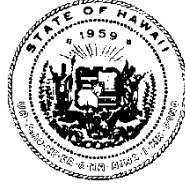


JOSH GREEN, M.D.  
GOVERNOR

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

March 14, 2025 at 9:00 a.m.  
State Capitol, Room 430

In consideration of  
**S.B. 38 SD2**  
**RELATING TO HOUSING.**

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

HHFDC **supports** SB 38 SD2, which prohibits the legislative body of a county from making modifications or imposing conditions to housing development proposals that would increase the cost of the project.

Projects developed under 201H-38 must be primarily affordable and conditions of approval and exactions often add significant cost to developments which may make them infeasible. This bill will help to ensure the financial feasibility of projects.

Thank you for the opportunity to testify on this bill.

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](http://honolulu.gov/dpp)

RICK BLANGIARDI  
MAYOR  
MEIA



DAWN TAKEUCHI APUNA  
DIRECTOR  
PO'O

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

REGINA MALEPEAI  
2<sup>ND</sup> DEPUTY DIRECTOR  
HOPE PO'O KUALUA

March 14, 2025

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

**Subject: Senate Bill No. 38, SD 2  
Relating to Housing**

Dear Chair Evslin and Committee Members:

The Department of Planning and Permitting (DPP) **opposes** Senate Bill No. 38, SD 2, which prohibits the legislative body of a county from making modifications to housing development proposals that would increase the cost of the project.

While the City supports policies that will stimulate affordable housing production, prohibiting the county legislative body from imposing necessary conditions that would increase the cost of the project negates the quality of their review and forces a de facto up or down vote on each project. This could result in good projects being denied because conditions could not be imposed to ensure impacts were mitigated.

Essentially, any condition that required a change to the plans and drawings could be argued to increase the cost of the project. Rising consultant fees are, after all, a cost of the project. Furthermore, if the legislative body could not impose conditions to ensure traffic safety measures and infrastructure needs, they may need to deny projects. Applicants would then need to make the changes and start the process over because there would not be room for changes to the plan or collective agreements on pathways forward after the application was received.

It may help you to know that for one 201H project, an applicant requested that the City Council impose a condition to change the project in a way that allayed community concerns. The change did impact the cost of the project, but the applicant

The Honorable Luke A. Evslin, Chair  
and Members of the Committee on Housing  
Hawai'i House of Representatives  
Hawai'i State Capitol  
Senate Bill No. 38, SD 1  
March 14, 2025  
Page 2

was able to move forward with the support of both the Council and the community. This was a win-win solution that would not be available if the Bill passes in its current form.

To this end, we respectfully oppose Senate Bill No. 38, SD 2, and request that it not move forward.

Thank you for the opportunity to testify.

Very truly yours,



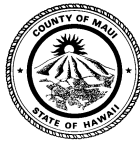
Dawn Takeuchi Apuna  
Director

Council Chair  
Alice L. Lee

Vice-Chair  
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Tom Cook  
Gabe Johnson  
Tamara Paltin  
Keani N.W. Rawlins-Fernandez  
Shane M. Sinenci  
Nohelani U'u-Hodgins



Director of Council Services  
David M. Raatz, Jr., Esq.

Deputy Director of Council Services  
Richelle K. Kawasaki, Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.MauiCounty.us](http://www.MauiCounty.us)

March 13, 2025

TO: The Honorable Luke A. Evslin, Chair  
House Committee on Housing

FROM: Alice L. Lee  
Council Chair

A handwritten signature in black ink, appearing to read "Alice L. Lee", is written over the printed name and title.

