

STAND. COM. REP. NO. 702

Honolulu, Hawaii
Feb 16, 2007

RE: H.B. No. 1001
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Human Services & Housing, to which was referred H.B. No. 1001 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this bill is to encourage the development of affordable housing by:

- (1) Exempting any eligible rental project that is dedicated to remaining 100 percent affordable in perpetuity from the requirements of land use and environmental impact statement laws and regulations;
- (2) Requiring the Hawaii Housing Finance and Development Corporation (HHFDC) to lease public lands for \$1 for qualifying projects; and
- (3) Requiring projects on ceded lands to dedicate 20 percent of the units to native Hawaiians.

Your Committee received testimony on the bill as it was received, as well as a proposed draft.

Several concerned individuals testified in support of the bill as received. The Hawaii Housing Finance and Development Corporation supported the intent of the original bill. A member of the Honolulu City Council, two members of the Maui County

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Council, the Sierra Club - Hawaii Chapter, and Windward Ahupua'a Alliance (WAA) opposed the original bill. The City and County of Honolulu Department of Planning and Permitting (DPP), Land Use Research Foundation of Hawaii (LURF), and several concerned individuals provided comments.

The Office of Hawaiian Affairs, LURF, and Springer Development, Inc., supported the intent of the proposed draft. A member of the Maui County Council and a concerned individual opposed the proposed draft. The Department of Budget and Finance, DPP, WAA, and several concerned individuals commented on the proposed draft.

Your Committee took part in lengthy discussion on this very important measure that attempts to address some of the major concerns with regard to the development of affordable housing in Hawaii. Your Committee heard testimony that expressed concerns that the bill as introduced may have been overly broad in exempting requirements and worked with stakeholders to prepare the proposed draft subsequently heard by the committee.

The bill as amended is based on the proposed draft. Your Committee recognizes that this measure is a work in progress, and it looks forward to suggested improvements from the Committee on Finance. Your Committee notes that a defective effective date was placed on the measure to encourage further discussion and input from stakeholders and the combined wisdom of both houses of the Legislature.

Your Committee is dedicated to finding solutions to Hawaii's affordable housing and homeless crisis, and knows that there is no "one-stop-shop" solution. There must be a balance between providing affordable housing and protecting Hawaii's culture and environment. While the amended bill is a work in progress, your Committee feels that it is a good start toward helping Hawaii's people toward self-sufficiency.

Accordingly, your Committee has amended this bill by, among other things:

- (1) Requiring compliance with certain environmental and regulatory laws prior to application for the pilot project under this measure;



- (2) Establishing a pilot project for the counties to implement an expedited approval process for the development of affordable and workforce housing;
- (3) Requiring that counties with populations over 500,000 adopt an expedited process, and offering the option to adopt such a process to counties with populations less than 500,000;
- (4) Providing a mechanism for projects to be transferred from the counties to HHFDC if the project is not approved within certain time limitations;
- (5) Establishing provisions for the development of projects on public non-ceded lands;
- (6) Establishing requirements and incentives for the development of rental housing projects;
- (7) Establishing a County Infrastructure Capacity Construction Loan Revolving Fund (Revolving Fund) to fund county infrastructure for participating counties, upon a county's acceptance of dedication and allowance of a project to be developed under this measure;
- (8) Establishing a New Markets Tax Credit;
- (9) Appropriating funds for various purposes under this measure;
- (10) Requiring HHFDC to enter into a memorandum of understanding with the City and County of Honolulu relating to the enactment of this measure to be eligible for moneys from the Revolving Fund; and
- (11) Changing the effective date to July 1, 2066, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Human Services & Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1001, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1001, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Human Services &
Housing,



MAILE SHIMABUKURO, Chair



