

DEPARTMENT OF HOUSING AND LAND MANAGEMENT
KA 'OIHANA HO'OLĀLĀ KŪKULU HALE A ME KA HO'OKELE 'ĀINA
CITY AND COUNTY OF HONOLULU

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March 2, 2026

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

SUBJECT: Support for House Bill 1799, HD1
Relating to the Counties

Dear Chair Todd and Committee Members:

The Department of Housing and Land Management (DHLM) **supports** HB1799, HD1 which expands the authority provided under Hawaii Revised Statutes (HRS) §46-15 to include commercial projects.

HRS §46-15 is an important tool that allows counties to advance innovative housing solutions by testing alternative approaches to design, development standards, and delivery methods. The flexibility provided by this statute enables projects that might otherwise be infeasible under conventional regulatory frameworks.

HB1799, HD1 appropriately recognizes that successful housing communities often require integrated land uses. Allowing commercial projects under §46-15 will enable counties to pursue mixed-use residential and commercial developments that support complete communities, improve project feasibility, and help reduce overall housing costs by incorporating services, employment opportunities, and supporting infrastructure.

From DHLM's perspective, the primary value of this amendment is its ability to facilitate mixed-use projects tied to residential development. When used thoughtfully, this authority can help test new models of integrated development that helps spur innovation in development.

For these reasons, DHLM respectfully supports HB1799, HD1 and appreciates the Legislature's continued efforts to provide counties with flexible tools to address Hawaii's housing challenges.

The Honorable Chris Todd, Chair
and Members of the Housing Committee on Finance
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Thank you for the opportunity to provide testimony. If you have any questions, please feel free to contact me or Gavin Thornton, Director of Housing Policy, at (808) 768-4277.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin D. Auger', with a large, stylized flourish at the end.

Kevin D. Auger
Director



TESTIMONY IN OPPOSITION OF HOUSE BILL 1799 HD1
RELATING TO THE COUNTIES

Ke Kōmike Hale o ka ‘Oihana ‘Imi Kālā
(House Committee on Finance)
Ke Kapitala ‘o Hawai‘i
(Hawai‘i State Capitol)

Malaki 4, 2026

10:00 am

Lumi 308

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

The Office of Hawaiian Affairs (OHA) **OPPOSES HB1799 HD1** which expands on a county’s experimental and demonstration housing project authority to include the development of commercial projects.

OHA is the constitutionally established body responsible for protecting and promoting the rights of Native Hawaiians.¹ As part of our constitutional and statutory mandate, OHA regularly assesses the policies and practices of other agencies impacting on Native Hawaiians and conducts advocacy efforts on their behalf.² In this capacity, OHA regularly reviews applications submitted to county planning departments for compliance. The regulatory frameworks intended to safeguard public interests and resources are not arbitrary barriers to development, but carefully constructed frameworks designed to ensure that growth occurs responsibly and sustainably.

This measure represents a significant and unwarranted expansion of extraordinary regulatory exemptions that act as subsidies for affordable housing. The Legislature originally authorized streamlined treatment for certain housing projects in recognition of

¹ Haw. Const. Art. XII § 5.

² See HRS § 10-3(4).

Hawai'i's well-documented housing crisis. Even in that context, the exemptions were framed as narrow and purpose-driven—intended to address an urgent public need for housing. OHA cautions against expanding regulatory streamlining for projects without clear community benefits attached. This type of regulator streamlining is a form of subsidy that should be narrowly tailored to incentivize and support public purposes. Commercial development does not carry the same public policy justification.

OHA respectfully urges the Committee to **DEFER HB1799 HD1**

Mahalo for the opportunity to testify.

**BOARD OF WATER SUPPLY
KA 'OIHANA WAI
CITY AND COUNTY OF HONOLULU**

630 SOUTH BERETANIA STREET • HONOLULU, HAWAII 96843
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March 4, 2026

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The Honorable Chris Todd, Chair
and Members
House Committee on Finance
Hawaii State Capitol, Room 308
Honolulu, Hawaii 96813

Dear Chair Todd and Members:

Subject: House Bill 1799, HD 1: Relating to Counties

The Honolulu Board of Water Supply (BWS) supports House Bill (HB) 1799, House Draft (HD) 1, as it expands a county's authority under Hawaii Revised Statutes (HRS) §46-15 to designate "experimental and demonstration" projects to include commercial projects, in addition to housing.

To ensure consistency with statewide housing policy and protect existing ratepayers, BWS respectfully supports the amendments included in HD1 to mirror the protection already contained in HRS §201H-38(a)(1)(B) for Hawaii Housing Finance and Development Corporation (HHFDC) projects. This amendment confirms that designated projects remain subject to BWS authority to impose WSFC, service conditions, and monthly rates essential to maintain system capacity and reliability.

The Legislature has already recognized this need for protection in the context of HHFDC housing projects. HRS § 201H-38(a)(1)(B) provides that such projects "do not contravene any safety standards, tariffs, or rates and fees approved by the public utilities commission for public utilities or the various boards of water supply authorized under chapter 54."

BWS supports the goals of innovative housing and commercial development provided that the Board's Chapter 54 authority and cost-causation principles are expressly preserved.

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and Members
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Thank you for the opportunity to testify in support of HB 1799, HD 1.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Ernest Y. W. Lau".

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer



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

March 4, 2026

TO: Chair Todd and Members of the House Finance Committee
RE: HB 1799 HD1, Relating to Agricultural Workforce Housing

Dear Chair Todd 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 House Bill 1799 HD1. This bill would expand on a county's experimental and demonstration housing project authority to include the development of commercial projects.

Existing law grants counties the authority to undertake experimental and demonstration housing projects. This provides flexibility to test innovative models that may go beyond traditional zoning or development standards.

Currently, this authority is limited to housing projects. HB1799 expands this scope, increasing the county's potential to pilot more innovative and walkable mixed-use developments.

Please advance HB1799 HD1.

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