SUBJECT: **HEARING OF MARCH 14, 2025; TESTIMONY IN OPPOSITION TO SB38, SD2, RELATING TO HOUSING**

I oppose this measure which would prohibit the legislative body of a county from making modifications or imposing conditions to housing development proposals that would increase the cost of the project.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I oppose this measure for the following reasons:

1. Counties play a crucial role in ensuring responsible and sustainable development. Removing their ability to modify projects undermines their ability to address community concerns, including infrastructure capacity, traffic congestion, and environmental sustainability.
2. County councils serve as an essential oversight body by listening to the community and considering necessary modifications to safeguard public health, safety, cultural and environmental resources. Without this oversight, developments could proceed without proper planning, leading to long-term consequences that harm residents rather than help them.
3. While reducing costs is a priority, removing county oversight risks allowing developments that fail to meet the long-term needs of residents. Housing developments impact roads, water supply, schools, and emergency services. County governments must be able to impose conditions to ensure new housing is properly integrated with existing infrastructure and community services.

Thank you for your consideration.



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

In Opposition of Senate Bill No. 38 SD2  
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 **opposition of SB38 SD2** and its provisions that diminish the County Council's role, remove its authority to approve housing projects, and undermine the vital need for community input. Ensuring local voices are heard in the decision-making process is essential for responsible and equitable development.

The County Council is the body closest to the people and the realities on the ground, particularly in disaster-affected communities like Lahaina. Ensuring that housing projects align with our community's needs and values requires a process where local voices are heard. The current proposal undermines this essential process by allowing the State to bypass county-level approval for projects that have received state funding. This sets a dangerous precedent and risks disenfranchising communities across Hawai'i.

Moreover, the provision that prohibits the County Council from making any modifications that could increase the cost of a project is deeply concerning. It effectively ties the hands of the County Council, preventing them from addressing

critical design, safety, or infrastructure concerns that could arise during the review process. Responsible development often requires adjustments to ensure a project is sustainable, accessible, and aligned with local needs—adjustments that may incur additional costs but are essential to long-term success. This limitation prioritizes cost savings over the well-being and functionality of our communities.

Additionally, not every island faces the same resource challenges, particularly when it comes to water. Maui, and specifically Lahaina, is grappling with significant water resource issues that must be carefully considered in any housing project. A blanket approval process that removes local oversight risks overlooking these critical factors, potentially leading to projects that fail to address or even exacerbate local needs and concerns.

Lahaina Strong firmly believes in home rule and the importance of maintaining the County Council's oversight to ensure transparency, accountability, and alignment with our unique circumstances. By removing the requirement for county approval and restricting the ability to make necessary project modifications, the proposed Bill concentrates power at the state level, leaving no meaningful avenue for local voices to shape the decisions that directly impact them.

In conclusion, Lahaina Strong urges you to **oppose Senate Bill 38 SD2**. Preserving the County Council's authority and ensuring housing projects remain rooted in the communities they are meant to serve is critical to a just recovery and sustainable future. Our collective resilience depends on it.

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

Sincerely,

Lahaina Strong

# Hawai'i State Association of Counties (HSAC)

Counties of Kaua'i, Maui, Hawai'i, and City & County of Honolulu

Website: [hawaiicounties.org](http://hawaiicounties.org) | Email: [hsac@hawaiicounties.org](mailto:hsac@hawaiicounties.org)



## Testimony of the Hawai'i State Association of Counties

### S.B. No. 38 SD2 - Oppose

#### Relating to Housing

#### Committee on Housing

Friday, March 13, 2025, 9:00 a.m.

The Hawai'i State Association of Counties (HSAC) respectfully **OPPOSES SB38 SD2**, which would prohibit county legislative bodies from making modifications or imposing conditions on housing development proposals that would increase the cost of a project.

While HSAC recognizes the urgent need for affordable housing, SB38 SD2 unnecessarily restricts the ability of counties to provide essential oversight on developments that directly impact our communities. County councils are uniquely positioned to understand and address the specific needs and concerns of their residents, including infrastructure capacity, environmental sustainability, and public safety. This measure diminishes county authority and home rule, limiting our ability to ensure developments are responsibly planned and executed.

