

Honolulu, Hawaii

APR 10 2015

RE: H.B. No. 142
H.D. 1
S.D. 2

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 142, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING ON HAWAIIAN HOME LANDS,"

begs leave to report as follows:

The purpose and intent of this measure is to promote the development of affordable housing by the Department of Hawaiian Home Lands.

More specifically, the measure:

- (1) Requires each county to recognize housing units developed by the Department of Hawaiian Home Lands for purposes of issuing affordable housing credits;
- (2) Exempts from a one-credit for one-unit requirement, a housing unit that is eligible for additional credits as provided by adopted county ordinances, rules, or memoranda of agreement;
- (3) Requires that twenty-five percent of the revenue from any credits transferred by the Department of Hawaiian Home Lands be used by the Department to develop rental units;



- (4) Requires the Department of Hawaiian Home Lands to enter into a memorandum of agreement with each issuing county to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of affordable housing credits in accordance with county affordable housing ordinances or rules;
- (5) Requires that at least fifty percent of all affordable housing credits issued by each county to the Department of Hawaiian Home Lands be subject to a memorandum of agreement between the Department and the issuing county to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of affordable housing credits; and
- (6) Makes permanent:
 - (A) Act 141, Session Laws of Hawaii 2009, which provides that each county shall issue transferrable affordable housing credits to the Department of Hawaiian Home Lands; and
 - (B) Act 98, Session Laws of Hawaii 2012, which further specifies the conditions under which counties shall issue affordable housing credits to the Department of Hawaiian Home Lands.

Your Committee received written comments in support of this measure from the Department of Hawaiian Home Lands. Written comments in opposition were received from the Kauai County Housing Agency.

Your Committee finds that the county affordable housing credit provisions established by Act 141, Session Laws of Hawaii 2009, and Act 98, Session Laws of Hawaii 2012, have afforded the Department of Hawaiian Home Lands greater opportunities to develop homesteads and meet its mission to return native Hawaiians to the Department's trust lands. By making these provisions permanent, the Department will be able to continue forming public-private partnerships through the exchange of credits, thus creating resources without requiring additional state funds.



Your Committee further finds that the Department of Hawaiian Home Lands has executed a memorandum of agreement with the County of Kauai to establish the terms for the issuance of affordable housing credits and to specifically address that county's concerns related to home rule. The Department is also currently working on a memorandum of agreement with the City and County of Honolulu to achieve the same goal. Because each county applies its affordable housing credits in a manner that fits its particular needs, the Department requires flexibility in creating and executing memoranda of agreement between the Department and the counties for the issuance of credits.

Accordingly, your Committee has amended this measure by:

- (1) Limiting to only the City and County of Honolulu the requirement that at least fifty percent of all affordable housing credits received by the Department of Hawaiian Home Lands be subject to a memorandum of agreement to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of affordable housing credits; and
- (2) Permitting, rather than requiring, that the Department of Hawaiian Home Lands enter into a memorandum of agreement with each of the remaining issuing counties to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of affordable housing credits;

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 142, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 142, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

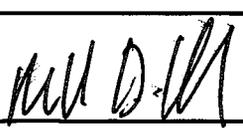


JILL N. TOKUDA, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB142 HDI SDI	HWN/PSM/HSB, WAM	4-7-15		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene		✓		
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam		✓		
TOTAL	0	2	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes