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ECONOMIC DEVELOPMENT & TOURISM**
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DTS No. 202312211122ES

December 26, 2023

The Honorable Ronald D. Kouchi,
President and Members of the
Senate
Thirty-Second State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-Second State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Report to the Legislature pursuant to Act 305, Session Laws of Hawaii 2022. Act 305 establishes a statewide working group on affordable housing and requires an annual report. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

Sincerely,

James Kunane Tokioka

Enclosure

c: Legislative Reference Bureau

Report to the 2024 Hawai'i State Legislature:

Pursuant to Act 305, Session Laws of Hawai'i 2022, Relating to Housing

Prepared by:

Hawai'i Housing Finance and Development Corporation

Department of Business, Economic Development and Tourism

and

Hawai'i Public Housing Authority



December 2023

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LIST OF ABBREVIATIONS AND ACRONYMS

aka	also known as
C&C	City and County of Honolulu
CRC	Cultural Resources Commission
DAGS	Department of Accounting and General Services, State of Hawai'i
DHHL	Department of Hawaiian Home Lands, State of Hawai'i
DOE	Department of Education, State of Hawai'i
EIS	Environmental Impact Statement
EISPN	Environmental Impact Statement Preparation Notice
EO	State Executive Order
FEMA	U.S. Federal Emergency Management Agency
fka	formerly known as
HCDA	Hawai'i Community Development Authority, State of Hawai'i
HHFDC	Hawai'i Housing Finance and Development Corporation, State of Hawai'i
HHSC	Hawai'i Health Systems Corporation, State of Hawai'i
HPHA	Hawai'i Public Housing Authority, State of Hawai'i
ina	information not available
JVP	Joint venture partnership
LUC	Land Use Commission, State of Hawai'i
NELHA	Natural Energy Laboratory of Hawai'i Authority, State of hawaii
OPSD	Office of Planning and Sustainable Development, State of Hawai'i
RFP	Request for proposal
ROM	Rough order of magnitude
SLH	Session Laws of Hawai'i
SHPD	State Historic Preservation Division, State of Hawai'i
TBD	To be determined
TOD	Transit-Oriented Development
TOD Council	Hawai'i Interagency Council for Transit-Oriented Development, State of Hawaii
WWRF	Wastewater Reclamation Facility
WWTP	Wastewater Treatment Plant
YIMBY	Yes, In My Back Yard

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INTRODUCTION

Act 305

Act 305, Session Laws of Hawai'i (SLH) 2022, referred to as the 'Yes, In My Back Yard' or the YIMBY bill, requires the Hawai'i Housing Finance and Development Corporation (HHFDC) and the Hawai'i Public Housing Authority (HPHA) to convene a working group on affordable housing that shall meet annually to:

1. Foster increased inter-agency coordination on housing and zoning issues.
2. Raise public awareness of the ongoing efforts by the State and counties to reduce barriers to affordable housing development.
3. Propose legislation.

Housing Need

The impetus for this legislation was frustration over long-standing and persistent evidence that demands for primary housing are not being met by existing systems. This is seen to result from a combination of factors including barriers to housing development, in combination with a large backlog of demand.

For instance, a 2019 study for HHFDC¹ projected need for 50,156 more units statewide between 2020 and 2025. The study's analyses showed this need by county as follows:²

- Maui: 10,404 homes
- Kaua'i: 4,281 homes
- Hawai'i: 13,303 homes
- Honolulu: 22,168 homes

Since the study, resident population has declined annually, with most impacts in the City and County of Honolulu. This tends to lessen demand, but the ongoing out-migration is also seen as a symptom of the unattainability of housing for many local residents, along with other costs of living in the State. Additionally, the island of Maui lost thousands of homes in the August 7, 2023, wildfires.

¹ SMS Research & Marketing Services, Inc. on behalf of the State of Hawai'i, Housing Finance and Development Corporation, "Hawai'i Housing Planning Study, 2019," December 2019. Housing Demand Survey and Housing Model, 2019: Table 34.

In contrast, Department of Business, Economic Development & Tourism, Research and Economic Analysis Division, "Hawaii Housing Demand: 2020-2030," December 2019 projected lower needs overall between 2020 and 2030 but did not account for pent-up demand.

² Surveys underlying the study also address respondents' preferences for location in county sub-areas and by housing tenure. However, the reanalysis necessary to estimate housing need by county sub-area was not included in the current scope of work addressing Act 305, and it could be more productive if such assessment could be based on survey responses to the HHFDC Hawai'i Housing Planning Study that is now underway, and for which results are anticipated in mid-2024.

Working Group Members

The working group is comprised of eleven members from the following agencies and legislature:

1. The executive director of HHFDC.
2. The executive director of HPHA.
3. The chairpersons of the respective standing committees on housing of the Senate and House of Representatives.
4. The executive director of the Land Use Commission (LUC).
5. The executive director of the Office of Planning and Sustainable Development (OPSD).
6. The executive director of the Hawai'i Community Development Authority (HCDA).
7. Representatives from each county agency having authority over zoning.
8. In addition, other relevant stakeholders as recommended by the working group.

SUMMARY OF ACTIVITIES AND CONCLUSIONS

Working Group Kick-Off

On August 9, 2022, HHFDC and HPHA sent invitation letters to inform stakeholders of the working group's formation.

On September 28, 2022, the working group held its kickoff meeting, virtually. A presentation was made to the group about the objectives of the bill and the composition of the group. An online survey was distributed to help identify opportunities to reduce barriers to affordable housing development.

First Working Group Meeting, October 2022

On October 11, 2022, the first working group meeting was convened, virtually, and the survey results were shared and discussed. At the conclusion of the meeting, each stakeholder was asked to select their top-five areas that the group should focus on at the second meeting. To assist in this endeavor, each stakeholder was sent the following categories to select from:

1. State land use district amendments.
2. Zoning ordinances.
3. State historic preservation review.
4. Permitting.
5. Exemptions from county requirements.
6. Infrastructure.

7. Vacant and underutilized lands.
8. Environmental review.
9. Housing policies.
10. Financing.
11. Capacity
12. Prevailing wages.

Second Working Group Meeting, November 2022

On November 15, 2022, the working group held its second virtual meeting. Stakeholders prioritized the following areas for further consideration:

1. Infrastructure (7 votes).
2. Zoning ordinances (7 votes).
3. Housing policies (4 votes).
4. State use district amendments (4 votes).
5. Exemptions from county requirements (3 votes).
6. Financing (3 votes).
7. Vacant and underutilized lands (3 votes).
8. Environmental review, State historic preservation review, and permitting (2 votes each).

Discussions were held to determine where potential opportunities exist that should be researched and analyzed with the help of a consultant. As a result, the next foci of the working group were decided to be (1) identifying infrastructure projects in each county that would be most impactful to the near-term production of additional housing in developments that have a public nexus, and (2) review of recent YIMBY-related zoning and other housing policy initiatives in the western U.S.

Research, Analyses, and Consultations

To help evaluate opportunities to reduce barriers to affordable housing production, it was agreed that HHFDC should procure the services of a consultant with expertise in the entitlement and development processes. On March 7, 2023, HHFDC executed a contract with planning firm PBR HAWAII & Associates, Inc. (PBR) to support research, analyses, and extensive consultations with working group members and other housing industry participants as needed to support a third working group meeting and this report.

Act 305 provided \$100,000.00 of general funds to support the working group activities. However, due to an imposed 10% restriction, only \$90,000.00 was available for such services. In consideration of this budget as well as the study timeframe, HHFDC and

HPHA have conferred to focus the consulting services scope on issues identified as being of greatest concern to working group members, as identified below. Additional funds will be required to address further concerns identified by the working group, if desired.

Third Working Group Meeting, November 2023

On November 2, 2023, the working group held its third meeting, with a goal to identify needed infrastructure, or clusters of infrastructure, whose development would be most impactful to supporting near term housing development in each county. In addition to the legislatively-defined working group members, county housing directors and their identified support staff were invited to the session to further local understanding of infrastructure and housing needs. See Appendix A for a list of Third Working Group attendees.

Based on prior discussions with YIMBY bill authors Representative Troy Hashimoto and Senator Stanley Chang, and informed timetables for projects that lack infrastructure, “near term” was defined for these purposes to mean within three to five years.

Working group members reviewed an extensive database of housing projects, agreed on priority projects or clusters of projects in each county, and used that assessment as a framework from which to recommend impactful future infrastructure investments in each county.

Conclusions and Recommendations to Date

The conclusions and infrastructure recommendations of the third working group are summarized in the table on the next page. Further details are provided in the “DISCUSSION” section that follows and within the appendices.

Table 1: Third Working Group Recommended Infrastructure Investments
2023 or most recent dollar estimate

Infrastructure Project	ROM cost (\$mils)	Direct Housing Beneficiary(ies)	Potential Units Directly Impacted	ROM Cost/ Direct Unit	Indirect Beneficiaries, Other Notes
Maui County – West Maui					
Off-site recycled water storage	TBD	Lahaina generally	ina	ina	Expands capacity of area WW system
WW system expansion, siphon, ditch	TBD	Honokōwai (DHHL)	929	ina	First increment of 50 subsistence lots may not require this infrastructure
Wastewater, water transmission lines, repair of lines, road extension	\$600.0	Villages of Leiali'i (HHFDC/DHHL)	<=4,000	>\$150,000	Lahaina generally
Maui County – Central Maui					
Central Maui Wastewater Reclamation Facility	TBD	Wai'ale South (County); nearby private project	2,383	ina	Enables additional housing in Wailuku-Kahului; EIS underway
Wai'ale Road Extension	\$72.0	Wai'ale South (County); nearby private project	2,383	\$30,200	East of Waikapū Country Town
'Imi Kālā Extension	\$60.0	Waiehu area, including Waiehu (new DHHL community)	350+	<\$171,400	Supports additional development in Waiehu area; Is condition of development for the Pi'ihana area
Central Maui wastewater lines	TBD	Kahekili Terrace (HPHA)	118+	ina	
Subtotal, ROM infrastructure recommendations in Maui County:					\$732.0 million+
Kaua'i County					
Turn lane & signals on State highway	\$2.0	Lima Ola Phases 2, 3, & 4 (County)	400	\$5,000	Possible DOT funding through Safe Routes to School Program, but no commitment to date
Namahana Parkway Access Road, WWTP, water, stormwater	\$38.0	Kīlauea Town (County), existing and new homes in region	200+	<\$190,000	Also supports conversion of area cesspools

Infrastructure Project	ROM cost (\$mils)	Direct Housing Beneficiary(ies)	Potential Units Directly Impacted	ROM Cost/ Direct Unit	Indirect Beneficiaries, Other Notes
TBD	TBD	Kapa'a	87	ina	Information regarding infrastructure requirements is not available at this time
Subtotal, ROM infrastructure recommendations in Kaua'i County:					\$40.0 million
Hawai'i County					
Subdivision roads & improvements,	\$6.0	Kamakoa Nui Phase 1 (Lot 11)	60-70 ³	\$92,000	Adds affordable single-family product to ~600 planned multifamily units
Waikoloa Village second access route	\$30.0	All Waikoloa Village	ina	ina	Extends Paniolo Drive to Queen Ka'ahumanu Hwy. at north end
Wells, reservoir, sewer, off-site roadways, parks	\$58.5	Kamakana Villages (HHFDC)	1,399	\$41,800	Wells (\$21.4M), reservoir (\$4.4M), sewer (\$10M), roadways (\$21.5M), parks (\$1.2M) ⁴
Soils remediation	\$10.0	Lanakila Homes (HPHA)	250	\$40,000	Studies and/or remediation initiated
Subtotal, ROM infrastructure recommendations in Hawai'i County:					\$104.5 million

³ The 668 units shown in Figure 6 represent estimated total inventory for Phase 1-C. The supported infrastructure would enable 60 to 70 units of this total.

⁴ Project readiness may also be impacted by water access, but HHFDC/NELHA previously filed contested case hearing with respect to conditions imposed on Kamakana's first well permit and are now working with DLNR Chair to resolve this. Resolution would be a precedent for other planned North Kona developments such as DHHL properties at La'i 'Opua, the Keāhole-Kona Airport, DOE schools, and housing projects.

Infrastructure Project	ROM cost (\$mils)	Direct Housing Beneficiary(ies)	Potential Units Directly Impacted	ROM Cost/ Direct Unit	Indirect Beneficiaries, Other Notes
City and County of Honolulu					
Electrical, roadway, walkway, bikeway, drainage, water, sewer facilities	\$84.2 ⁵	Mayor Wright (HPHA), Kukui Gardens (HHFDC), Liliha Civic Center (HHFDC, DAGS)	3,284+	<\$25,600	4,000+ other HPHA units and 7,000+ private units would also benefit; EIS underway
Subtotal, ROM infrastructure recommendations in C&C of Honolulu:					\$84.2 million²

Source: YIMBY Third Working Group, November 2023.

ROM = rough order of magnitude; TBD = to be determined; ina = information not available.

INFRASTRUCTURE DISCUSSIONS

Framing of Initial Issues

Discussions and conclusions arising from the second working group meeting are summarized below.

1. Infrastructure. The Hawai'i Interagency Council for Transit-Oriented Development (TOD Council) meets monthly to look at innovative ways to finance infrastructure so that costs can be shared equitably between public and private landowners. This is necessary to reduce the reluctance of public or private landowners being the first to pay for the infrastructure. Because the TOD Council is already meeting to discuss this issue, interested parties can join their meetings.

