

STAND. COM. REP. NO.

386

Honolulu, Hawaii

FEB 16 2023

RE: S.B. No. 1286

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Housing and Water and Land, to which was referred S.B. No. 1286 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY
DEVELOPMENT AUTHORITY,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Increase options to build affordable housing in Hawai'i Community Development Authority (HCDA) districts by increasing the permissible lease term to ninety-nine years; and
- (2) Prohibit HCDA from leasing lands that were classed as crown lands prior to August 15, 1895, for a term longer than sixty-five years.

Your Committees received testimony in support of this measure from the Department of Business, Economic Development, and Tourism and Hawai'i Community Development Authority. Your Committees received comments on this measure from the Office of Hawaiian Affairs.

Your Committees find that given the acute lack of affordable housing in the State, a multi-pronged approach is necessary to meet the current and future housing demands. Leasehold housing units tend to be more affordable than fee simple housing units, if



the land on which housing is developed is owned by the State and leased to a developer for housing development. Developing multi-family housing units on a lot lowers the cost of land for the development, which in turn will lower the sales price of the housing units. Because the cost of leasehold land is lower than fee simple land and paid over a longer period, it further reduces the land cost and makes the housing units even more affordable. Additionally, the State will continue to be the fee owner of the land. Thus, encouraging development of for-sale leasehold housing units is a viable strategy in meeting housing demand. Therefore, this measure authorizes HCDA to lease real property, except certain crown lands, for a term of ninety-nine years.

Your Committees note the testimony of the Office of Hawaiian Affairs maintaining that the Native Hawaiian people continue to assert their claim to crown and government lands; claims that have yet to be settled. Your Committees also note the Office of Hawaiian Affairs' request that the provision in the measure that prohibits HCDA from leasing real property classed as crown lands prior to August 15, 1895, also be applied to lands that were classed as government lands prior to August 15, 1895. Your Committees request the Committees on Ways and Means and Judiciary consider this issue should they hear this measure.

As affirmed by the records of votes of the members of your Committees on Housing and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1286 and recommend that it pass Second Reading and be referred to your Committees on Ways and Means and Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Housing and Water
and Land,


LORRAINE R. INOUE, Chair


STANLEY CHANG, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

**Record of Votes
 Committee on Housing
 HOU**

Bill / Resolution No.:* <i>SB 1286</i>	Committee Referral: <i>HOU/WTL, WAM/JDC</i>	Date: <i>02/09/2023</i>
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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)	✓			
AQUINO, Henry J.C.	✓			
RHOADS, Karl	✓			
AWA, Brenton			✓	
TOTAL	<i>4</i>		<i>1</i>	

Recommendation: Adopted Not Adopted

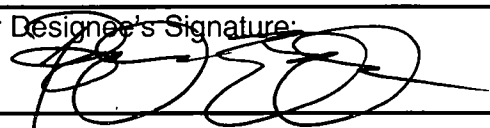
Chair's or Designee's Signature:

Distribution: Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes

The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1286	HOU/WTL, WAM/JDC	02/09/2023		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt			✓	
TOTAL	4	0	1	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
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