#### SUMMARY OF PROPOSED COMMITTEE DRAFT:

# Resolution 24-65 RESOLUTION EXPRESSING THE HONOLULU CITY COUNCIL'S STRONG CONCERNS RELATING TO HOUSE BILL 1630, H.D. 1, AND SENATE BILL 3202, S.D. 2, RELATING TO URBAN DEVELOPMENT.

## PROPOSED CD1 makes the following amendments:

- A. Amends the seventh "WHEREAS" clause to read as follows:
  - "WHEREAS, allowing the subdivision of smaller zoning lots, even if requiring the resulting lots to be 2,000 square feet in size or greater as proposed in the State bills, may lead to a complex patchwork of small zoning lots within close proximity to each other;" and
- B. Makes miscellaneous technical and non-substantive amendments.

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PROPOSED

### RESOLUTION

RESOLUTION EXPRESSING THE HONOLULU CITY COUNCIL'S STRONG CONCERNS RELATING TO HOUSE BILL 1630, H.D. 1, AND SENATE BILL 3202, S.D. 2, RELATING TO URBAN DEVELOPMENT.

WHEREAS, currently pending before the Hawai'i State Legislature are House Bill 1630, H.D. 1 ("HB 1630"), and Senate Bill 3202, SD2 ("SB 3202") (hereinafter together "the State bills"), which both relate to "urban development"; and

WHEREAS, the bills are intended to increase the availability of residentially zoned property for the provision of additional residential housing by requiring the counties to allow, subject to certain exceptions, additional accessory dwelling units on residentially zoned properties and to allow further subdivision of such properties; and

WHEREAS, the Hawai'i State Legislature has, through its enactment of Section 46-4, Hawaii Revised Statutes ("HRS"), originally enacted in 1957, delegated to the counties, and in particular to the county councils, the authority to enact zoning ordinances "within the framework of a long-range comprehensive general plan . . . to guide the overall future development of the county," and in the City and County of Honolulu ("City") the policies and objectives of the City's General Plan are implemented through the City's Development Plans and Sustainable Communities Plans; and

WHEREAS, the development of the City's plans go through a process involving extensive input from the affected communities as well as from federal, State, and local officials: and

WHEREAS, pursuant to HRS Section 46-4, the counties have enacted their various zoning codes establishing areas in which various uses (including residential uses) are permitted, as well as establishing development standards for buildings and other structures within the various use districts; and

WHEREAS, in the City and County of Honolulu, there are a number of residential use districts, denominated as the R-20, R-10, R-7.5, R-5, and R-3.5 zoning districts, with minimum lot sizes in each district being, respectively, 20,000 square feet, 10,000 square feet, 7,500 square feet, 5,000 square feet, and 3,500 square feet; and

WHEREAS, allowing the subdivision of smaller zoning lots, even if requiring the resulting lots to be 2,000 square feet in size or greater as proposed in the State bills, may lead to a complex patchwork of small zoning lots within close proximity to each other; and

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## **RESOLUTION**

WHEREAS, the City Council ("Council") acknowledges the shortage of affordable housing on O'ahu and has enacted significant measures in recent years to encourage the development of affordable housing for its residents, including: (1) relaxing development standards in apartment and apartment mixed-use zoning districts (Chapter 32, Articles 1 – 3, Revised Ordinances of Honolulu ("ROH")); (2) providing incentives for the development of accessory dwelling units ("ADUs") on residentially zoned parcels (Ordinances 20-20 and 22-13); and (3) providing funding for the development of affordable housing (ROH Chapter 32, Article 4); and

WHEREAS, in Ordinances 20-30 and 22-7, the Council has amended its zoning code, known as the "Land Use Ordinance" or "LUO," to address on-line advertising of bed and breakfast homes and transient vacation units and has also taken other steps to better enforce the City's long-standing prohibition against these uses in residential zoning districts (except for "nonconforming" uses that were legally established in the 1980s and have been in continuous operation since), in order to encourage owners to rent their housing units and rooms within their homes on a long-term basis to local residents, rather than to short-term visitors; and

WHEREAS, due to the density of development within the City, the Council has had to balance the need to increase the availability of land for the development of affordable housing with the desire of existing residents to maintain the quiet enjoyment of their residential neighborhoods and of homeowners to protect the significant investment in their homes; and

WHEREAS, the proliferation of "monster homes" in residential neighborhoods on O'ahu has galvanized strong opposition from the owners and renters of nearby homes due to the negative effects these homes have on the character of their neighborhoods and on the availability of on-street parking, and their heavy impact on public sewer, water, and other infrastructure; and

WHEREAS, although well-meaning, the State bills would mandate increased density in residential neighborhoods and amendments to the City's zoning and subdivision ordinances without ensuring their consistency with the City's General Plan, Development Plans, and Sustainable Communities Plans, thus evading (or reversing) the planning process envisioned by HRS Section 46-4; and

WHEREAS, depending on the size of the applicable zoning lot, combined with the ability to subdivide existing zoning lots into 2,000 square-foot lots, mandating that at least three dwelling units be permitted on each zoning lot may result in:

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- 10 zoning lots with 30 dwelling units on a zoning lot that is currently 20,000 square feet in size (R-20),
- 5 zoning lots with 15 dwelling units on a zoning lot that is currently 10,000 square feet in size (R-10),
- 3 zoning lots with 9 dwelling units on a zoning lot that is currently 7,500 square feet in size (R-7.5), or
- 2 zoning lots with 6 dwelling units on a zoning lot that is currently 5,000 square feet in size,

which would exacerbate existing "monster home" concerns that O'ahu residents have strongly expressed and arguably convert existing residential zoning districts into districts that look more like apartment zoning districts; and

WHEREAS, although the State bills may be appropriate for the Neighbor Island Counties where zoning lots tend to be larger than those in Honolulu, they are not appropriate in Honolulu, where the majority of recently developed zoning lots are either R-3.5 or R-5 zoning lots, with minimum lot sizes of 3,500 square feet or 5,000 square feet, respectively; and

WHEREAS, although the Council acknowledges the critical shortage of affordable housing both in Hawai'i and on O'ahu, the Council believes that solutions to the problem need to evolve through the planning process, with ample opportunity for community engagement and input; and

WHEREAS, the Development Plan for the Primary Urban Center, the geographic planning area between Kāhala and Pearl City, is expected to be coming before the Council within the coming months; and

WHEREAS, the Council believes that the significant above-referenced measures that it has put in place over the past three years to increase the supply of housing and, in particular, affordable housing, should be given an opportunity to work before the City is mandated to allow potentially severe or deleterious increases in urban density; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that, for the foregoing reasons, it hereby expresses its strong concerns relating to the enactment of House Bill 1630, H.D. 1 and Senate Bill 3202, S.D. 2 ("the State bills"), in their current forms; and

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BE IT FURTHER RESOLVED that the Council is willing to consider the various provisions expressed in the State bills, but within the framework of the City's General Plan, Development Plans, and Sustainable Communities Plans, and with input from the City's Department of Planning and Permitting, the City's Planning Commission, the State of Hawai'i, housing experts, and the residents and businesses of the City; and

BE IT FURTHER RESOLVED that, if the Legislature does enact either of the State bills, it is respectfully requested to amend the final draft to exempt the City and County of Honolulu or counties with a population of 500,000 or more from the bill's applicability; and

## RESOLUTION

BE IT FINALLY RESOLVED that copies of this resolution be transmitted to the Honorable Scott K. Saiki, Speaker of the House of Representatives; the Honorable Ronald D. Kochi, President of the Senate; the Honorable Stanley Chang, Chair of the Senate Committee on Housing; the Honorable Donovan Dela Cruz, Chair of the Senate Committee on Ways and Means; the Honorable Luke Evslin, the Chair of the House Committee on Housing; the Honorable Linda Ichiyama, Chair of the House Committee on Water & Land; and the Honorable David A. Tarnas, Chair of the House Committee on Judiciary and Hawaiian Affairs.

	INTRODUCED BY:
	Tommy Waters
	Esther Kiaʻāina
DATE OF INTRODUCTION:	
	-
March 15, 2024	
Honolulu, Hawaiʻi	Councilmembers

#### Report Title:

Accessory Dwelling Units; Subdivision; Land Use; Affordable Housing; State Legislative Bills; Impact Fees

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