There remains a need for collaboration and coordination within each county, and between the State and the counties to ensure infrastructure is built in a strategic and coordinated fashion.

The provision of infrastructure emerged as one of two priority concerns for which there was the greatest consensus among working group members.

2. Zoning ordinances. Much discussion focused on the use of 'by-right' approval on housing projects. County representatives indicated there is apprehension in the acceptance of a 'by-right' ministerial process by their county councils because it limits their ability to address community concerns.

⁵ The Legislature has awarded an estimated \$25 million towards electrical upgrades in the Iwilei-Kapālama area; however, the potential degree of this contribution's overlap with the ROM cost of these three projects (where the combined electrical improvements are estimated at about \$14 million) is undetermined.

The total figure shown represents estimated efficiencies if infrastructure for all three projects is planned and implemented in a coordinated fashion. If they are implemented piecemeal, costs could be considerably more, as represented in Appendix B.

Along with infrastructure, there emerged consensus that zoning ordinances were a priority concern for working group members.

3. Housing policies. There is a need to evaluate county housing policies to ensure they are effective in terms of supporting affordable housing production. For example, the effectiveness of the inclusionary zoning policy is unknown and should be assessed to determine if it is effective in generating affordable housing.
4. State land use district amendments. There are different perspectives among stakeholders regarding rule changes to the land use boundary amendment process. This is a complex issue, which will require further research and discussion at a future time.
5. Exemptions from county requirements. Varying degrees of exemptions are provided to affordable housing projects on county standards such as density, height, setbacks, sidewalks, etc., as well as fee waivers. County representatives indicated that while exemptions help to reduce construction costs, they must be balanced with meeting public safety standards and other considerations.
6. Financing. HHFDC clarified that its current criteria encourage financing to non-profit organizations.
7. Vacant and underutilized public lands. The issue with developing vacant and underutilized lands involves the availability of infrastructure as a constraint on development.

Other topics. Cultural Resources Commission (CRC). The question is whether its presence produces a dual-layered process considering review by the State Historic Preservation Division (SHPD), or does it help streamline the overall review? All counties have their version of the CRC and generally use it in a supportive role for input to their planning commission's decision process.

Scope of Work in 2023

Based on the priorities identified in the first two working group meetings and subsequent discussions with the authors of Act 305, two main directions were pursued in 2023, with the assistance of consultant PBR.

1. Infrastructure. Consultation with working group members and assistance in convening a third working group meeting to recommend infrastructure, or clusters of infrastructure, whose funding would be most impactful to supporting near-term housing development in each county. The outcomes of these consultations and the third working group meeting are discussed in the subsequent sections.
2. Zoning ordinances and housing policies. A white paper review of recent YIMBY-related zoning and other housing policy initiatives as undertaken in California. This paper is attached herein as Appendix G.

Approach for Infrastructure

The analysis of infrastructure began with an inventory of planned housing developments throughout the State, from which working group members identified those of high priority for receipt of State assistance towards infrastructure.

To qualify the identified projects⁶, a ranking system was developed in consultation with the sponsoring legislators, and representatives of HHFDC, HPHA, and OPSD, with criteria shown below. Initial screening addressed these conditions of high concern:

1. Public nexus. Typically representing location on State- or County-owned land.
2. Development readiness. Possibility of unit completions within three to five years.
3. Infrastructure need. Projects lacking some infrastructure that State funding could address (i.e., not yet fully financed or under construction).

Among projects meeting the above conditions, priority was given to:

4. Number of units. Projects that could ultimately support more units were favored over those that supported fewer, and those that have committed to providing more units in affordable housing income ranges were particularly favored.
5. Priority locations. Defined as areas designated for Transit-Oriented Development (TOD) or infill areas that are already served by major social and utility infrastructure, as well as areas on Maui Island that might serve the needs of residents displaced by the island's recent fires.
6. Catalytic potential. Projects whose development or satisfaction of needed infrastructure has the potential to support additional housing projects or other public interest priorities.⁷

Planned projects meeting the screening criteria ("candidate projects") were mapped to highlight any geographic clusters. These maps also show the location of projects that do not meet the readiness criterion, since they might nevertheless be of interest in the context of future catalytic potential. Working group members were asked to review the project databases, maps, and their own resources in order to determine candidate projects of highest priority that could benefit from State funding, within each county.

⁶ "Projects" may include a discrete project, or an upcoming phase of a master-planned development for which initial phase(s) may have already been completed.

⁷ An excellent example of catalytic impact is evident in planned infrastructure developments in O'ahu's Iwilei-Kapālama area, where the simultaneous funding of three nearby affordable housing projects can be shown to save an estimated \$59.2 million in infrastructure costs compared to funding the projects on a one-off basis. Additionally, this infrastructure is understood to support thousands of other housing developments planned for the area, including public and private proposals. See Appendix B for an illustrative graphic.

PBR then worked with available data, prior studies, and county and private stakeholders to identify needed infrastructure to support the priority projects, and as available, the estimated costs of such infrastructure. In some cases, additional infrastructure was identified that would benefit housing or other public priorities not identified among the candidate projects. These are discussed where relevant in each county.

These processes and discussion outcomes are described in the sections below.

Maui County Infrastructure Recommendations

The database of Maui County projects considered for prioritization is presented in Appendix C, sorted by the evaluation criteria indicated.

West Maui

Development proposals within West Maui tend to be more in flux than elsewhere in the State, with urgent needs and potential federal and other funding sources pending. The working group recommended two candidate projects for infrastructure support in this area (Figure 1):

- Honokōwai, a 929-unit development planned by the Department of Hawaiian Home Lands (DHHL), located north of Lahaina. The initial phase, which is expected in the near-term, is planned for 50 subsistence agricultural lots. Some U.S. Federal Emergency Management Agency (FEMA) funding may be possible for this project but had not been confirmed as of time of the meeting.
- Villages of Leiali'i, a master-planned development by HHFDC which could provide up to 4,000 units upon completion. Discussions are ongoing to transfer all or part of the Villages of Leiali'i to the DHHL. Temporary housing units may be constructed for those displaced by the Wildfire if infrastructure is available. While not considered poised to produce permanent units within three to five years, the working group seeks to address its infrastructure needs so that this significant project may remain on track for development soon thereafter.

Working group members identified the following infrastructure projects to enable these and other area housing, with rough order of magnitude (ROM) costs noted where available:

- **For Lahaina generally:**
 - Expansion of the area wastewater system with off-site recycled water storage.
- **For Honokōwai** – Wastewater system expansion, siphon, and ditch. While the working group recommended these improvements for support; no cost estimates

are available and these identified projects appear to support future increments of the project, not the initial 50 subsistence agricultural lots that appear to be moving forward.

- **For Villages of Leali'i** – To develop temporary housing for those displaced by the Wildfire adjacent to the Kaiāulu O Kuku'ia project presently under construction. Development of permanent housing will require wastewater facilities, road extensions, water source and storage facilities, and new and repaired water transmission lines, with ROM infrastructure costs preliminarily estimated in the range of \$600 million.

Central Maui

In Central Maui, the working group recommended support for three projects, with attention to their catalytic impacts to other area housing developments (Figure 2):

- Wai'ale South, a Maui County project with 950 affordable units along Kūihelani Highway. The project is additionally notable for its location near to Waikapū Country Town, a 1,433-unit proposed housing project (287 affordable) with near-term potential albeit by a private developer without public nexus. Together, these projects could produce nearly 2,400 homes in a highly accessible central area along Kūihelani Highway.
- Kahekili Terrace, a 118-unit HPHA affordable rental project to be developed by Highridge Costa also has near-term potential.
- Waiehu, a proposed 350-unit new DHHL community now in planning. While this project may not be able to complete units within three to five years, its infrastructure needs addressed in the 'Imi Kālā Extension, would support this project as well as other development in the Waiehu and Pi'ihana areas.

Identified infrastructure needs for these and other public interest housing concerns include (ROM costs provided where available):

- **For the Kūihelani Highway cluster** – The potential size of this housing cluster (nearly 2,400 homes), together with its catalytic regional impacts, suggest priority funding for its enabling regional infrastructure including:
 - Central Maui Wastewater Reclamation Facility (aka Waikapū WWRF) – this WWRF would not only serve the two identified projects, but would relieve the existing Wailuku-Kahului WWRF, which is reportedly near capacity, thereby enabling additional housing development in the town core. An Environmental Impact Statement Preparation Notice (EISPN) was recently released for the WWRF. Cost estimates are unavailable at this time, however, the Legislature may have budgeted some funds towards its planning and/or design.

- Extension of Wai‘ale Road east of Waikapū Country Town. ROM costs are estimated at \$72 million.
- **For Kahekili Terrace** – extension of wastewater lines in Central Maui. Cost estimates are unavailable at this time.
- **For the Waiehu area** – ‘Imi Kālā Extension, in support of DHHL’s newly proposed Waiehu Community and other regional development. ROM costs are estimated at \$60 million.

Moloka‘i and Lāna‘i

A Maui County and three DHHL projects that appear to offer near-term housing yields were identified for a total of 279 planned units on Lāna‘i (205 homes) and Moloka‘i (74 homes) (Figure 3). The working group did not identify candidates for State infrastructure funding from among these projects.

Kaua‘i County Infrastructure

The database of Kaua‘i County projects considered for prioritization is presented in Appendix D, sorted according to the evaluation criteria indicated.

South and West Kaua‘i

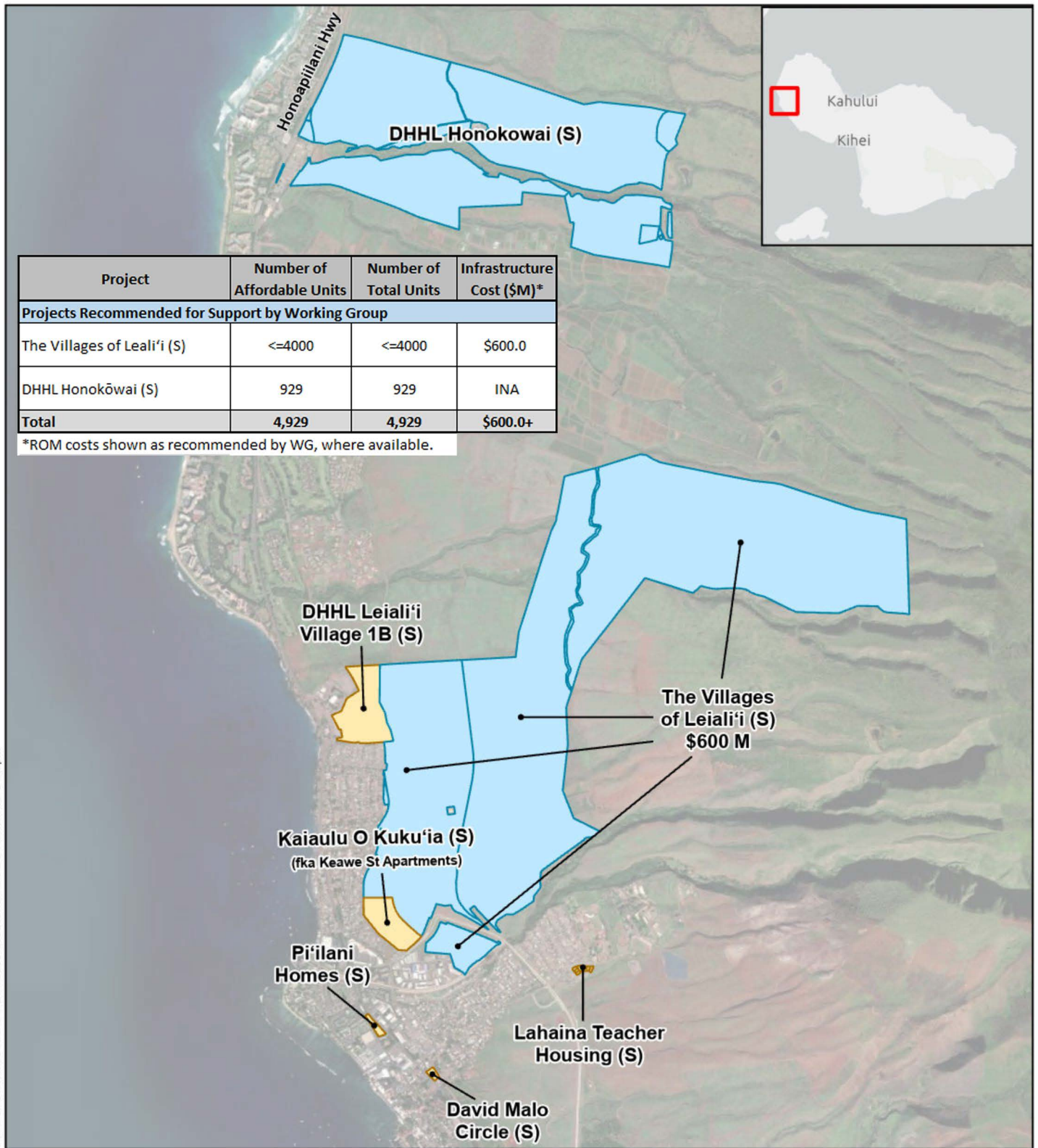
One project was identified with near-term potential in South and West Kaua‘i (Figure 4):

- Lima Ola Phases 2, 3, and 4, the next phases of the county’s Lima Ola community, are planned for 400 affordable units in rental and leasehold ownership tenures. It will be implemented by developer Ahe Group in coordination with the County housing agency.

In support of this project, working group members identified the following:

- **For Lima Ola Phases 2, 3, and 4** – Highway turn lanes and signalization. ROM costs are estimated at \$2 million.