#### Key Concerns:

- **Loss of Local Oversight:**

County councils serve as the closest level of government to residents and are best equipped to evaluate project feasibility in alignment with community needs. Restricting their authority undermines local decision-making and responsiveness.

- **Potential Risks to Infrastructure & Public Safety:**

Housing developments must integrate with existing infrastructure, including roads, water supply, and emergency services. This measure would prevent councils from requiring critical project modifications, even if necessary for public health and safety.

- **Community Input & Accountability:**

The bill reduces opportunities for community feedback in the housing approval process. Meaningful public engagement is essential to ensuring projects meet the long-term needs of our diverse communities.

- **Home Rule & Legislative Balance:**

HSAC strongly supports home rule and the ability of counties to determine what is best for their jurisdictions. This bill erodes that authority and centralizes decision-making at the state level, setting a concerning precedent.

HSAC encourages the Committee to consider alternative approaches to SB38 SD2 that promote collaboration between state and county governments while upholding local governance. We support efforts to strengthen partnerships between counties and the state, fostering more effective, community-driven solutions to address our housing challenges.



March 14, 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: SB38 SD2 — RELATING TO HOUSING

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

The Grassroot Institute of Hawaii **supports** [SB38 SD2](#), which would prohibit Hawaii's county councils from adding requirements that increase costs for a 201H affordable housing project approved by the Hawaii Housing Finance and Development Corp.

As we all know, Hawaii's housing shortage is already acute, and adding requirements that increase homebuilding costs is not going to help.

The Hawaii Department of Business, Economic Development and Tourism pointed out in a March 2024 report that Hawaii needs an average of 3,297 new housing units per year to satisfy demand between 2025 and 2035.<sup>1</sup>

Researchers at The Economic Research Organization at the University of Hawai'i have identified that Hawaii's housing regulations are the strictest in the country and a key driver of Hawaii's housing crisis.<sup>2</sup> Relevant to SB38, they found that Hawaii's "local political pressure" on housing developments ranks in the top 5% of communities surveyed.<sup>3</sup>

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<sup>1</sup> "[Hawai'i Housing Demand: 2025-2035](#)," Research and Economic Analysis Division, Hawaii Department of Business, Economic Development and Tourism, March 2024, p. 2.

<sup>2</sup> 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. 5.

<sup>3</sup> [Ibid](#), p. 6.



UHERO research has also estimated that regulations comprise 58% of the cost of new condominium construction.<sup>4</sup>

In other words, if reducing the power of Hawaii's county councils over state-approved affordable housing projects could help lower construction costs, then we should do it.

Thank you for the opportunity to testify.

Ted Kefalas  
Director of Strategic Campaigns  
Grassroot Institute of Hawaii

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<sup>4</sup> 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.



March 14, 2025

RE: **OPPOSE SB38**

Chair Evslin, Vice Chair Miyake and Committee Members:

**HI Good Neighbor opposes SB38, which would prohibit county councils from making changes that would increase the cost of 201H projects.**

The 201H process is a fast-tracked process that greatly benefits developers. With tens of millions in subsidies and exemptions, county councils and the public should not be restricted from making recommendations for community benefit.

When 201H projects go before our Honolulu City Council, improvements are made to better benefit the specific project's community.

Let's prioritize community benefit over developer profits. Please vote no on SB38.

Mahalo,

Christine Otto Zaa



### Opposition for SB38

Aloha e Represetnatives, 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 it proposes an incredibly broad requirement that nothing may be done which would increase project costs.

This ignores that adding some costs to the developer may indeed represent a genuine public benefit. A bike rack, an easement for a sidewalk, all are genuinely reasonable costs.

More critically, it’s a hopelessly poorly written piece of legislation. There is in this legislation nothing that defines “costs” nor anything that defines who gets to decide what constitutes a cost. A developer could with apparently equal rights refuse a request for relocation assistance, as at Kuilei place, as one to print out a plan because doing so would add a \$1.50 in printing costs.

