is essential to ensuring responsible, community-driven development that meets the needs of all Maui residents and protects our precious resources.

Mahalo for your attention to this vital matter and your dedication to safeguarding our community.

Lahaina Strong



Opposition for HB416/SB27

Aloha e Representatives, Chair, Vice Chair:

We are testifying on behalf of Locals In My Backyard (LIMBY) Hawai'i. LIMBY Hawai'i is a hui of concerned kama'āina and kānaka working to help develop solutions to our state's housing crisis.

We are concerned that NIMBYism has driven up costs and driven our friends and families out by opposing all development. We are equally concerned that the apparent answer to this, YIMBYism, insists that anything resembling true affordability is impossible so instead they promote building housing that gets bought by overseas investors. ***We know we won't solve our housing woes without building more, but we won't solve them by simply building more.***

The true solution is to create a housing market for locals: one that houses locals first, is tied to local wages, and is managed in trust. We detail real solutions to our housing woes on our website and through our newsletter.

The future for kama'āina and kānaka will be LIMBY or Las Vegas.

This bill does nothing to keep locals here. Instead under the guise of solving our affordability problems it limits opportunity for democratic participation.

There are often concerns raised that NIMBYs have shanghaied a democratic process to advance the interests of their unrepresentative minority. Conceding that said does happen, that circumvention of democracy should not be met by another. The answer to rule by a minority, if that is our problem, is not rule by a bureaucrat.

It is the County's zoning authority which these projects are being exempted from. The County and its citizens deserve an opportunity for a frank discussion about it. It is often because of these meetings that displacement impacts are mitigated, as in Kuilei Place, and affordability is increased.

Makana Hicks-Goo,
Organizer on behalf of LIMBY Hawaii



Housing Hawai'i's Future
PO Box 3043
Honolulu, HI 96802-3043

February 7, 2025

TO: Chair Evslin and members of the House Committee on Housing
RE: HB 416 RELATING TO HOUSING.

Dear Chair Evslin and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support HB 416, a measure to streamline the approval process for affordable housing projects seeking 201H-38 exemptions.

Projects that seek 201H-38 approval supplement Hawai'i's inventory of workforce housing. However, history shows that when these projects become subject to county approval, their timelines and construction costs can increase due to 'not-in-by-backyard' (NIMBY) opposition.

The result is not better housing. Instead, concessions extracted from county review processes increase the cost of housing, stifling housing projects. Housing unaffordability—or the lack of more workforce housing—becomes the product of unnecessary risk, uncertainty, and delay to well-scrutinized developments.

The result is a housing crisis. And here we are.

We need to expedite the construction of affordable workforce housing.

We are grateful for your careful consideration of HB 416.

Thank you,

A stylized, circular signature in black ink, appearing to be the name "Lee Wang".

Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org

A handwritten signature in black ink, appearing to be the name "Perry Arrasmith".

Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org

Feb. 7, 2025, 9 a.m.
Hawaii State Capitol
Conference Room 430 and Videoconference

To: House Committee on Housing
Rep. Luke Evslin, Chair
Rep. Tyson Miyake, Vice-Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: HB416 — RELATING TO HOUSING

Aloha Chair Evslin, Vice-Chair Miyake and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [HB416](#), which would exempt state-financed affordable housing projects from requiring county council approvals.

The Economic Research Organization at the University of Hawai'i has found that Hawaii's housing regulations are the strictest in the country, and "local political pressure" in Hawaii on housing developments is in the top 5% of communities surveyed.¹ Likewise, UHERO researchers have estimated that regulations comprise 58% of the cost of new condominium construction.²

This suggests that reducing the power of Hawaii's county councils over state-financed affordable housing projects could lower carrying costs, which would benefit builders and residents alike.

Thank you for the opportunity to testify.

Ted Kefalas
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ Rachel Inafuku, Justin Tyndall and Carl Bonham, "[Measuring the Burden of Housing Regulation in Hawaii](#)," The Economic Research Organization at the University of Hawai'i, April 14, 2022, p. 6.

² Justin Tyndall and Emi Kim, "[Why are Condominiums so Expensive in Hawai'i?](#)" The Economic Research Organization at the University of Hawai'i, May 2024, p. 11.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 430
Friday, February 7, 2025 AT 9:00 A.M.