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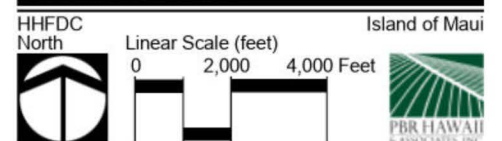
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- Projects Recommended for Support by Working Group
- Other Residential Projects

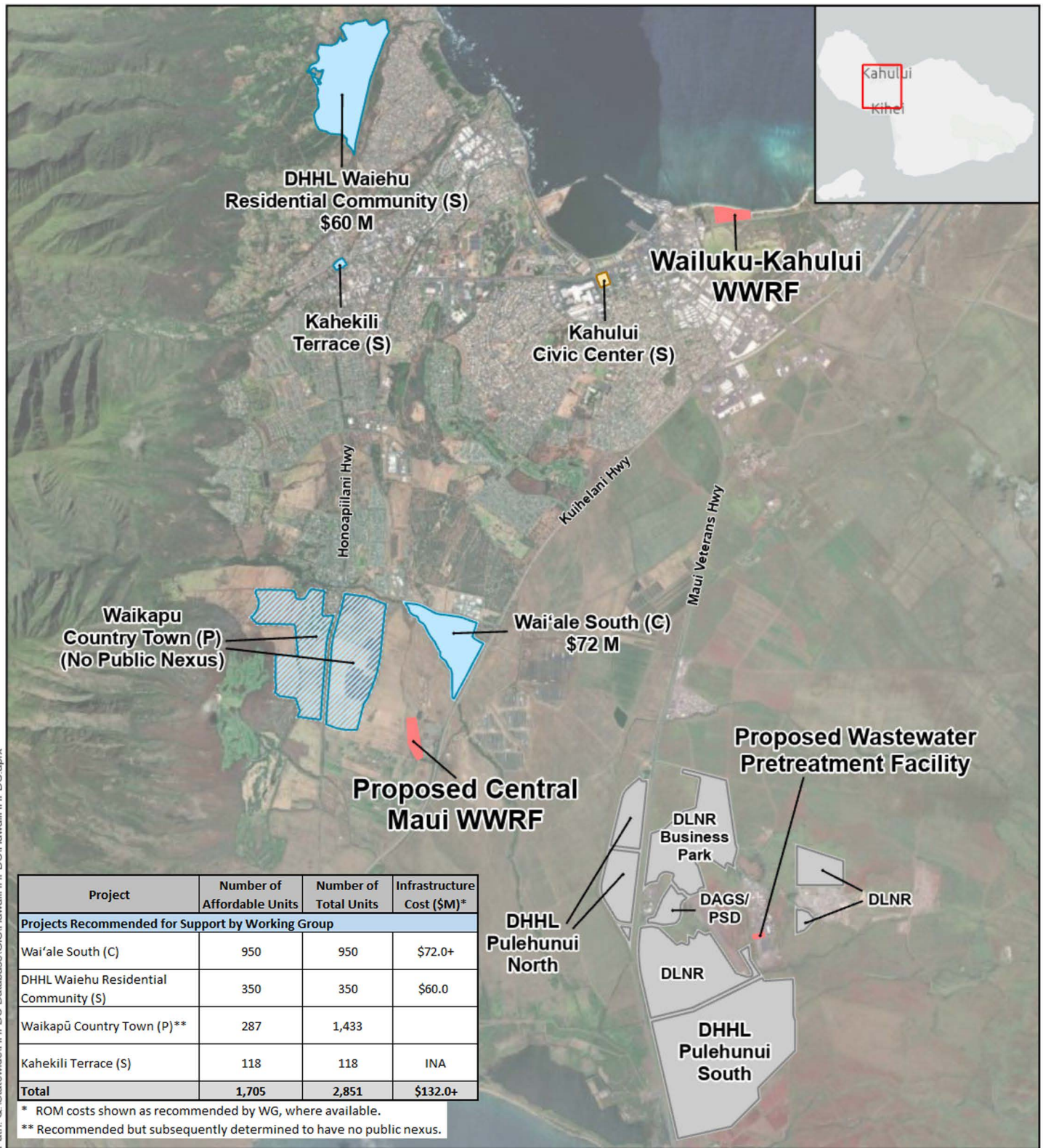
Figure 1

West Maui Projects Considered for Prioritization



Note: As of 12/7/23, The Villages of Leali'i are mapped 60% larger as exact TMK portions are not known at this time.
Disclaimer: This graphic has been prepared for general planning purposes only.

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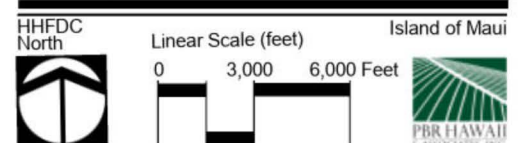
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- Projects Recommended for Support by Working Group
- Other Residential Projects
- Wastewater Facilities
- Non-Residential Projects

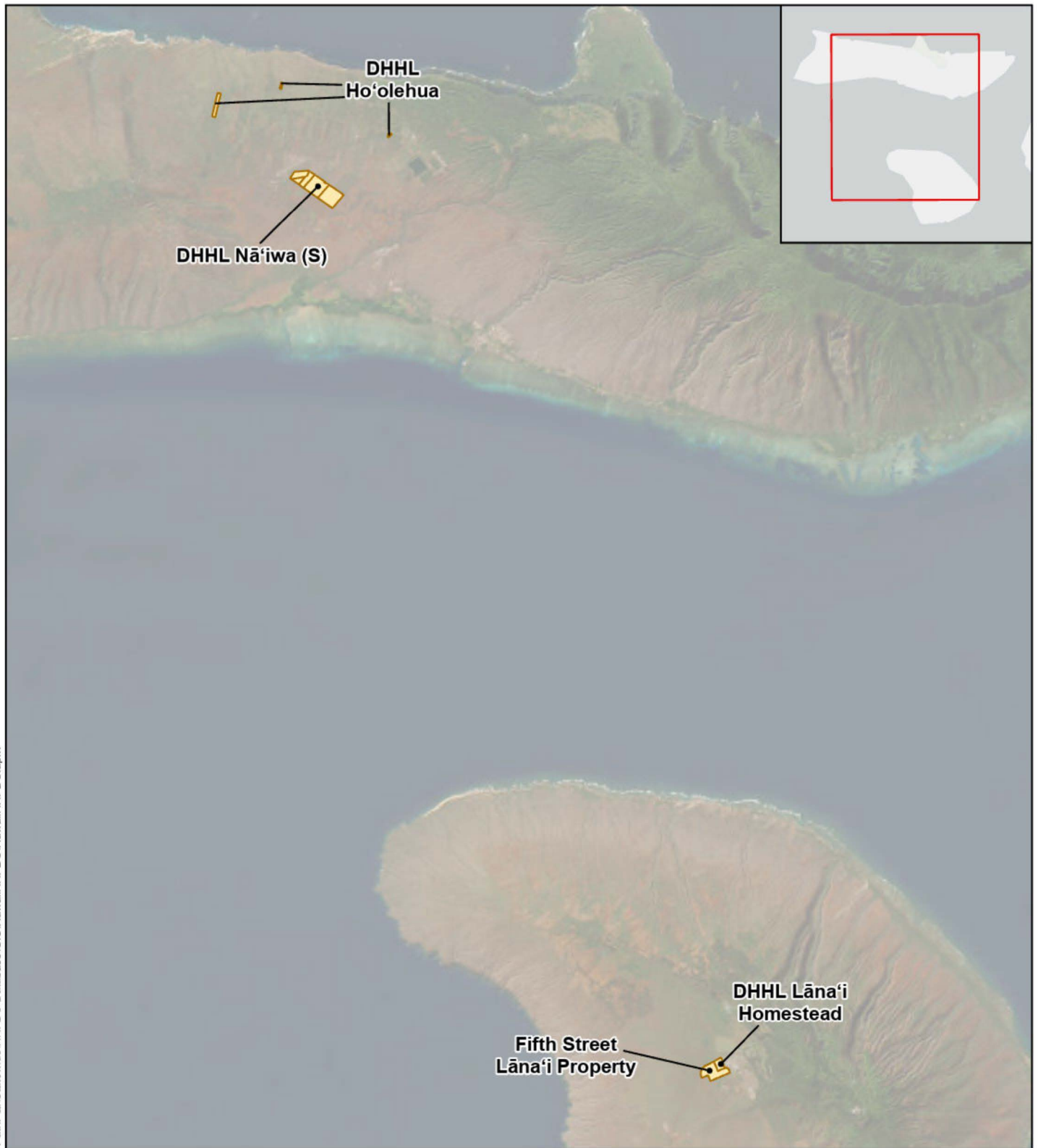
Figure 2

Central Maui Projects Considered for Prioritization



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DATE: 12/7/2023

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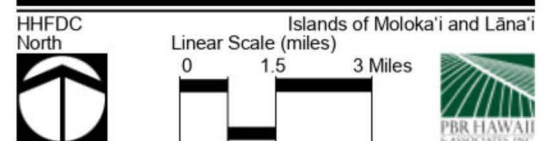
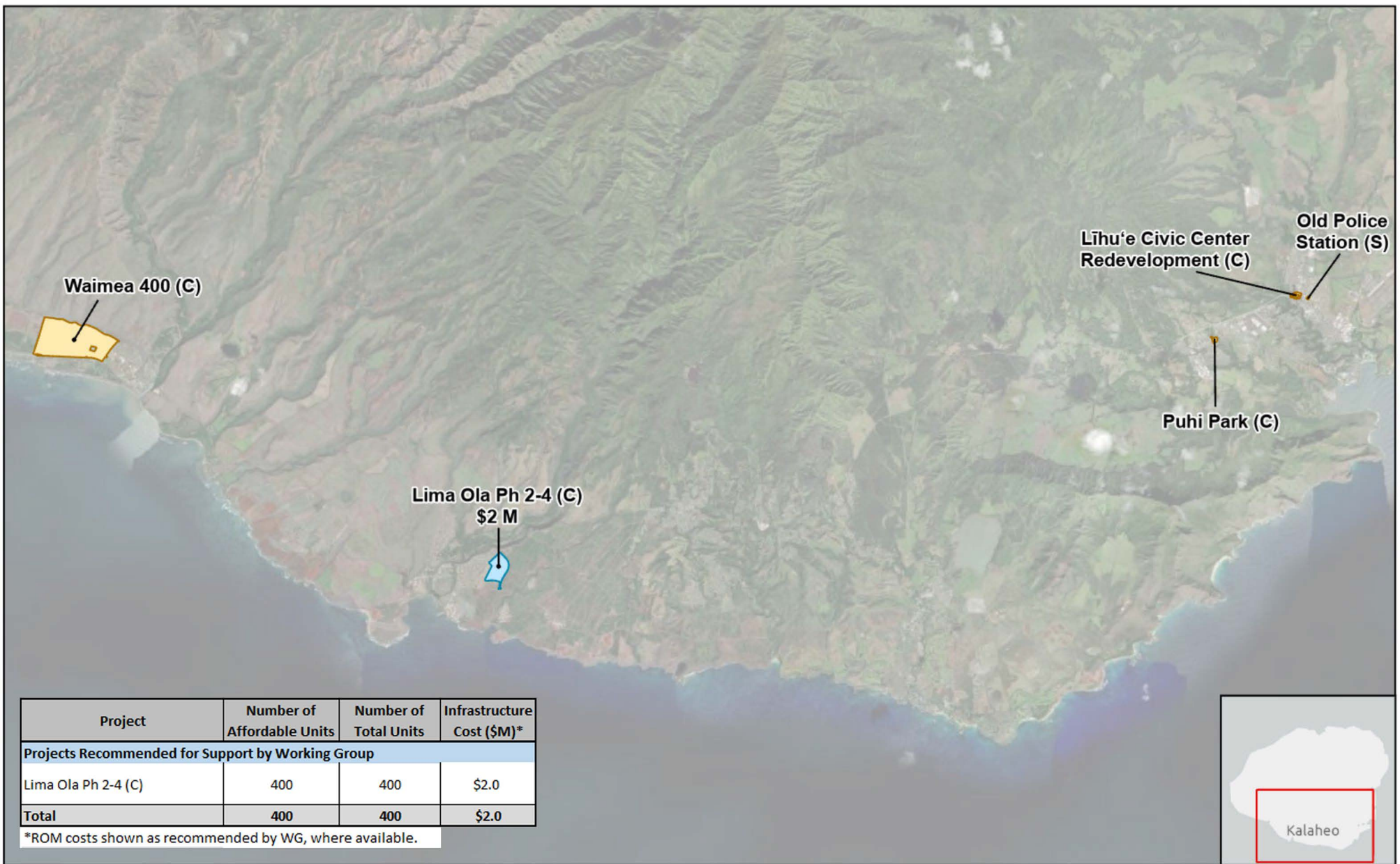
-  Projects Recommended for Support by Working Group
-  Other Residential Projects

Figure 3

Moloka'i & Lāna'i Projects Considered for Prioritization



Disclaimer: This graphic has been prepared for general planning purposes only.



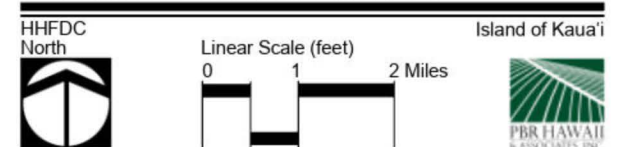
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- Projects Recommended for Support by Working Group
- Other Residential Projects

Disclaimer: This graphic has been prepared for general planning purposes only.

