

STAND. COM. REP. NO.

2866

Honolulu, Hawaii

FEB 14 2020

RE: S.B. No. 2946
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Housing and Water and Land, to which was referred S.B. No. 2946 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to take steps towards ending the housing crisis in Hawaii by establishing the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawaii Housing Finance and Development Corporation to qualified residents.

Your Committees received testimony in support of this measure from the Maui Chamber of Commerce; Faith Action for Community Equity; The Church of the Crossroads; Catholic Charities Hawaii; Homestead Community Development Corporation; Young Progressives Demanding Action; Building Industry Association Hawaii; Environmental Caucus of the Democratic Party of Hawai'i; Imua Alliance; and seven individuals. Your Committees received testimony in opposition to this measure from Ka Lāhui Hawai'i and six individuals. Your Committees received comments on this measure from the Office of the Attorney General; Department of Land and Natural Resources; Office of Hawaiian Affairs; Department of Budget and Finance; Hawaii Housing Finance and Development Corporation; Department of Planning and Permitting City and County



of Honolulu; Chamber of Commerce Hawaii; Hawaiian Community Assets, Inc.; and Hawai'i Community Lending, Inc.

Your Committees find that the cost and availability of housing in the State are significant challenges facing Hawaii residents. Because of the many barriers hindering the production of new housing, such as geographic limitations, lack of major infrastructure, construction costs, and government regulation, the State and housing developers have not been able to produce enough housing for Hawaii residents. The Legislature has responded through the passage of various measures and the governor has issued an emergency proclamation on the State's homelessness crisis. Despite these efforts, the amount of new construction of housing, especially for low- to middle-income families, continues to be inadequate as the supply of housing remains constrained while demand for housing increases.

Your Committees further find that with Honolulu's construction of an elevated rail transit system, the State has an opportunity to enhance Oahu's urban environment and increase the quality of life for residents by increasing the affordable housing inventory and eliminating the need for personal automobiles, among other public benefits. As the largest landowner of properties along the transit line, with approximately two thousand acres under the jurisdiction of various departments, the State must be proactive in establishing a unified vision and approach toward redevelopment of its properties to maximize the benefits of state lands available for redevelopment. This measure aims to end the housing shortage in Hawaii by:

- (1) Establishing the ALOHA homes program to facilitate the creation of low-cost leasehold homes for sale to Hawaii residents on state-owned land near public transit stations;
- (2) Authorizing the Hawaii Housing Finance and Development Corporation to sell the leasehold interest in residential condominium units located on state lands for lease terms of ninety-nine years; and
- (3) Developing an ALOHA homes demonstration project by July 1, 2025.



Your Committees notes the testimony of the Department of Land and Natural Resources, recommending that when the Hawaii Housing Finance and Development Corporation no longer needs land for the ALOHA homes program lands that were acquired from another state agency should be returned to the granting state agency. Additionally, your Committees note the testimony of the Office of Hawaiian Affairs, who testified that amendments be made to protect state-owned lands against inappropriate alienation and to reflect the interest of the beneficiaries of the Office of Hawaiian Affairs and the Department of Hawaiian Home Lands.

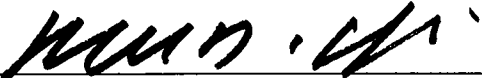
Accordingly, your Committees have amended this measure by:

- (1) Amending the provision to clarify that lands acquired by the Hawaii Housing Finance and Development Corporation from another government agency, should be returned to that agency, provided the lands are no longer needed for the ALOHA homes program;
- (2) Amending section 171-64.7(a)(4) to contain parallel language to the proposed amendments to section 171-2; and
- (3) Adding a provision that mandates the Hawaii Housing Finance and Development Corporation to transfer a certain number of ALOHA homes units with residential projects to the Department of Hawaiian Home Lands or the Office of Hawaiian Affairs, the number of which will be determined by rules established under chapter 91, Hawaii Revised Statutes.

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. 2946, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2946, S.D. 1, and be referred to your Committee on Ways and Means.



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



KAIALI'I KAHELE, Chair


STANLEY CHANG, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

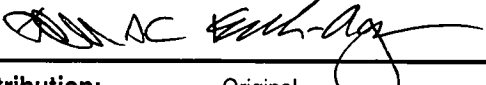
Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 2946	Committee Referral: HOU/WTL, WAM	Date: 2-11-20		
<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.	✓			
THIELEN, Laura H.	✓			
FEVELLA, Kurt				✓
TOTAL	4			1
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

The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 2946	Committee Referral: HOU/WTL, WAM	Date: 2/12/20		
<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
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
NISHIHARA, Clarence K.	X			
RIVIERE, Gil	X			
FEVELLA, Kurt	X			
TOTAL	5			
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				

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