To The Honorable Representative Luke A. Evslin, Chair
The Honorable Representative Tyson K. Miyake, Vice Chair
Members of the Committee on Housing

SUPPORT HB416 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS HB416** which exempts state-financed housing developments from the requirement to obtain approval from the applicable county council.

The Chamber recognizes that, historically, many projects have gone to the county council for approval, only to face significant conditions that render them financially unfeasible. This is particularly disconcerting for state-funded projects (201H), which already must meet special conditions and are intended to provide affordable housing. Given the urgency of the housing crisis, we need to expedite the development of housing as quickly as possible. The county approval process is often time-consuming and subject to extensive testimony, and additional delays can result in increased costs.

In light of the severe housing shortage in both the State and Maui County, we strongly support initiatives that promote, rather than hinder, the development of housing for our residents.

For these reasons we **SUPPORT HB416** and respectfully request its passage.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

HB-416

Submitted on: 2/5/2025 9:05:19 PM

Testimony for HSG on 2/7/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Brett Kurashige	Individual	Oppose	Written Testimony Only

Comments:

I am submitting testimony in strong opposition to HB416 which proposed to amend Hawai'i Revised Statutes 201H-38 in order to revoke the authority of County representative bodies/appointed officials to act on any project approved for Hawai'i Housing Finance and Development Corporation (HHFDC) financing (regardless of the amount to be financed).

HRS 201H-38 already grants HHFDC (governed by a nine member Board of unelected political appointees) - and HHFDC's eligible developers - broad exemptions from "all statutes, ordinances, charter provisions, and rules of any governmental agency relating to planning, zoning and construction standards" to develop so-called affordable housing.

In my opinion, HB416 sets a potentially dangerous (and undemocratic) precedent that may curtail all our elected County Councils in the State of Hawai'i from acting on any proposed so-called affordable housing project within their counties.

Worst-case scenario: if HB416 (as currently written) became law, HHFDC could conceivably finance any development project it saw fit for, say, a penny. Our County governments would then have zero ability to weigh-in on any of those development projects within their jurisdictions, despite County governments being ultimately responsible for all County-level infrastructure and services as well as the general well-being of communities within their respective Counties.

It would be far better, in my opinion, for State and County governments to work together in a Pono and community-friendly way to preserve our precious Aina and make permanent progress of truly affordable housing solutions for local residents and families.

Mahalo for the opportunity to testify in opposition to HB416.

HB-416

Submitted on: 2/6/2025 8:34:19 AM

Testimony for HSG on 2/7/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christine Otto Zaa	Individual	Oppose	Written Testimony Only

Comments:

Aloha Representatives,

I strongly oppose HB416.

The county councils are better equipped at reviewing housing developments and allowing for community input, especially when county infrastructure, resources and communities will be impacted. And whether state or county funded, it is all of our tax dollars.

When the Kobayashi Group's 201H project, Kuilei Place, came before the Honolulu City Council, the developer agreed to increasing the number of affordable units and extending the resident only buying period as a result of Council review and community input.

Please don't silence the public's voice. Working with and not against communities will result in better outcomes. We are a democracy.

Thank you,

Christine Otto Zaa

HI Good Neighbor

HB-416

Submitted on: 2/6/2025 1:12:16 PM

Testimony for HSG on 2/7/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Janyce Mitchell	Individual	Oppose	Written Testimony Only

Comments:

I am writing to voice my strong opposition to this bill. While affordable housing is important, so is the ability of the county legislative bodies to weigh in on development that is appropriate for their county. County councils have greater knowledge of the issues their county faces with respect to not only affordable housing, but also land use, zoning, planning, infrastructure and other issues. This bill removes this oversight by elected officials and places it in the hands of HHFDC, that is really equipped only to make a decision on whether to grant funding (and how much funding to grant) to affordable housing projects. HHFDC may not have an understanding of a county's unique needs and plans. HHFDC officials are also not elected. HHFDC is not answerable to the citizens of the county-making this an undemocratic grant of power. At a time when the national institutions of democracy may be under threat, further chipping away at citizens' control over government is a terrible idea. Please, vote against this bill.

Thank you for your time and attention.

Janyce Mitchell