Figure 4

South & West Kaua'i Projects Considered for Prioritization



East and North Kauaʻi

Two public nexus projects were recommended for further infrastructure support in East and North Kauaʻi, including (Figure 5):

- Kapaʻa, an 87-unit planned rental project that is part of HPHA's Ka Lei Momi group of developments that has been awarded to developer Highridge Costa.
- Kīlauea Town, a Kauaʻi County project with plans for 200 units on the north shore, this project may also experiment with a component of leasehold ownership opportunities.

The Samuel Mahelona Memorial Hospital project was also recognized as having some near-term development potential, but as a Hawaiʻi Health Systems Corporation (HHSC) project, the project mission is health-care focused, and the housing component remains to be determined, with affordable, workforce, transitional, DHHL, assisted living, and hospital staff housing types all under evaluation.

Working group members identified the following infrastructure projects to enable Kīlauea Town, HPHA's Kapaʻa, and other area housing:

- **For Kīlauea Town** – wastewater treatment plant (WWTP), highway intersection and Namahana Parkway Access Road, water and stormwater improvements. As the first WWTP on Kauaʻi's east side, this facility would be catalytic to future other housing developments and would also support the State-mandated conversion of existing cesspools in the area. ROM costs are estimated at \$38 million.
- **For Kapaʻa** – information regarding infrastructure requirements is not available at this time.

Hawaiʻi County Infrastructure

The database of Hawaiʻi County projects considered is presented in Appendix E, sorted by the evaluation criteria indicated.

Waikoloa Village

Hawaiʻi County's Kamakoa Nui Phase 1 project, a westward extension to Waikoloa Village, is planned for 668 new homes, including affordable for-sale and rental units, with initial developments possible in the next five years (Figure 6).

Hawaiʻi County expects to fund \$13 million in roads and infrastructure including water, electrical, sewer and communication services to enable a "mini loop" area with some 600 multifamily units and a new State library. However, it does not provide access to Lot 11, an adjacent 19.3-acre area that is proposed for 60 to 70 single-family affordable

homes. With additional support, this area is expected to be ready to request for proposal (RFP) in 2024, along with the rest of Kamakoa Nui Phase 1.

To expand and diversify the affordable residential offerings in Kamakoa Nui Phase 1, the working group members identified support for:

- **For Kamakoa Nui Phase 1** – roads and infrastructure on Lot 11, allowing Hawai'i County to seek a private partner to construct 60 to 70 single-family affordable homes. ROM costs are estimated at \$6 million.
- **For Waikoloa Village generally** – Public officials, planners, and community members have long sought a second access road to the Waikoloa Village community, to relieve traffic along Waikoloa Road and to provide an alternate means of access and egress in the event of emergency. The Maui fires have highlighted the importance of such infrastructure in this fire-prone area, and the need for the alternate route will be exacerbated by the additional units being developed in the Village. ROM costs are estimated at \$30 million.

North Kona

The working group identified one project in the North Kona area for infrastructure support (Figure 7):

- Kamakana Villages, a master-planned development joint venture partnership (JVP) between Stanford Carr Development and HHFDC, this project can produce up to 1,399 more units in both rental and ownership tenure, with 617 homes expected to be designated as affordable housing.

Working group members identified these infrastructure projects to enable the project ROM costs noted where available):

- **For Kamakana Villages** – Two wells, a reservoir, sewer plant, off-site roadways, and on-site parks. ROM costs are estimated at \$58.5 million.

Hilo

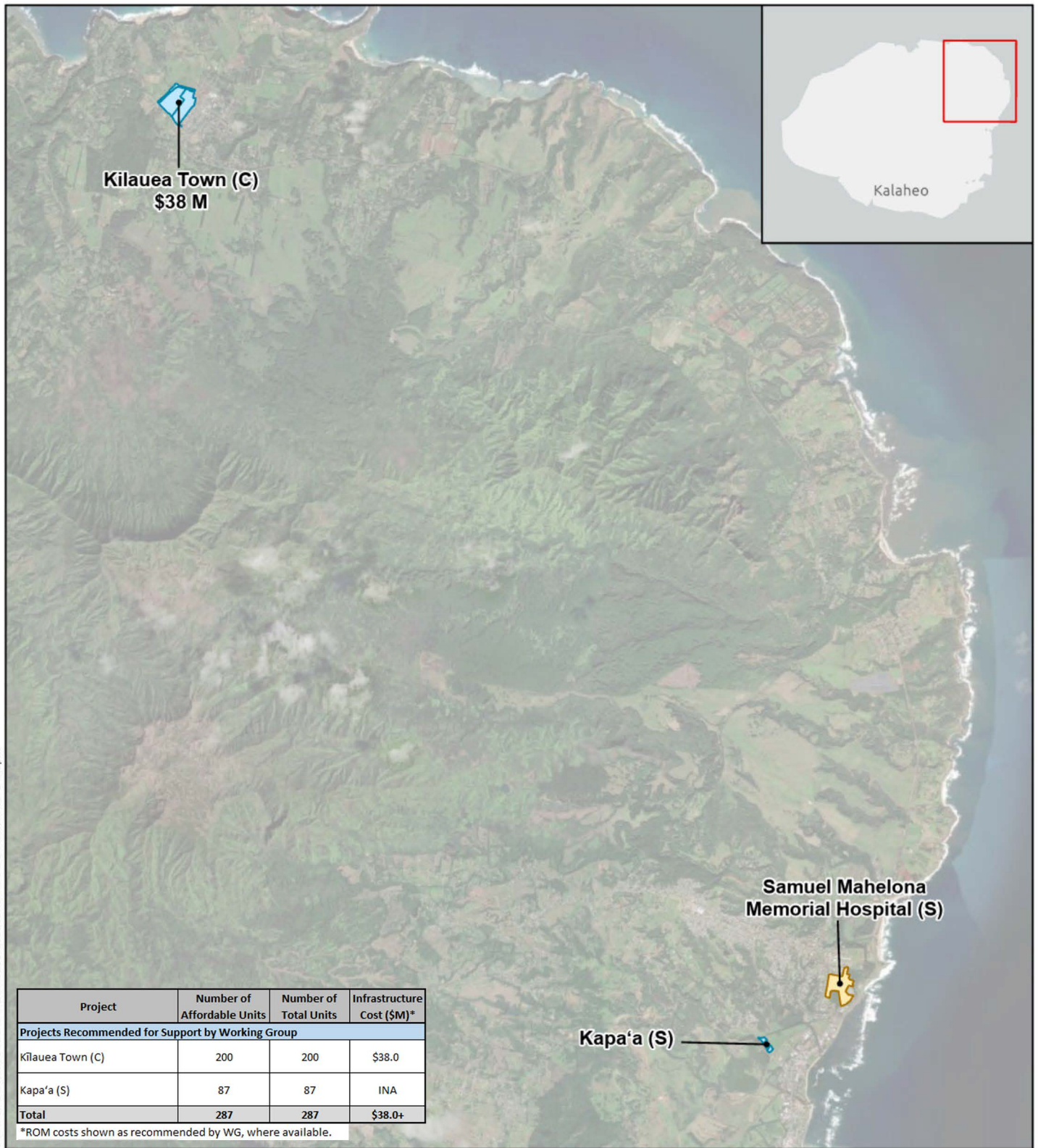
The working group identified one project for infrastructure support in Hilo (Figure 8):

- Lanakila Homes, an HPHA project to be developed by Highridge Costa, with 250 affordable rental units.

Working group members identified support for Lanakila Homes, as follows:

- **For Lanakila Homes** – Contribution towards anticipated soils remediation now being investigated. ROM cost is estimated at \$10 million.

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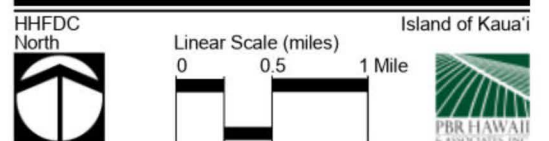
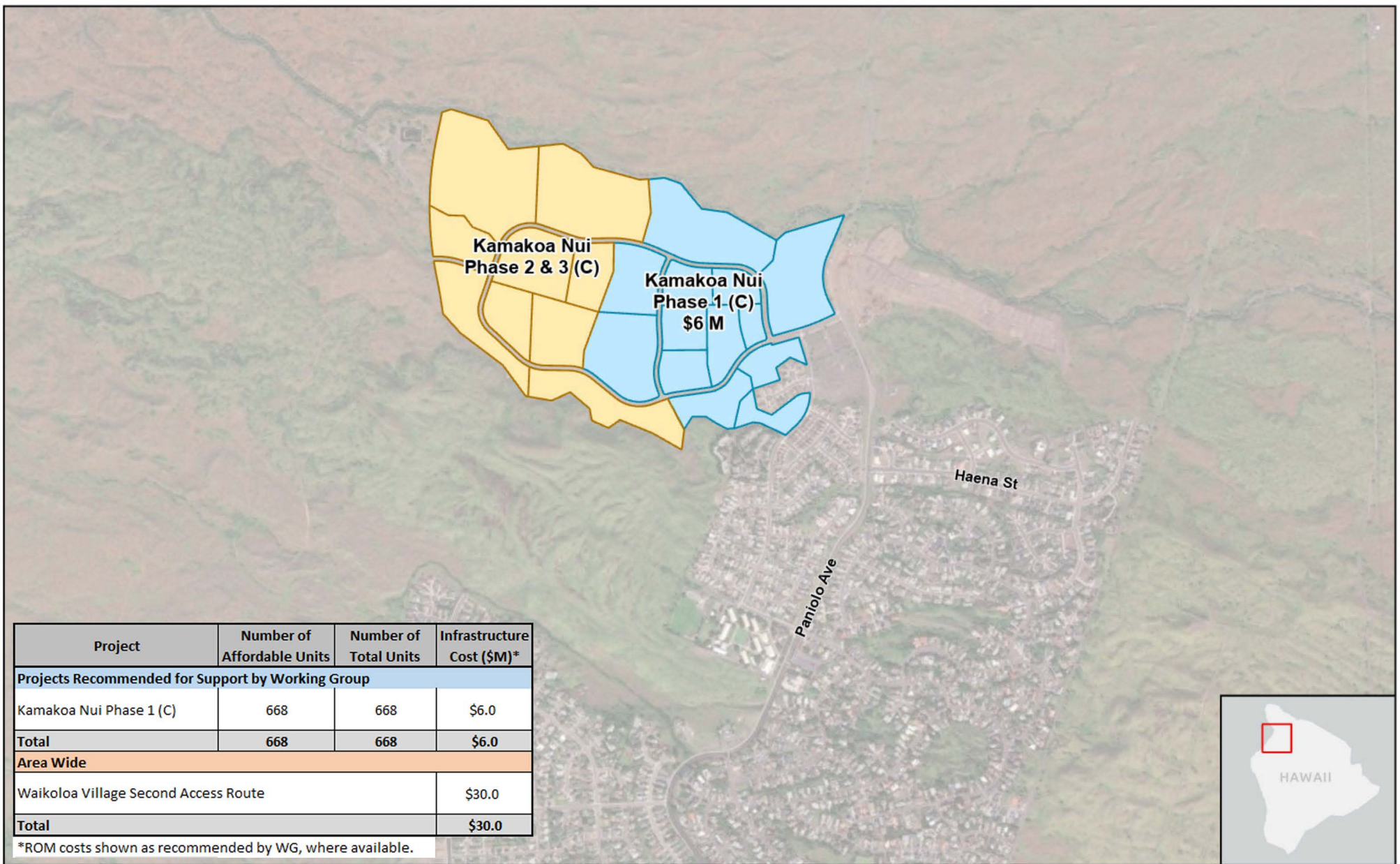
-  Projects Recommended for Support by Working Group
-  Other Residential Projects

Figure 5

North & East Kaua'i Projects Considered for Prioritization



Disclaimer: This graphic has been prepared for general planning purposes only.



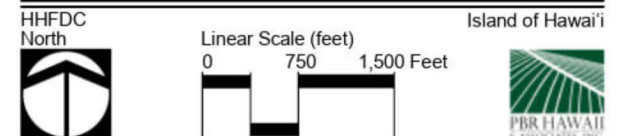
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- Projects Recommended for Support by Working Group
- Other Residential Projects

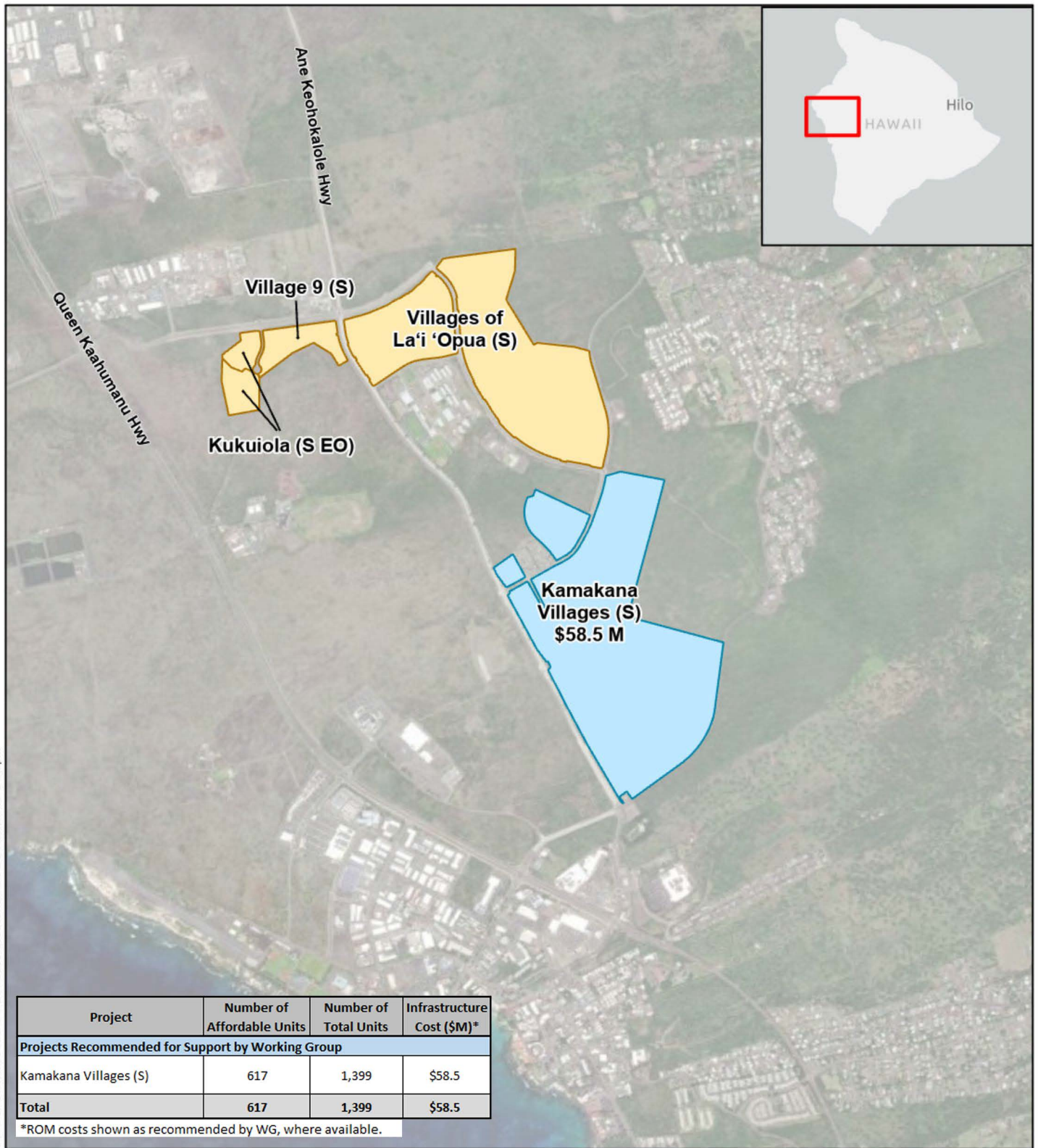
Disclaimer: This graphic has been prepared for general planning purposes only.

Figure 6

Waikoloa Village Projects Considered for Prioritization



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DATE: 12/7/2023

Legend



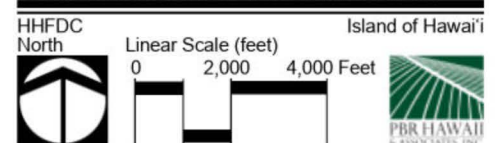
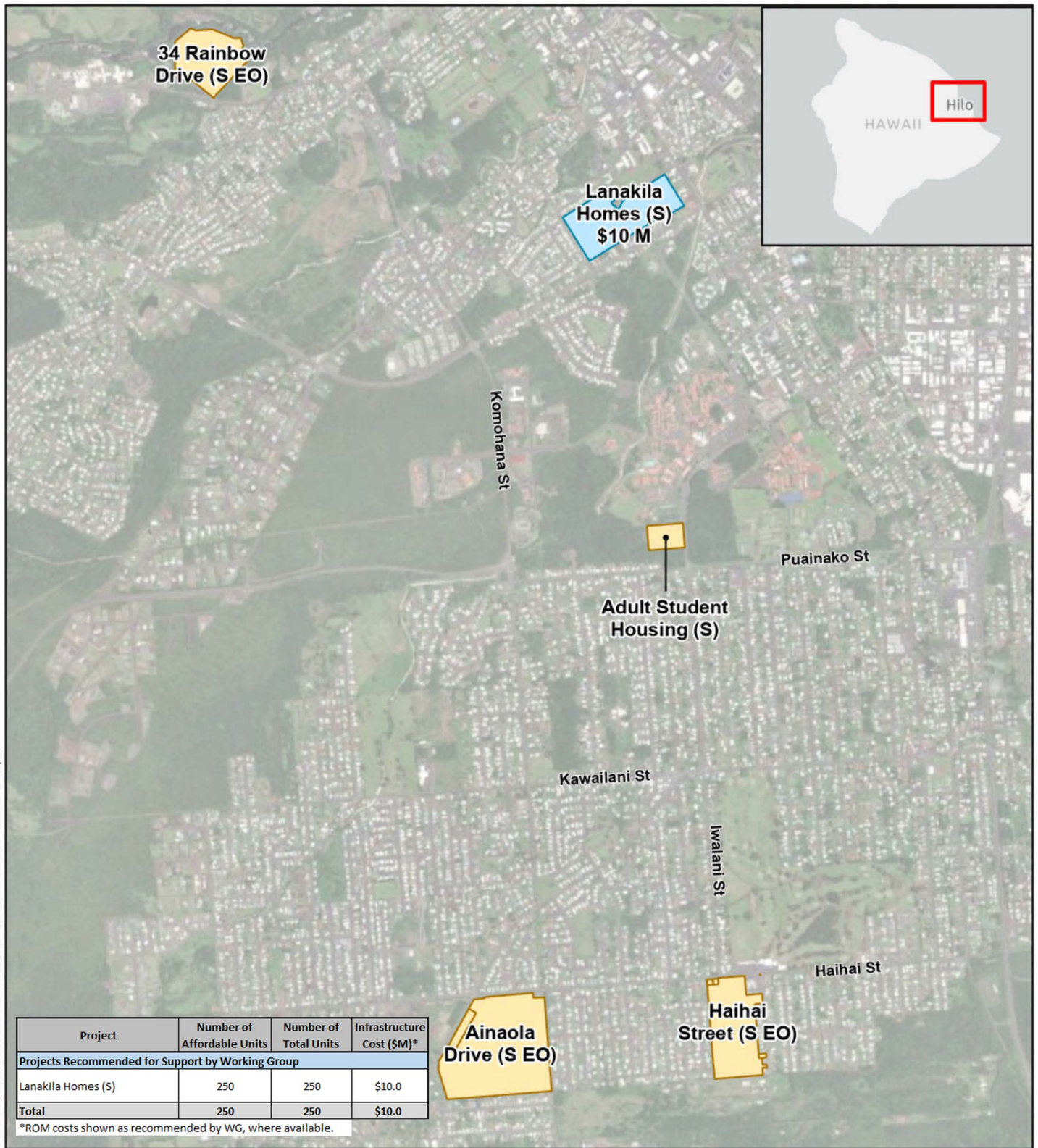
-  Projects Recommended for Support by Working Group
-  Other Residential Projects

Figure 7

North Kona Projects Considered for Prioritization



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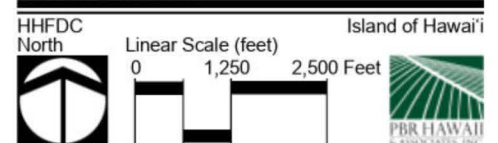
DATE: 12/7/2023

Legend

- Projects Recommended for Support by Working Group
- Other Residential Projects

Figure 8

Hilo Projects Considered for Prioritization



Disclaimer: This graphic has been prepared for general planning purposes only.

City and County of Honolulu Infrastructure

The database of projects considered for prioritization in the City and County of Honolulu (C&C) is presented in Appendix F, sorted by the evaluation criteria indicated.

Iwilei-Kapālama

A large cluster of candidate developments with near-term potential and significant affordable housing potential is grouped in O‘ahu’s Iwilei-Kapālama area (Figure 9):

- Five redevelopments of existing affordable rental projects by HPHA, including:
 - Kamehameha Homes, 2,729 net new units, by Highridge Costa.
 - Mayor Wright Housing, 2,086 net new units, by Highridge Costa.
 - Ka‘ahumanu Homes, 1,398 net new units, by Highridge Costa.
 - School Street Redevelopment, 800 net new units, by Highridge Costa.
 - Kūhiō Park Terrace Phase, 250 net new homes, by Michaels Development Company.⁸
- Kukui Gardens, a redevelopment of existing affordable rental housing expected to result in 598 net new units, to be developed by EAH Housing for HHFDC.
- Liliha Civic Center, planned by HHFDC and the Department of Accounting and General Services (DAGS) for up to 600 rental and/or for-sale homes by a developer to be selected.⁹

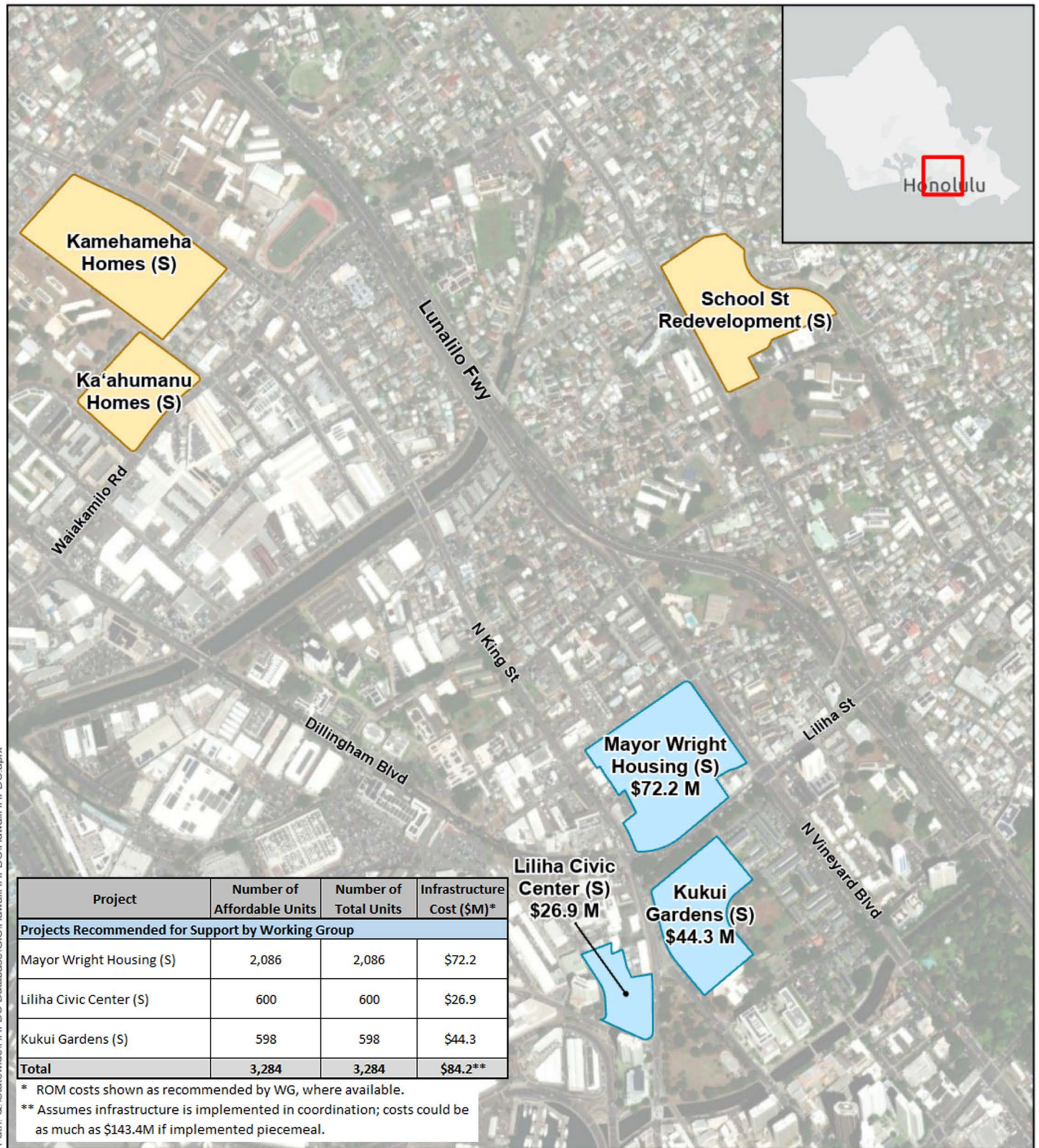
Due to the large amount of affordable housing planned in the Iwilei-Kapālama area, and the advanced status of entitlement planning, and engineering studies already completed for Mayor Wright, Kukui Gardens, and Liliha Civic Center in particular, working group members agreed that infrastructure funding on O‘ahu should focus on this cluster. Enabling infrastructure is seen to include:

- **For Mayor Wright, Kukui Gardens, Liliha Civic Center and thousands of other** planned housing units in Iwilei-Kapālama – area roads, sewer, water, drainage, electrical and other infrastructure facilities. ROM costs are estimated at \$84.2 million assuming the identified infrastructure is planned in a comprehensive manner that allows for coordinated implementation.

⁸ This project not mapped in the figure due to its distance from the others shown.

⁹ Various alternatives of the Liliha Civic Center plan have been evaluated. The 600-unit version is noted because that is considered the site potential and is the subject of an EIS that is being prepared in 2023 and 2024.

