

BILL038(26)
Testimony

MISC. COMM. 382

COUNCIL

COUNCIL Meeting

Meeting Date: Sep 9, 2026 @ 10:00 AM

Support: 0

Oppose: 0

I wish to comment: 1

Name: Tracy Tonaki	Email: ttonaki@drhorton.com	Zip: 96813
Representing: D.R. Horton Hawaii	Position: I wish to comment	Submitted: Sep 8, 2026 @ 02:19 PM



September 8, 2026

The Honorable Tommy Waters, Chair
The Honorable Andria Tupola, Vice Chair
Members of the Honolulu City Council
City and County of Honolulu
Honolulu, Hawaii 96813-3077

RE: **Bill 38 (2026), RELATING TO THE TRANSIT-ORIENTED DEVELOPMENT SPECIAL DISTRICT (East Kapolei)**
Meeting: September 9, 2026 @ 10:00 a.m.

Dear Chair Waters,

Mahalo for the opportunity to provide **COMMENTS** on Bill 38, which would expand the Transit-Oriented Development ("TOD") Special District to include the Skyline station areas within the East Kapolei Neighborhood TOD Plan and establish applicable development standards and guidelines.

We appreciate the extensive stakeholder engagement conducted by the Department of Planning and Permitting ("DPP") throughout this process and would like to commend the TOD Division for their thoughtful leadership, collaboration, and commitment to advancing the City's transit-oriented development objectives.

D.R. Horton Hawaii is humbled and proud to be one of Hawaii's largest homebuilders, serving Hawaii's families for more than 53 years. We specialize in providing affordable and workforce housing opportunities across Oahu and have long supported both the City's investment in Skyline and its vision for creating vibrant transit-oriented communities along the rail corridor.

As a major landowner and homebuilder within the proposed East Kapolei TOD Special District ("EKTOD"), D.R. Horton Hawaii began planning Ho'opili, our master-planned community located within and around the Honouliuli (Ho'opili) and Keone'ae (UH West O'ahu) station areas, well before construction of Skyline began. Today, nearly 3,600 families call Ho'opili home, many of whom are already benefiting from the transportation options and lifestyle opportunities created by Skyline.

We respectfully offer the following comments for consideration in the interest of managing infrastructure costs and supporting continued housing production:

- 1.) Identify an apparent inconsistency between Chapters 22 and 21 of the Revised Ordinances of Honolulu ("ROH");
- 2.) Explain how that inconsistency could unintentionally increase infrastructure and housing costs, potentially stalling housing production within the EKTOD; and
- 3.) Recommend a clarifying amendment to maintain consistency with existing subdivision requirements while preserving DPP's policy objectives.

1.) Apparent inconsistency between Chapters 22 and 21:

Currently, there appears to be an inconsistency between Chapter 22 and Chapter 21 of the Revised Ordinances of Honolulu ("ROH") as they relate to utility undergrounding requirements for greenfield development within the proposed EKTOD.

a. ROH Chapter 22 - Subdivision of Land

ROH Chapter 22 establishes the standards governing the development of new subdivisions, including affordable and workforce housing communities such as those being developed within the EKTOD. Chapter 22, Article 5, Utility Lines, specifically Sections 22-5.1 and 22-5.2, provide:

Section 22-5.1 Installation of Utility Lines (in part):

"Notwithstanding any ordinance or regulation to the contrary, utility lines... shall be installed underground in all subdivisions..."

Section 22-5.2 Exception:

"(3) Electric distribution or transmission systems in excess of 15kV."

Accordingly, Chapter 22 requires utility lines of 15kV or less to be installed underground, expressly exempting electric distribution and transmission systems exceeding 15kV.

b. ROH Chapter 21 - Land Use Ordinance

Bill 38 proposes to apply the following provision within the East Kapolei TOD Special District:

Section 21-9.20-4 Utility Lines (in part):

"Notwithstanding any ordinance or regulation to the contrary, utility companies shall place their utility lines underground within any special district."

Based on our discussions with DPP, we understand this provision was originally adopted for special districts where redevelopment and infill development predominate. The provision does not distinguish between nor exempt electrical distribution and transmission system by kV. Thus, DPP has interpreted this provision to require all electrical distribution and transmission systems 15kV or less as well as those exceeding 15kV to be undergrounded in any special district

As currently drafted, Chapter 21 requires undergrounding of all utility lines within the EKTOD, including electric distribution and transmission systems exceeding 15kV, despite Chapter 22's longstanding exemption for those facilities within new subdivisions.

Furthermore, while Section 21-9.20-4 assigns responsibility to utility companies for placing lines underground, we are aware of regulatory processes that could result in costs associated with undergrounding of high voltage facilities to be ultimately allocated to development projects under certain circumstances.

As a result, the interaction of these provisions creates uncertainty regarding the applicable electrical infrastructure requirements for future housing development within the EKTOD.

2.) Potential Impact on Housing Production:

The City has made increasing affordable and workforce housing production a priority, particularly in areas served by Skyline and planned for transit-oriented growth.

Electrical transmission and sub-transmission facilities exceeding 15kV serve broad regional infrastructure needs and are substantially more expensive to underground than distribution systems 15kV and lower. We believe this cost differential is one of the reasons Chapter 22 has historically exempted such facilities from mandatory undergrounding requirements for greenfield subdivision development.

If the proposed TOD regulations are interpreted to require undergrounding of electrical facilities exceeding 15kV, the resulting substantial increase in costs would ultimately impact the viability of future affordable and workforce housing projects. In a market already challenged by rising infrastructure costs and capital financing risk, introducing additional uncertainty regarding utility undergrounding requirements would certainly create a substantial barrier to and potentially stall the delivery of much-needed housing.

Importantly, we do not believe this outcome was intended by DPP nor do we believe Bill 38 was intended to alter the longstanding utility standards that have governed large-scale subdivision development under Chapter 22.

Rather, we believe the issue is an unintended policy inconsistency that can be addressed through a simple clarifying amendment.

3.) Proposed Clarifying Amendment:

To maintain consistency between Chapters 22 and 21 while preserving the broader objectives of the East Kapolei TOD Special District, we respectfully recommend the following added amendment:

Sec. 21-9.100-8 General Requirements and Development Standards.

(f) Utility lines.

Electric distribution and transmission systems in excess of 15kV shall be exempted from the requirements of Sec. 21-9.20-4 in the TOD station areas corresponding to Exhibit 21-9.25.

This amendment would clarify that the existing Chapter 22 standards applicable to greenfield subdivision development remain intact while continuing to advance the City's TOD vision and housing objectives. We have also shared this proposed amendment with DPP.

D.R. Horton Hawaii strongly supports the City's efforts to promote transit-oriented development and maximize the public investment in Skyline. We believe Bill 38 represents an important step toward achieving those objectives within East Kapolei.

We respectfully request the Council's consideration of this clarifying amendment to ensure consistency between existing City ordinances, avoid unintended infrastructure costs, and support the continued production of affordable and workforce housing within the East Kapolei TOD Special District. The Department of Planning & Permitting had a meeting scheduled with D.R. Horton Hawaii regarding the proposed amendments to Bill 38. Unfortunately, due to the storm, the meeting had to be postponed. We are hoping to reschedule the meeting as soon as possible.

Mahalo for the opportunity to provide comments. We appreciate your time and consideration. Please feel free to contact me at ttonaki@drhorton.com or 808-782-4109 should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tracy' followed by a stylized surname.

Tracy Tonaki
President
D.R. Horton Hawaii