This legislation is uselessly vague and ought to be rejected on those grounds alone. Poorly defined law is a scourge.

Makana Hicks-Goo,  
Organizer on behalf of LIMBY Hawaii



*Hawaii's Thousand Friends*

335 Hahani Street #342132 \* Kailua, HI 96734 \* Phone (808) 262-0682 E-Mail: htf3000@gmail.com

March 14, 2025

COMMITTEE ON HOUSING

Rep. Luke A. Evslin, Chair

Rep. Tyson K. Miyake, Vice Chair

SB 38 SD2

RELATING TO HOUSING

Aloha Chair Evslin, Vice Chair Miyake, and Committee members

Hawaii's Thousand Friends, a non-profit organization dedicated to ensuring that appropriate planning, management and land use decisions are made that protect the environment, human health and cultural resources and that decision are made in conformity with the law opposes SB 38 SD2, which prohibits each county council from making modifications or imposing conditions to housing development proposals under HRS 201H-38 that would increase the cost of the project.

Housing developed under 201H-38 is already 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 the construction of dwelling units...**

**HRS 201H-38 already places an automatic approval deadline on the county councils** of 45 days to approve, approve with modification, or disapprove a housing development or by the 46<sup>th</sup> day a project is not disapproved by a county council, it shall be deemed approved.

HRS 201H-38 already requires **final plans and specifications for the project to be deemed approved by the legislative body**, county councils, **if the final plans and specifications do not substantially deviate from the preliminary plans and specifications.**

SB 38 SD2 takes away county councils' ability to request a study or report concerning traffic, public safety or environmental concerns if such a report **will increase the cost of the project.** In other words, resident's concerns may never be addressed under 201H-38 housing projects if SB 38 SD2 is enacted into law.

Now SB 38 SD2 seeks to take away the publics ONLY opportunity to make recommendations on a HRS 201H-38 housing development proposed for their community just because that recommendation may add additional cost to the project.

We urge you to not devalue the public's voice and hold SB 38 SD2 in committee.

**SB-38-SD-2**

Submitted on: 3/11/2025 8:28:03 PM

Testimony for HSG on 3/14/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Seth Kamemoto	Individual	Oppose	Written Testimony Only

## Comments:

Limiting the types of modifications that the county's legislative body can make based purely on cost can be self-defeating. For example, many 201H resolutions propose very sweeping fee exemptions (for example BWS hookup waivers) that then get scaled back slightly during the CC resolution process. Even \$1 of reduced fee waiver could be seen as an increase in cost that would not be allowed if this bill were to pass as-written. The city often requests more safety details in the form of requiring more studies and reports (such as TIARs for traffic). These modifications to the resolution, intended to ensure public safety, will increase cost (even if only marginally) and would therefore not be afforded by this bill. Creating a restriction solely on dollar cost limits the opportunity to increase the overall value of a project to the community.

**Andrew Laurence**  
**Honolulu, Hawaii 96815**

**Testimony for the House Committee on Housing**

**Friday, March 14, 2025, 9 a.m.**

**OPPOSING SB38 SD2**

Aloha Chair Evslin, Vice Chair Miyake, and members of the House Committee on Housing:

I am testifying in strong opposition of Senate Bill 38, *A Bill for an Act Relating to Housing*.

Anyone familiar with the requirements that HRS 201H currently places on counties when they must deal with these housing projects knows that the counties have precious little time to review and understand the projects, let alone identify solutions that can reduce the negative impacts on their communities, or suggest changes that meet the needs of residents.

An example of this is the Kobayashi Group's Kuilei Place, approved by the Honolulu City Council in 2023. The Council was able to negotiate better terms that increased the number of affordable units and extended the resident-only buying period.

I believe that restricting the ability our counties have to work towards making projects fit more appropriately with the conditions of the location and needs of the people will cost us dearly in the years to come.

Please HOLD this bill.

Mahalo nui loa for your consideration of these concerns,



Andrew Laurence