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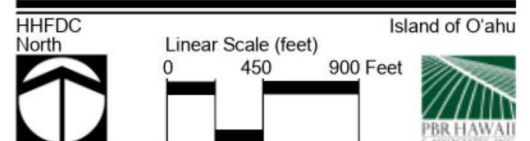
DATE: 12/7/2023

Legend

- Projects Recommended for Support by Working Group
- Other Residential Projects

Figure 9

Iwilei-Kapālama Projects Considered for Prioritization



West and Central O‘ahu

Working group members recognize the importance of the several planned housing developments in West and Central O‘ahu, but note that state funds have already been allocated towards infrastructure and TOD planning studies in these areas, and considered that they may be riper for infrastructure funding in a future year (Figure 10).

SUMMARY OF INFRASTRUCTURE RECOMMENDATIONS

The following table presents a summary of infrastructure recommendations identified by the Working Group by county, including a highlighted project for each county that highlights ROM cost per unit. Further details by project are provided in Table 2.

Table 2: Summary of Third Working Group Recommended Infrastructure Investments

County	Infrastructure Project	Direct Housing Beneficiary(ies)	Potential Units Directly Impacted	ROM Total Cost ¹⁰ (\$mils)	ROM Project Cost (\$mils)	ROM Project Cost Per Unit
Maui County	All Working Group Recommendations	See Table 1	+/-7,980	\$732.0+		
<i>Highlighted Project:</i>	<i>Central Maui Wastewater Reclamation Facility & Wai‘ale Road Extension</i>	<i>Wai‘ale South (County); nearby private project</i>	2,383		\$72.0+	\$30,200+
Kaua‘i County	All Working Group Recommendations	See Table 1	600+	\$40.0		
<i>Highlighted Project:</i>	<i>Turn lane & signals on State highway</i>	<i>Lima Ola Phases 2, 3, & 4 (County)</i>	400		\$2.0	\$5,000
Hawai‘i County	All Working Group Recommendations	See Table 1	1,709+	\$104.5		
<i>Highlighted Project</i>	<i>Wells, reservoir, sewer, off-site roadways, parks</i>	<i>Kamakana Villages (HHFDC)</i>	1,399		\$58.5	\$41,800
City and County of Honolulu	All Working Group Recommendations	See Table 1	3,284+	\$84.2		
<i>Highlighted Project</i>	<i>Electrical, roadway, walkway, bikeway, drainage, water, sewer facilities</i>	<i>Mayor Wright (HPHA), Kukui Gardens (HHFDC), Liliha Civic Center (HHFDC, DAGS)</i>	3,284+		\$84.2	<\$25,600
Total ROM infrastructure recommendations Statewide:					\$960.7 million	

¹⁰ Total cost of all infrastructure projects recommended by the Third Working Group.



Legend

- Projects Recommended for Support by Working Group
- Other Residential Projects

Disclaimer: This graphic has been prepared for general planning purposes only.

Figure 10

West & Central O'ahu Projects Considered for Prioritization

HHFDC
North



Linear Scale (miles)



Island of O'ahu



ZONING AND HOUSING POLICIES: YIMBY MOVEMENT

As context for future Hawai'i working group efforts to remove barriers to affordable housing development, PBR also prepared a brief on the pro-housing YIMBY movement, as seen in recent California legislation and policies. The paper is presented as Appendix G.

The paper concludes with lessons learned that may be relevant for Hawai'i as it looks to adopt pro-housing legislation:

1. Accurate data collection should be used to inform new legislation. Updated data should be collected to inform legislative updates as conditions change. Data should be readily accessible to and easily digestible by the public. Relevant data points may include:
 - a. Population changes
 - b. Number, type, and location of building permits
 - c. Number, type, and location of new housing units
 - d. Median household income by geography
 - e. Median rent by unit type and geography
2. Legislation should strike a balance between consistency across counties and giving counties leeway to apply/enforce legislation as they see fit for their unique circumstances.
3. Strong and ongoing coordination must occur between State and County legislators and agencies to ensure counties are consistently and actively enforcing State legislation.
4. Eliminate or reduce inconsistencies between State and County land use ordinances, statutes, and rules. Provide opportunities for streamlined/concurrent review by state and county agencies.
5. Wherever possible, reduce opportunities for government agency discretionary review. Instead, increase the provision of clear and objective standards that can be applied ministerially.
6. Where discretionary review is necessary, provide clear and strict limits on review times.
7. Streamline the review/approval process for boards and councils at State and County levels.

CLOSING

The community of housing stakeholders – HHFDC, HPHA, chairpersons of Senate and House of Representatives housing committees, LUC, OPSD, HCDA, and representatives from county planning and housing departments – have devoted substantial staff and leadership attention to these important issues, and remain committed to working together to provide recommendations to reduce barriers to housing production in Hawai‘i. We thank you for the opportunity to provide this update.

Appendix A

Third Working Group Attendees

Appendix A: Third Working Group Attendees

Hawai'i Housing Finance and Development Corporation (HHFDC)

- Dean Minakami
- Chris Woodard
- Dean Watase
- Cynthia Nyross

Hawai'i Public Housing Authority (HPHA)

- Hakim Ouansafi
- Benjamin Park
- Carson Schultz

Office of the Governor (GOV)

- Scott Glenn
- Lindsay Apperson
- Tami Whitney

Office of Planning and Sustainable Development (OPSD)

- Katia Balassiano
- Ruby Edwards

Hawai'i Community Development Authority (HCDA)

- Craig Nakamoto
- Ryan Tam

State Legislature

- Senator Stanley Chang
- Representative Troy Hashimoto

Land Use Commission (LUC)

- Scott Derrickson
- Martina Segura

Maui County

- Garrett Smith
- Jacky Takakura
- Saumalu Mata'afa
- Wendy Taomoto

Kaua'i County

- Adam Roversi
- Ka'āina Hull

Hawai'i County

- Susan Kunz
- Harry Yada
- Jeff Darrow

City and County of Honolulu

- Craig Hirai
- Denise Iseri-Matsubara

Hawai'i Business Roundtable (HBR)

- Gary Kai
- Michele Saito

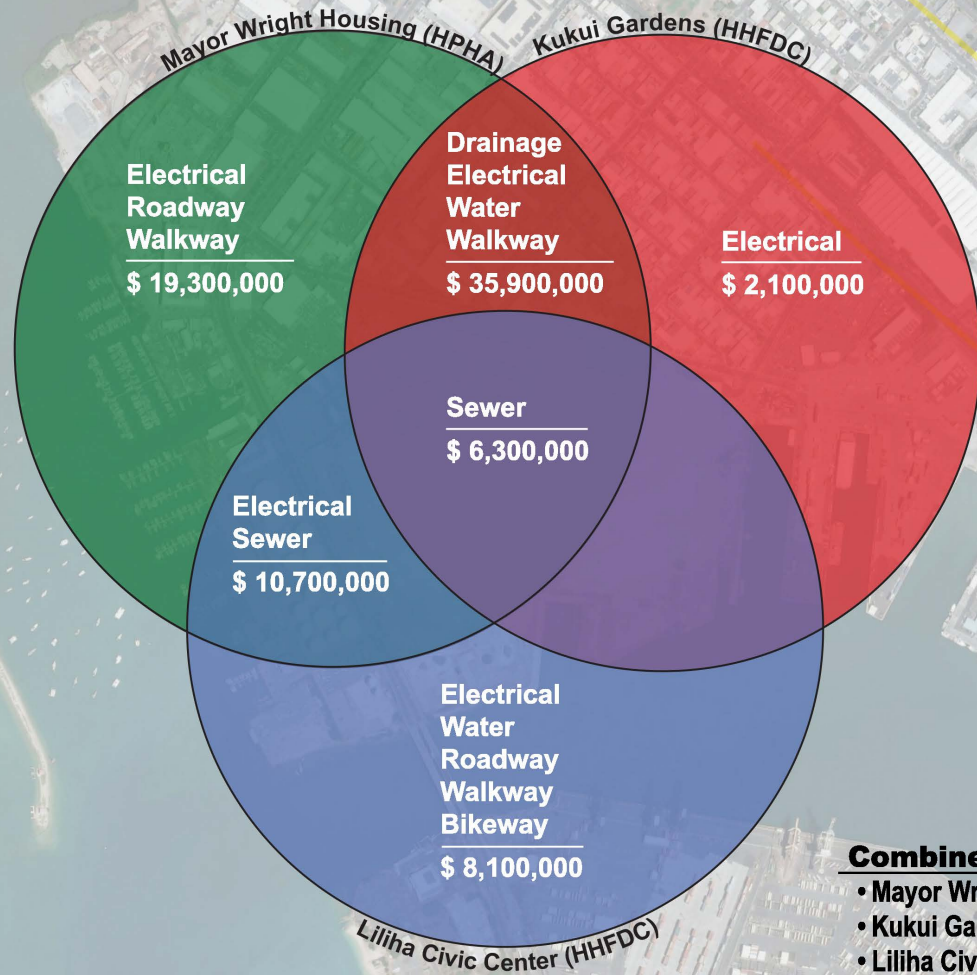
PBR HAWAII

- Tom Schnell
- Ann Bouslog
- Matt Nakamoto
- Sunny Rosario

Appendix B
Catalytic Infrastructure for
Iwilei-Kapālama

Appendix B: Catalytic Infrastructure for Iwilei, O'ahu

Preliminary Off-Site Infrastructure Costs for Mayor Wright Housing (HPHA), Kukui Gardens (HHFDC), and Liliha Civic Center (HHFDC), in 2023 Dollars



Combined Cost Estimates (2023\$)

- Mayor Wright Housing alone: \$72.2 million
- Kukui Gardens alone: \$44.3 million
- Liliha Civic Center alone: \$26.9 million
- MWH + KG + LCC together: \$84.2 million



Appendix C
Database of Maui County Projects
Considered for Prioritization

Appendix C: Database of Maui County Projects Considered for Prioritization

			Evaluation Criteria												
			1	2	3	4	5	6							
Project Name	Developer	Landowner	Public Nexus (State, County)	# Addl Units in 5 Years*	# Affordable Units	# Total Units	Location Priority**	Catalytic Infra ***	Area/District	Tenure (Rental, Ownership)	Development Status	Target AMI	Discretionary Entitlement Needs	Infrastructure Need	Infrastructure Need Cost Estimate (ROM, 2023 \$M)
CANDIDATE STATE & STATE/COUNTY PROJECTS															
Could Produce Units in 5 Years															
Waiʻale (South)	County of Maui	County of Maui	C	Y	950	950	Y	Y	Central Maui		Planning			Central Maui WWRF, Waiale Road Extension	\$72.0+
DHHL Honokōwai	DHHL	DHHL	S	Y	929	929	Y		West Maui - outside of burn area	Both	Planning, Design		SMA; Water permit	Water, well (cost share with HHFDC)	INA
Kaiāulu O Kūkuʻia (f.k.a. Keawe St Apartments at The Villages of Lealiʻi)	A0703 West Maui, L.P.	HHFDC	S	Y	197	200	Y		Lahaina adj. burn areas	Rental	Under Construction (may have been impacted by fires)	30% to 60% AMI		Kukia Street Access Road	INA
DHHL Leialiʻi Village 1B	HHFDC/DHHL	HHFDC/DHHL	S	Y	181	181	Y		West Maui - outside of burn area	Both	Design/ Engineering			Offsite drainage and roadway improvements	\$16.0
Fifth Street Lānaʻi Property	County of Maui	County of Maui	C	Y	150	150			Lānaʻi	Both					Source (Lānaʻi Water Co.); Fifth St Extension
Kahekili Terrace	Highridge Costa	HPHA	S	Y	118	118	Y		Wailuku	Rental	DA, Planning	30% to 60% AMI	EP and/or 201H	INA	INA
Wailea Fire Station Property		County of Maui	C	Y	75	75	N		Wailea		Planning			Sewer ext., water, MECo powerline relocation; 100 yr flood innudation limits need verification	
DHHL Nāʻiwa (Molokaʻi)	DHHL	DHHL	S	Y	58	58			Molokaʻi		Design/ Engineering				
DHHL Lānaʻi Homestead (Lānaʻi)	DHHL	DHHL	S	Y	55	55			Lānaʻi		Planning				
DHHL Hoʻolehua (Molokaʻi)	DHHL	DHHL	S	Y	16	16			Molokaʻi		Design/ Engineering				
Waikapū Country Town (Maui Tropical Plantation)	Waikapu Properties LLC, County of Maui	Waikapu Properties LLC, MTP Land Partners LLC, Filios, William Separate Property Trust, Waiale 905 Partners LLC	Private	Y	287	1,433	Y	Y	Waikapū	Both	Planning/ Design	100% to 140% AMI		Central Maui WWRF; regional road improvements	

Appendix C: Database of Maui County Projects Considered for Prioritization

			Evaluation Criteria												
			1	2	3	4	5	6							
Project Name	Developer	Landowner	Public Nexus (State, County)	# Addl Units in 5 Years*	# Affordable Units	# Total Units	Location Priority**	Catalytic Infra ***	Area/District	Tenure (Rental, Ownership)	Development Status	Target AMI	Discretionary Entitlement Needs	Infrastructure Need	Infrastructure Need Cost Estimate (ROM, 2023 \$M)
Not Expected to Produce Units in 5 Years															
The Villages of Leialii	HHFDC/DHHL	HHFDC/DHHL	S	N	<= 4000	<=4000	Y		West Maui - outside of burn area	Both	Design/ Engineering			Property is ceded lands. Off site water tank, road improvements Honoapiʻilani Hwy and Leialii Pkwy, 2 detention basins, drainage pipes, booster pumps, transmission lines	\$600.0
DHHL Waiehu Residential Community	DHHL	DHHL	S	N	350	350	Y		Waiehu		Planning			Imi Kala Extension	\$60.0
Kahului Civic Center and Mixed Use Complex	EAH	HHFDC	S	N	303	303	Y		Kahului	Rental	DA, Planning	Up to 140% AMI	SMA	Improvements to Kane and Vevau St	INA
David Malo Circle		HPHA	S	N			Y		West Maui	Rental					
Pi'ilani Homes		HPHA	S	N			Y		West Maui	Rental					
Kihei Police Station		County of Maui	C	N			Y		Kihei					Higher level water tank	
Lahaina Teacher Housing	DOE	State	S	N			Y		Lahaina		Pre-planning				
Pā'ia Soccer Field	County of Maui	County of Maui	C	N			N		Pā'ia-Ha'ikū						
NOT CONSIDERED B/C UNDER CONSTRUCTION OR INFRASTRUCTURE ADDRESSED															
Pu'unani Homestead Subdivision	DHHL	DHHL	S	Y	161	161	N		Central Maui	Ownership	Under Construction			Sewer line through Wailuku Apts. Property	

Footnotes:
* Potential for home completions within 5 years (12/2028) assuming infrastructure or other support provided.
** TOD/infill area and/or in West Maui but outside of burn zone.
***Project or its infrastructure expected to directly benefit other housing or priority public projects in region.
****Plans represent "lots" vs. homes; excludes proposals for agricultural or subsistence lots, as well as proposed acquisition and conversion of existing residential stock.

Key:
 Projects Recommended for Support by Working Group

Abbreviations:
AMI: Area median income; DA: Development agreement; EP: Emergency Proclamation; FEMA: Federal Emergency Management Agency; fka: Formerly known as; INA: Information not available; MECo: Maui Electric Company; SMA: Special Management Area; TBD: To be determined; WWRF: Wastewater Reclamation Facility

Appendix D
Database of Kaua'i County Projects
Considered for Prioritization

Appendix D: Database of Kauaʻi County Projects Considered for Prioritization

			Evaluation Criteria												
			1	2	3	4	5	6							
Project Name	Developer	Landowner	Public Nexus (State, County)	# Addl Units in 5 Years*	# Affordable Units	# Total Units	Location Priority**	Catalytic Infra ***	Area/District	Tenure (Rental, Ownership)	Development Status	Target AMI	Discretionary Entitlement Needs	Infrastructure Need	Infrastructure Need Cost Estimate (ROM, 2023 \$M)
CANDIDATE STATE & STATE/COUNTY PROJECTS															
Could Produce Units in 5 Years															
Lima Ola (Ph 2-4)	Kauai County Housing Agency, Ahe Group	County of Kauai	C	Y	400	400	N	N	'Ele'ele	Rental & 99-yr lease for-sale	Engineering & design	Up to 120% AMI (Majority below 80% AMI)		Highway turn lane & signals	\$2.0
Samuel Mahelona Memorial Hospital	TBD	Hawaii Health Systems Corporation	S	Y	342	342	Y	Y	Kapa'a		Planning		EIS, County permits	WWTP, onsite electrical	TBD; some Leg funding obtained
Kīlauea Town		County of Kauai	C	Y	200	200	Y	Y	Kīlauea	Rental & 99-yr lease for-sale	Planning	Up to 120% AMI	LUC, County Zoning	Namahana Parkway Access Road, WWTP, water, stormwater	\$38.0
Kapa'a	Highridge Costa	HPHA	S	Y	87	87	Y	Y	Kapa'a	Rental	DA, Planning/Design	30-60% AMI	EP, and/or Project District Permit or 201H	INA	INA
Not Expected to Produce Units in 5 Years															
Līhu'e Civic Center Redevelopment	TBD	County of Kauai	C	N	170	170	Y		Līhu'e		Pre-planning		Civic Center amendment, EA	Water capacity	
Puhi Park	TBD	County of Kauai	C	N	66	66	Y		Puhi		Just submitted DEA	Up to 120% AMI	At DEA, needs PDP	Sewer line extension	
Waimea 400	TBD	County of Kauai	C	N	unk	200	Y	Y	Waimea		Planning	Up to 120% AMI	EA or EIS; LUC; 201H	Water, Upgrade Waimea	\$1.8
Old Police Station	TBD	DAGS/DLNR	S	unk	25	50	Y		Līhu'e		Pre-planning				
NOT CONSIDERED B/C UNDER CONSTRUCTION OR INFRASTRUCTURE ADDRESSED															
Lima Ola (Ph 1)	Kauai County Housing Agency, Ahe Group	County of Kauai	C	Y	149	149	N	N	'Ele'ele	Rental & 99-yr lease for-sale	Under Construction	30-80% AMI		None noted	
Kauhale O Namahana	PAL Kauai	County of Kauai	C	Y	11	11	N	N	Kilauea		Under Construction	Up to 120% AMI			

Footnotes:

* Potential for home completions within 5 years (12/2028) assuming infrastructure or other support provided.

** TOD/infill area and/or in West Maui but outside of burn zone.

***Project or its infrastructure expected to directly benefit other housing or priority public projects in region.

****Plans represent "lots" vs. homes; excludes proposals for agricultural or subsistence lots, as well as proposed acquisition and conversion of existing residential stock.

Key:

Projects Recommended for Support by Working Group

Abbreviations:

AMI: Area median income; DA: Development agreement; DEA: Draft Environmental Assessment; EA: Environmental Assessment; EIS: Environmental Impact Statement; EP: Emergency Proclamation; INA: Information not available; LUC: Land Use Commission; PDP: Project District Permit; TBD: To be determined; WWTP: Wastewater Treatment Plant

Appendix E
Database of Hawai'i County Projects
Considered for Prioritization

Appendix E: Database of Hawai'i County Projects Considered for Prioritization

			Evaluation Criteria												
			1	2	3	4	5	6							
Project Name	Developer	Landowner	Public Nexus (State, County)	# Addl units in 5 years*	# Affordable Units	# Total Units	Location Priority**	Catalytic Infra ***	Area/District	Tenure (Rental, Ownership)	Development Status	Target AMI	Discretionary Entitlement Needs	Infrastructure Need	Infrastructure Need Cost Estimate (\$M)
CANDIDATE STATE & STATE/COUNTY PROJECTS															
Could Produce Units in 5 Years															
Kamakoa Nui Phase 1	TBD/Multiple RFPs	OHCD	C	Y	668	668	Y	Y	Waikoloa Village	Both	Planning	30-140% AMI	None	SF residential subdivision roads (60 lots)	\$6.0
Kamakana Villages	Stanford Carr Development	HHFDC	S	Y	617	1,399	Y		Kona	Both	Stalled	30-140%+ AMI	CWRM permit; Ota well EA	Water, sewer, roadways, parks	\$58.5
Villages of La'i 'Ōpua	UHC Communities/ DHHL	DHHL****	S	Y	550	550	Y	Y	Kona	Both	Under Construction - in phases	N/A	Water permit	Water, road	\$169.2
Kukuioala	County of Hawai'i	State EO	CS	Y	250	250	Y	Y	Kona	Rental	Pre-planning		201H	Water permit	INA
Lanakila Homes	Highridge Costa	HPHA	S	Y	250	250	Y		Hilo	Rental	DA, Planning, Evaluation	30-60% AMI	EP and/or 201H	Soils remediation	\$10.0
Ka'iminani aka Ane Keohokalole Affordable Housing	County of Hawaii	DLNR EO	CS	Y	200	200	Y		Kona	Rental	Pre-Planning			Water, Wastewater, Roadway	INA
Haihai Street Affordable Housing	County of Hawaii	State EO	CS	Y	118	118	Y		Hilo	Rental			Unk (zoned)	Subdivision roads, drainage, sewer	\$6.0
Ainako	TBD	County of Hawaii	C	Y	100	100			Hilo	Ownershi p	Planning	80-140% AMI	EA, CDUA, 201H	Road to Waiānuenue	INA
Not Expected to Produce Units in 5 Years															
Kamakoa Nui Phase 2 & 3	TBD/Multiple RFPs	OHCD	C	N	582	582	Y	Y	Waikoloa Village	Both	Planning	Up to 140%	None	TBD	INA
Village 9	HHFDC	HHFDC	S	Y	300	300	Y	Y	Kona	Rental	Pre-planning		201H	Water permit	INA

Appendix E: Database of Hawai'i County Projects Considered for Prioritization

			Evaluation Criteria												
			1	2	3	4	5	6							
Project Name	Developer	Landowner	Public Nexus (State, County)	# Addl units in 5 years*	# Affordable Units	# Total Units	Location Priority**	Catalytic Infra ***	Area/District	Tenure (Rental, Ownership)	Development Status	Target AMI	Discretionary Entitlement Needs	Infrastructure Need	Infrastructure Need Cost Estimate (\$M)
Ainaola Drive Affordable Housing	County of Hawaii	State EO	CS	N	290	290			Hilo	Rental			Zoning (now Ag)	Grading, Water	INA
Adult Student Housing, Inc.	TBD	UH Hilo	S	N	TBD	TBD	Y		Hilo	Rental	Ground lease expiring				
34 Rainbow Drive (Old Hilo Mem. Hospital)	TBD/RFP	State EO	CS	N	TBD	TBD	Y		Hilo	Rental	Site planing; public hearing held Sep 2023	TBD			
NOT CONSIDERED B/C UNDER CONSTRUCTION OR INFRASTRUCTURE ADDRESSED															
Hale Na Koa O Hanakahi	HKI Kāwili LLC, EAH	State	S	Y	92	92			Hilo	Rental	Under Construction	30-80% AMI	None		
Kaloko Heights	HIDC	HICDC	N	Y	99	499	Y		Kona	Rental	Under Construction	30-60% AMI	None	Roads, Wastewater, Water (underway)	INA
Na Hale Mākoa	Pacific Housing Assistance Corp./OHCD	County of Hawaii	C	Y	139	140	Y		Waikoloa Village	Rental	Groundbreak Jan 2024	Up to 140%	None	None	
Ookala	County of Hawaii	County of Hawaii	C	Y	30	30	N		Hāmākua	Ownersh ip	Engineering, Design			Onsite roads & waterlines	INA
Papaaloa Elderly Housing	Papaaloa Elderly Housing Ltd. Partnership, HICDC	County of Hawaii	C	Y	21	21			Hāmākua	Rental	None	Up to 60% AMI	None	Roadway	INA
Hale Ola O Mohouli (Mohouli Senior Phase 3)	HICDC	County of Hawaii	C	Unk	90	90			Hilo	Rental	Feasibility Review	Up to 60% AMI	None	None	

Footnotes:


* Potential for home completions within 5 years (12/2028) assuming infrastructure or other support provided.

** TOD/infill area and/or in West Maui but outside of burn zone.

***Project or its infrastructure expected to directly benefit other housing or priority public projects in region.

****Plans represent "lots" vs. homes; excludes proposals for agricultural or subsistence lots, as well as proposed acquisition and conversion of existing residential stock.

Key:


 Projects Recommended for Support by Working Group

Abbreviations:

AMI: Area median income; CDUA: Conservation District Use Application; CWRM: Commission on Water Resource Management; DA: Development agreement; EA: Environmental Assessment; EIS: Environmental Impact Statement; EO: Executive Order; EP: Emergency Proclamation; INA: Information not available; RFP: Request for proposal; ROM: Rough order of magnitude; SF: Single-family; TBD: To be determined; Unk: Unknown; RFP: Request for proposal

Appendix F
Database of City and County of
Honolulu Projects Considered for
Prioritization

Appendix F: Database of City and County of Honolulu Projects Considered for Prioritization

			Evaluation Criteria												
			1	2	3	4	5	6							
Project Name	Developer	Landowner	Public Nexus (State, County)	# Addl Units in 5 Years*	# Affordable Units	# Total Units	Location Priority**	Catalytic Infra ***	Area/District	Tenure (Rental, Ownership)	Development Status	Target AMI	Discretionary Entitlement Needs	Infrastructure Need	Infrastructure Need Cost Estimate (\$M)
CANDIDATE STATE & STATE/COUNTY PROJECTS															
Could Produce Units in 5 Years															
Kamehameha Homes	Highridge Costa	HPHA	S	Y	2,729	2,729	Y	Y	Iwilei/Kalihi/Kapālāma	Rental	DA, Planning/Design	30-80% AMI	Need NEPA EIS (over 2,500 units)		
Pu'uwai Momi	Highridge Costa	HPHA	S	Y	2,217	2,217	Y		'Aiea	Rental	DA, Planning/Design	Up to 80% AMI			
Mayor Wright Housing	Highridge Costa	HPHA	S	Y	2,086	2,086	Y	Y	Iwilei/Kalihi/Kapālāma	Rental	DA, Planning/Design	30-120% AMI; market		Drainage, Electrical, Roadway, Sewer, Walkway, Water	\$72.2
Ka'ahumanu Homes	Highridge Costa	HPHA	S	Y	1,398	1,398	Y	Y	Iwilei/Kalihi/Kapālāma	Rental	DA	80% AMI			
School Street Redevelopment	TBD	HPHA	S	Y	800	800	Y		Iwilei/Kalihi/Kapālāma	Rental	Planning/Design	Up to 50% AMI			
Hale Laulima	Highridge Costa	HPHA	S	Y	664	664	Y		Pearl City	Rental	DA, Planning/Design				
Liliha Civic Center (DAGS)	HHFDC/TBD	DAGS	S	Y	600	600	Y	Y	Iwilei/Kalihi/Kapālāma		Planning/Design		EIS	Bikeway, Drainage, Electrical, Roadway, Sewer, Walkway, Water	\$26.9
Kukui Gardens	EAH Housing	HHFDC	S	Y	598	598	Y	Y	Iwilei/Kalihi/Kapālāma					Drainage, Electrical, Sewer, Walkway, Water	\$44.3
820 Isenberg	Stanford Carr	DHHL****	S	Y	278	278	Y		Mō'ili'ili	Rental		Up to 100% AMI			
Kuhio Park Terrace Ph 2	TBD	HPHA	S	Y	250	250	Y		Iwilei/Kalihi/Kapālāma	Rental		50-60% AMI			
Varona Village	Savio/Hawaii Habitat Varona Village LLC	City and County of Honolulu	C	Y	93	93	Y		'Ewa Beach	Both					
UH West Oahu (homes)	TBD	University of Hawaii	S	Y			Y		Kapolei	Both	Planning				
Not Expected to Produce Units in 5 Years															
City Lands in Kapolei		City and County of Honolulu	C	N	1,125	1,125	Y		Kapolei	Rental					

Appendix F: Database of City and County of Honolulu Projects Considered for Prioritization

			Evaluation Criteria												
			1	2	3	4	5	6							
Project Name	Developer	Landowner	Public Nexus (State, County)	# Addl Units in 5 Years*	# Affordable Units	# Total Units	Location Priority**	Catalytic Infra ***	Area/District	Tenure (Rental, Ownership)	Development Status	Target AMI	Discretionary Entitlement Needs	Infrastructure Need	Infrastructure Need Cost Estimate (\$M)
Ala Moana Transit Hub		City and County of Honolulu	C	N	500	500	Y		Ala Moana	Rental					
Nānākuli Homes	HPHA	HPHA	S	N	464	464			Wai'anae	Rental			EA/SMA/201H		
Okada Trucking Waipahu		City and County of Honolulu	C	N	375	375	Y		Waipahu	Rental					
Pearlridge Transit Center		City and County of Honolulu	C	N	300	300	Y		Pearl City	Rental					
West Loch, Final Phase		City and County of Honolulu	C	N	280	280			'Ewa Beach	Rental					
'Ewa Villages Golf Course Surplus Lands		City and County of Honolulu	C	N	69	69			'Ewa Beach	Rental					
UH West O'ahu (dorms)	TBD	University of Hawaii	S	N			Y		Kapolei	Rental	Planning				
NOT CONSIDERED B/C UNDER CONSTRUCTION OR INFRASTRUCTURE ADDRESSED															
690 Pohukaina Commons, Tower 1	Highridge Costa	HHFDC	S	Y	431	431	Y		Kaka'ako	Rental	DA, Planning/ Design	Up to 120% AMI			
690 Pohukaina Commons, Tower 2	Highridge Costa	HHFDC	S	Y	194	194	Y		Kaka'ako	Rental	DA, Planning/ Design	Lower income			
Aloha Iā Halewiliikō ('Aiea Sugar Mill)	EAH Housing	City and County of Honolulu	C	Y	139	139			'Aiea	Rental	Under Construction	30-60% AMI		None	
Residences for Graduate Students (NOAA site)	Greystar Real Estate Partners	University of Hawaii	S	Y					Mānoa	Rental	Financed 9/2023				

Footnotes:

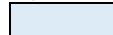
* Potential for home completions within 5 years (12/2028) assuming infrastructure or other support provided.

** TOD/infill area and/or in West Maui but outside of burn zone.

***Project or its infrastructure expected to directly benefit other housing or priority public projects in region.

****Plans represent "lots" vs. homes; excludes proposals for agricultural or subsistence lots, as well as proposed acquisition and conversion of existing residential stock.

Key:

 Projects Recommended for Support by Working Group

Abbreviations:

AMI: Area median income; DA: Development agreement; EA: Environmental Assessment; EIS: Environmental Impact Statement; INA: Information not available; NEPA: National Environmental Policy Act; ROM: Rough order of magnitude; SMA: Special Management Area; TBD: To be determined

Appendix G

The California YIMBY Movement

Appendix F: The California YIMBY Movement

What is YIMBY?

YIMBY (Yes In My Back Yard) is a pro-housing movement focused on increasing the supply of housing, particularly in cities where housing has become unaffordable for working class individuals and families.

How YIMBY Started

The YIMBY movement started as a pushback to NIMBY (Not In My Back Yard), which is generally defined as individuals or groups that oppose development in their own neighborhoods. Although YIMBY efforts have taken root in cities around the world, San Francisco, California and the larger Bay Area is widely viewed as the birthplace of the modern YIMBY movement.

California's stringent environmental review laws, combined with restrictive zoning codes and land use policies at the county and city levels have made it increasingly difficult, from both a time and cost perspective for developers to build housing. Furthermore, California's property tax system, which incentivizes local municipalities to zone for commercial development at the expense of residential uses, has exacerbated the State's housing shortage. The YIMBY movement has gained traction in response to this combination of a worsening housing shortage, increasing population, and rising housing costs.

Why YIMBY?

Despite the loss of approximately 500,000 residents between April 2020 and July 2022, California still faces a significant undersupply of housing. By 2025, forecasts estimate California will be short anywhere between 1 and 3.5 million housing units. For context, from 2010 to 2020, California's population increased by 2.2 million residents, or roughly 200,000 residents per year. During this time, California averaged about 80,000 new housing units per year, fueling an ever-widening gap between housing demand and housing supply. This has resulted in unaffordable rents and discourages homeownership for many families.

California Pro-Housing Legislation

Since the 1960s, but especially over the past decade, YIMBY advocates have worked with State legislators to effect new legislation. Pro-housing bills considered the most impactful are discussed below.

Passed in 1977, the [Permit Streamlining Act](#), sets time limits for California state, county, and city agencies to review and either approve or disapprove Development Projects. After receiving a completed permit application, government agencies must deem the application complete within 30 days or notify the applicant in writing of the application's deficiencies. Once deemed complete, the government agency must approve or disapprove the application within 60 days for applications that are found to be exempt from the California Environmental Quality Act (CEQA), as determined by the Lead Agency. Additional time limits apply for Development Projects, as defined in the act, that require CEQA review.

In 2016, [Senate Bill 1069 \(SB-1069\)](#) and [Assembly Bill 2299 \(AB-2299\)](#) legalized [Accessory Dwelling Units \(ADUs\)](#) up to 1,200 square feet or 50% of the existing residential area on single-family zoned lots, essentially doubling the housing capacity of every single-family zoned property in California. These laws also loosened passageway, setback, and parking requirements for ADUs, including eliminating parking requirements for ADUs within a half-mile of public transit or within historic districts. Alternatively, SB-1069 and AB-2299 allowed municipalities to create their own ADU ordinances so long as they were no more restrictive than the established State standards.

In 2017, [Senate Bill 229 \(SB-229\)](#) and [Assembly Bill 494 \(AB-494\)](#) further clarified the provisions of the State ADU laws.

In 2019, [Assembly Bill 68 \(AB-68\)](#) introduced Junior Accessory Dwelling Units (JADUs), which may be up to 500 square feet and attached to the primary residence on a single-family lot. AB-68 essentially allowed single-family lots to contain up to three housing units, provided that certain building code and life-safety requirements are met.

As context to a 2017 Senate Bill, California's Housing Element Act of 1969 requires all cities and counties to adequately plan for a certain number of housing units as part of the Housing Element of their General Plan, and to construct an identified number of low, middle, and market rate housing units within a specified time period. This number of housing units is referred to as a city or county's [Regional Housing Needs Allocation \(RHNA\)](#) and is updated every eight years by the California Department of Housing and Community Development. Consequences for non-compliance with RHNA can include vulnerability to legal challenges, loss of permitting authority and a mandated streamlined ministerial review process, and loss of State funding. Despite these seemingly costly ramifications, historically, most municipalities fail to meet their RHNA, which has furthered the State's housing crisis.

In response to the lack of RHNA compliance, in 2017, [Senate Bill 35 \(SB-35\)](#) was passed to require cities and counties to report their housing production by income level in their Annual Progress Reports (APRs). If a municipality is not meeting its projected RHNA at the halfway point of each eight-year cycle, certain housing developments may use a streamlined approval process over the next half-cycle.

The Housing Accountability Act (HAA), originally passed in 1982 in response to a growing lack of housing, was strengthened by amendments in 2016 and 2017 by [Senate Bill 167 \(SB-167\)](#). Among other mandates, HAA requires local agencies to approve housing applications that meet objective general plan and zoning standards, and the objective requirements of CEQA and the California Coastal Act (CAA). Applications must be approved within 90 days for projects that include State funding or affordable housing; otherwise, applications must be approved within 180 days. Denial of said applications must include written findings that:

1. the proposed project would have a specific, adverse impact upon the public health or safety unless the project is disapproved or approved upon the condition that the project be developed at a lower density; and

2. there is no feasible method to satisfactorily mitigate or avoid the identified adverse impacts other than denying or conditionally approving the project at a lower density.

Passed in 2021, [Senate Bill 9 \(SB-9\)](#) allows duplexes to be built on single-family lots, thereby allowing multifamily units in single-family zoned areas. SB-9 also allows single-family lots to be divided into two lots, each with a duplex, essentially allowing four units to be built on each single-family lot.

Also passed in 2021, [Senate Bill 10 \(SB-10\)](#) allows local municipalities to adopt ordinances permitting up to 10 units per parcel in Transit-Rich Areas or Urban Infill Sites.

In 2023, [Assembly Bill 1033 \(AB-1033\)](#) was passed with the goal of increasing homeownership. AB-1033 allows property owners to sell ADUs on their property as a separate, condominium unit. Previously, ADUs were only allowed to be rented. The main house and the ADU would then have separate property tax assessments, and each property would be required to form a homeowners association to assess costs for maintenance of shared spaces between the home and the ADU.

Failed California Pro-Housing Legislation

Known for their drastic overhaul of local land use control, Senate Bills [827 \(SB-827\)](#) and [50 \(SB-50\)](#) are the two most famous bills that recently failed to pass.

Introduced in 2018, SB-827 would have superseded local zoning and allowed residential buildings with increased height and density in “Transit Rich” (roughly equivalent to Hawai‘i’s concept of Transit Oriented Development [TOD]) areas. The Bill also proposed to eliminate parking and design requirements for projects in Transit Rich areas. The Bill failed in the Senate Housing and Transportation Committee.

As a successor to SB-827, SB-50 was introduced in 2019 and again in 2020 in a revised version. SB-50 proposed to preempt local government control of land use and zoning in Transit Rich and Job Rich areas. The Bill also would have allowed fourplexes to be approved ministerially on vacant land and for conversions of existing structures that increase residential floor area by less than 15%. SB-50 failed on the Senate floor.

Challenges Remain

Despite the growing YIMBY movement and recent pro-housing legislation in California, challenges to creating more housing remain.

As part of their Police Powers codified under [Village of Euclid v. Ambler Realty Co., 272 U.S. 365 \(1926\)](#), and [Article XI, Section 7 of the California Constitution](#), local governments retain the ability to apply discretionary review for most housing applications. Most cities, especially larger cities like San Francisco, San Diego, and Los Angeles, strongly prefer to retain authority over local land use and zoning and are reluctant to cede these powers to the State. City Councils/Commissions often make formal motions opposing State legislation during State legislative sessions. cities also rely on professional lobbyists to sway State politicians behind the scenes and in the media. In short, cities are very active in attempting to influence pending State legislation.

For discretionary actions, government agencies must satisfy the requirements of CEQA before approving any application. CEQA is a State-mandated process separate from local review that, depending on the level of CEQA review, allows any member of the public to comment on a CEQA document and potentially bring legal challenge in court, which can add years of delays and legal costs. So even if it can be approved at a local level, CEQA is often used by opponents to stop, delay, or significantly alter a proposed project.

Despite the intent of the Permit Streamlining Act, in practice, government agencies largely retain the ability to “start and stop the clock” at their discretion. Additionally, many discretionary entitlements require review or approval by a board or council at a legally notified public meeting. These review or approval bodies may not meet regularly and may not always have a quorum, which can further delay project approval.

Many wealthy cities in California ignore or legally challenge their RHNA. Often, these cities are also home to the largest housing shortages and highest housing costs in the State. But armed with a wealthy tax base and politically-connected residents, these cities have historically been able to successfully skirt by RHNA and other State mandates, or fund years-long court battles against the State while continuing to operate as usual.

Recommendations for Hawaii

As Hawaii looks to adopt pro-housing legislation, the successes and shortcomings of California’s recent efforts should be considered. Recommendations include:

- Accurate data collection should be used to inform new legislation. Updated data should be collected to inform legislative updates as conditions change. Data should be readily accessible to and easily digestible by the public.
- Legislation should strike a balance between consistency across counties and giving counties leeway to apply/enforce legislation as they see fit for their unique circumstances.
- Strong and ongoing coordination must occur between state and county legislators and agencies to ensure counties are consistently and actively enforcing state legislation.
- Eliminate or reduce inconsistencies between state and county land use ordinances, statutes, and rules. Provide opportunities for streamlined/concurrent review by state and county agencies.
- Wherever possible, reduce opportunities for government agency discretionary review. Instead, increase the provision of clear and objective standards that can be applied ministerially.
- Where discretionary review is necessary, provide clear and strict limits on review times.
- Streamline the review/approval process for boards and councils at state and county levels.