REPORT OF THE COMMITTEE ON ZONING & PLANNING

Voting Members:
Esther Kia'āina, Chair; Tommy Waters, Vice-Chair;
Radiant Cordero, Val A. Okimoto, Andria Tupola

Committee Meeting Held
July 28, 2025

Honorable Tommy Waters
Chair, City Council
City and County of Honolulu

Mr. Chair:

Your Committee on Zoning & Planning, to which was referred Bill 37 (2025) entitled:

"A BILL FOR AN ORDINANCE AMENDING PORTIONS OF THE STATE LAND USE DISTRICT BOUNDARY MAP (HALE'IWA QUADRANGLE) FROM AGRICULTURAL DISTRICT TO THE URBAN DISTRICT FOR CERTAIN LANDS SITUATED IN THE HALE'IWA SPECIAL DISTRICT,"

which passed Second Reading and was the subject of a public hearing held at the Council meeting on July 9, 2025, reports as follows:

The purpose of Bill 37 (2025) is to amend a portion of the State Land Use District Boundary Map (Hale'iwa Quadrangle), by reclassifying an approximately 7.292-acre portion (the "Petition Area") of an approximately 7.525-acre zoning lot owned by Basin Project Inc., located within the Hale'iwa Special District and identified as Tax Map Key 6-2-005:002 (the "Hale'iwa Property"), from the State Land Use Agricultural District to the State Land Use Urban District, at the request of Hale'iwa Backyards LLC (the "Applicant"). The remaining 0.233 portion of the Hale'iwa Property is already classified as within the State Land Use Urban District, and consists of a portion of Opaeula Road.

This State Land Use District boundary amendment ("SLUDBA") would allow for a rezone of the Hale'iwa Property from the AG-1 Restricted Agricultural District to the B-1 Neighborhood Business District and A-1 Low-Density Apartment District. Opaeula Road is currently zoned P-2 General Preservation District, and while excluded from the Petition Area, it will be included in the zone change application. This rezoning of the Hale'iwa

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Property would allow the Applicant to pursue the proposed development of approximately 150 to 156 low-rise apartment dwelling units, approximately 30,000 square feet of commercial space, parking, and a wastewater management system.

SLUDBAs do not approve any projects that are not already entitled for development. A common SLUDBA is to reclassify an area from the State Land Use Agricultural District to the State Land Use Urban District, to allow for more intense development of the site, but this would require a rezone of the site from an agricultural zoning district to a more intensive zoning district.

When a zone change application is submitted to the Department of Planning and Permitting ("DPP"), specific details regarding the proposed project are disclosed, and the zone change ordinance is accompanied by a unilateral agreement that includes conditions of approval intended to mitigate adverse impacts of that specific project.

At the zone change approval stage, there will also be more opportunity for community engagement on the specific project that is being proposed, including neighborhood board presentations and community outreach prior to the submittal of the zone change application; processing by the DPP that includes sending requests for comment to public agencies, community organizations, adjoining property owners, and other interested parties; processing by the Planning Commission that includes a public hearing; and three readings before the Council that includes a public hearing on second reading.

The vision of the 2011 North Shore Sustainable Communities Plan ("North Shore SCP") is to "maintain the rural character, agricultural lands, open space, natural environment, recreational resources, and scenic beauty of Oahu's northern coast, in contrast to more urbanized areas of O'ahu such as the Primary Urban Center, East Honolulu, Central O'ahu, and 'Ewa. In line with the General Plan's policies to preserve the open space and country atmosphere of the rural areas, the North Shore Sustainable Communities Plan limits growth to "infill" areas within or adjacent to built-up areas to

accommodate existing and future housing and employment needs, and strives to maintain the region's population at 1.7 percent of the island-wide population for the year 2025." The North Shore SCP identifies the Petition Area as entirely within the Community Growth Boundary, designates the Petition Area as Country Town, and identifies the Petition Area for infill development.

The Hale'iwa Property is located within the Hale'iwa Special District, which is intended to maintain the largely rural character of the area. Any project proposed for development on the Hale'iwa Property must obtain a Special District Major Permit, which is processed by the DPP, and involves review for compliance with the Hale'iwa Special District design guidelines and requirements.

Your Committee finds that § 205-3.1, Hawaii Revised Statutes ("HRS"), allows the county land use decision-making authority to determine district boundary amendments involving land areas of 15 acres or less, so long as the land is not located in the State Land Use Conservation District, and is not designated as important agricultural lands. HRS § 205-3.1 further provides that the State Land Use Commission processes boundary amendments involving land areas greater than 15 acres, land areas in the State Land Use Conservation District, and land areas delineated as important agricultural lands.

Your Committee finds that the Planning Commission, after a public hearing held on January 22, 2025, at which one person testified and four written testimonies were received, voted to accept the recommendation and conditions of the Department of Planning and Permitting ("DPP") in the attachment to Departmental Communication 242 (2025), with certain amendments relating to wastewater reuse measures and community engagement.

Your Committee notes that Bill 37 (2025) was discussed and public testimony was received at three prior Committee meetings – at the regular meeting held on May 29, 2025, at a special meeting held the evening of June 17, 2025, and at a regular meeting held on June 26, 2025.

Your Committee finds that at a public hearing on this Bill held by the City Council on July 9, 2025, public testimony was received in support of, in opposition to, and comments were provided on the proposed SLUDBA.

In Committee Report No. 243 (2025), which the Council adopted at its meeting on July 9, 2025, your Committee set forth background information relating to this Bill.

At your Committee's meeting on July 28, 2025, the Applicant's Agent provided a brief presentation of the State Land Use District reclassification of the Petition Area.

The DPP Director testified in support of the CD1 version of the Bill, and responded to questions from Councilmembers.

Five members of the Hawai'i Regional Council of Carpenters testified in support of the Bill. North Shore Outdoor Circle and 10 individuals testified in opposition to the Bill. Konohiki Group, CARES, and five individuals offered comments on the Bill.

Your Committee received written testimony in support of the Bill from Operating Engineers Local 3, Hawai'i Regional Council of Carpenters, CARES, and two individuals. Written testimony in opposition to the Bill was received from Sunset Beach Community Association, North Shore Neighborhood Board #27, Defend Oahu Coalition, North Shore Chamber of Commerce, Ko'olauloa Hawaiian Civic Club, and 240 individuals. Five individuals submitted comments on the Bill.

Under § 23-1.6, Revised Ordinances of Honolulu 2021 ("ROH"), all petitions for State Land Use District boundary amendments must be reviewed from the perspective of:

A. Contribution to the general welfare and prosperity of the people of the county;

B. Whether a public issue, need, or problem presently exists to serve as a basis for the proposed State Land Use District boundary amendment; and

C. Consistency with the Hawai'i State plan and the county general plan.

Your Committee finds, pursuant to ROH § 23-1.6, that the boundary amendment for the Petition Area:

1. Will contribute to the general welfare and prosperity of O'ahu residents by allowing for the development of much needed low- to moderate-income housing in the Hale'iwa Special District, particularly for O'ahu residents who work in the nearby retail and commercial areas of Hale'iwa;

2. Will help address the City's housing crisis by allowing for the development of decent, reasonably-priced housing with access to schools, services, amenities, and job opportunities; and

3. Is consistent with the Hawai'i State Plan, O'ahu General Plan, North Shore Sustainable Communities Plan, and the purpose and intent of the State Land Use Urban District.

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Your Committee on Zoning & Planning is in accord with the intent and purpose of Bill 37 (2025), CD1, and recommends that it pass Third Reading. (Ayes: Cordero, Kia'āina, Okimoto, Tupola, Waters – 5; Noes: None.)

Respectfully submitted,

Committee Chair

At the August 6, 2025 Council meeting, CR-258 and Bill 37 (2025), CD1 were recommitted to the Committee on Zoning & Planning.

Committee Report No. 258(25) not adopted and superseded by new Committee Report No. 187(26).