

STAND. COM. REP. NO.

1523

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 820  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 820, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to appropriate or authorize funds for programs of the Hawaii Housing Finance and Development Corporation (HHFDC) and Hawaii Public Housing Authority.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority and Hawaii Housing Finance and Development Corporation.

Prior to decision making on this measure, your Committee made available for public review a proposed S.D. 1, which amends this measure by deleting its contents and:

- (1) Inserting the contents of Senate Bill No. 362 (Regular Session of 2019), which prohibits any county law, ordinance, or rule from imposing an inclusionary zoning requirement on housing offered exclusively for sale in perpetuity to buyers who are residents of the State, are owner-occupants, and do not own any other real property; and



## (2) Inserting language that:

- (A) Establishes the ALOHA homes program and all of its rules and requirements, including the ALOHA homes revolving fund, to facilitate the development of low-cost homes for sale to Hawaii residents on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the HHFDC to qualified residents;
- (B) Exempts lands that are set aside by the Governor to HHFDC and lands leased to HHFDC by any department or agency of the State from the definition of "public lands" in chapter 171, Hawaii Revised Statutes, except for purposes of accounting for public land trust receipts;
- (C) Authorizes the HHFDC to sell the leasehold interest in residential condominium units located on state lands for lease terms of 99 years; and
- (D) Appropriates funds into and out of the ALOHA homes revolving fund.

Your Committee received testimony in support of the proposed S.D. 1 from the Hawaii Housing Finance and Development Corporation, Disability and Communication Access Board, Ulupono Initiative, Chamber of Commerce Hawaii, Iron Workers Stabilization Fund, Building Industry Association of Hawaii, LGBT Caucus of the Democratic Party of Hawaii, and one individual. Your Committee received testimony in opposition to the proposed S.D. 1 from the City and County of Honolulu Department of Planning and Permitting, Friends of Makakilo, IATSE Local 665, and five individuals. Your Committee received comments on the proposed S.D. 1 from the Department of the Attorney General, Department of Budget and Finance, and Department of Hawaiian Home Lands.

Your Committee finds that there is a severe lack of affordable housing, resulting in residents leaving Hawaii in hopes of better living conditions. Reports have shown that the State would need at least 65,000 new housing units to solve the shortage. However, there has been a lack of measureable progress



at the state and county level to enact policies that will stimulate housing production to meet this projected demand.

Your Committee further finds that there are significant barriers to the development of affordable housing in Hawaii, such as geographic limitations, lack of major infrastructure, and government regulation. Your Committee acknowledges that the State has been putting more emphasis on creating more affordable housing but despite these efforts, the amount of new and affordable housing, especially for low- to middle-income families, continues to be inadequate. The proposed S.D. 1 dramatically expands the production of housing units and provides an innovative means of providing more affordable housing to residents of the State.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting the requirement that urban redevelopment sites shall include all county-owned lands within a transit-oriented development area;
- (2) Amending the principles generally governing HHFDC's action in the urban redevelopment site;
- (3) Requiring, rather than authorizing, HHFDC to transfer ALOHA homes units to the Department of Hawaiian Home Lands and Office of Hawaiian Affairs; provided that HHFDC adopts rules to determine the number of units or percentage of units to be transferred;
- (4) Excluding lands set aside by the Governor to the Hawaii Public Housing Authority or lands to which the Hawaii Public Housing Authority in its corporate capacity holds title from the definition of "public lands" in chapter 171, Hawaii Revised Statutes;
- (5) Requiring prior legislative approval for the sale of lands to which the Hawaii Public Housing Authority holds title; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



Your Committee notes the concerns expressed by several testifiers that this measure would include bus stops as a public transit station, essentially allowing transit-oriented development to occur throughout the State. Your Committee finds that as currently drafted, this measure does not include bus stops in the definition of a "public transit station" as it is defined as a "station of the Honolulu rail transit system" and therefore your Committee believes that those concerns have been addressed.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 820, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 820, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Housing,

  
STANLEY CHANG, Chair



The Senate  
 Thirtieth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:* <b>HB 820, HDI</b>	Committee Referral: <b>HOU, WAM</b>	Date: <b>3/21/2019</b>
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The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312     
  Pass, with amendments 2311     
  Hold 2310     
  Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>

Recommendation:       Adopted       Not Adopted

Chair's or Designee's Signature: 

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