STAND. COM. REP. NO. 146

Honolulu, Hawaii

MAR 3 0 2021

RE: S.R. No. 3

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

Sir:

Your Committees on Housing and Public Safety, Intergovernmental, and Military Affairs, to which was referred S.R. No. 3 entitled:

"SENATE RESOLUTION REQUESTING THE COUNTIES TO STUDY HOW INCLUSIONARY ZONING IMPACTS HOUSING SUPPLY,"

beg leave to report as follows:

The purpose and intent of this measure is to request the counties to study how inclusionary zoning impacts housing supply.

Your Committees received testimony in support of this measure from the Building Industry Association Hawaii.

Your Committees find that inclusionary zoning is a housing policy that requires a certain percentage of units in new residential developments to be priced as "affordable housing" for buyers with low to moderate income levels. This policy gained traction in the 1970s and today is an increasingly popular method of producing affordable homes through the private market. Despite the increase in popularity over the years, questions remain over the effectiveness of inclusionary zoning policies. A 2016 study by the Terner Center for Housing Innovation at the University of California, Berkley, estimated that a new inclusionary zoning policy in the city of Oakland, California, would lead to a six to twelve percent reduction in total housing unit production than if the zoning policy did not exist. Furthermore, the same study estimated that the inclusionary zoning policy would reduce



STAND. COM. REP. NO. 1416 Page 2

government revenue from taxes and fees by between six to nineteen percent. Due to Hawaii's continuing housing crisis and the urgent need for more housing units throughout the State, it is vitally important to understand the impacts of inclusionary zoning policies on the housing market. This measure requests the counties to study inclusionary zoning and its effects on housing supply in the State.

As affirmed by the records of votes of the members of your Committees on Housing and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.R. No. 3 and recommend its adoption.

> Respectfully submitted on behalf of the members of the Committees on Housing and Public Safety, Intergovernmental, and Military Affairs,

Clarence K Michika

CLARENCE K. NISHIHARA, Chair

STANLEY



The Senate Thirty-First Legislature State of Hawaiʻi

Record of Votes Committee on Housing HOU

Bill / Resolution No.:*	Committee Referral: Date:							
SR 3	HOU/PSM 3/25/21							
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (WR)	Nay	Excused			
CHANG, Stanley (C)								
KANUHA, Dru Mamo (VC)								
MORIWAKI, Sharon Y.								
RHOADS, Karl		\checkmark						
FEVELLA, Kurt	<u></u>				\checkmark			
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TOTAL	/	Ц			1			
Recommendation:		L			<u> </u>			
Adopted Not Adopted								
Chair's or Designee's Signature:								
Distribution: Original File with Committee Re	ution: Original Yellow File with Committee Report Clerk's Office		Pink Goldenrod Drafting Agency Committee File Copy					

*Only <u>one</u> measure per Record of Votes

The Senate Thirty-First Legislature State of Hawaiʻi

Record of Votes Committee on Public Safety, Intergovernmental, and Military Affairs PSM

Bill / Resolution No.:*	Committee Referral: Date;								
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The Committee is reconsidering its previous decision on this measure.									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
NISHIHARA, Clarence K. (C)		/							
ENGLISH, J. Kalani (VC)									
BAKER, Rosalyn H.		/							
RIVIERE, Gil		/							
FEVELLA, Kurt					/				
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TOTAL		3			2				
Recommendation:									
Chair's or Designee's Signature: Warenee K Diskham									
Distribution: Original File with Committee Re		ellow 's Office E	Pink Drafting Agency		lenrod e File Copy				

*Only <u>one</u> measure per Record of Votes