

STAND. COM. REP. NO.

210

Honolulu, Hawaii

FEB 12 2021

RE: S.B. No. 607
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 607
entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Remove the construction completion deadline for the
Leialii Affordable Housing project and Keawe Street
Apartments; and
- (2) Exempt the project from the historic preservation laws
pursuant to chapter 6E, Hawaii Revised Statutes, under
certain conditions.

Your Committee received testimony in support of this measure
from the Hawaii Housing Finance and Development Corporation, Kihei
Community Association, and the Office of the Mayor of Maui County.

Your Committee finds that there is a severe shortage of
affordable rental housing in the county of Maui, particularly in
the western part of the island. To remedy this problem, the
Legislature appropriated funds to expedite and complete the
Leialii Affordable Housing and the Keawe Street Apartments housing
projects, with the mandate that the projects be completed by 2022.
However, in 2020 the State Historic Preservation District from the



Department of Land and Natural Resources notified the Hawaii Housing Finance and Development Corporation that it would require a new archaeological inventory survey for the entire Leialii and Keawe Street projects. Despite discussions between the Hawaii Housing Finance and Development Corporation, the State Historical Preservation Division, and the Office of the Governor, no agreement could be reached, and a new archaeological survey must be performed. In light of this new requirement, your Committee finds the 2022 completion deadline imposed by the Legislature cannot be met. This measure will extend the deadline imposed by the Legislature and allow the housing projects to go forward to provide much-needed homes for Maui residents.

Your Committee has amended this measure by deleting the requirement that the Hawaii Housing Finance and Development Corporation give preference to residents of Lahaina when the project is completed as that would likely be a violation of the general public use requirement of Section 42 of the Internal Revenue Code, which the corporation is required to uphold.

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 S.B. No. 607, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 607, S.D. 1, and be referred to your Committee on Judiciary.

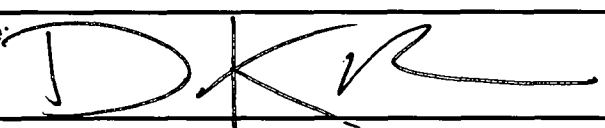
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 607	Committee Referral: HOU, JDC	Date: 2/2/21		
<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
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.		✓		
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
TOTAL	4	1	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes