

STAND. COM. REP. NO.

1481

Honolulu, Hawaii

MAR 24

, 2023

RE: S.B. No. 865
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committees on Housing and Water & Land, to which was referred S.B. No. 865, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose of this measure is to establish and appropriate funds for the ALOHA Homes Program under the Hawaii Public Housing Authority to develop low-cost homes on state- and county-owned lands in urban redevelopment sites.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority; Church of the Crossroads, Building Industry Association of Hawaii, HI Econ, Hawai'i YIMBY, and eight individuals. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs, Sierra Club of Hawai'i, and one individual. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Land and Natural Resources, Disability and Communication Access Board, and Grassroot Institute of Hawaii.

Your Committees find that the State has a severe lack of affordable housing, resulting in residents leaving Hawaii in hopes of cheaper living conditions. Your Committees further find that

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there are significant barriers to the development of affordable housing in Hawaii, such as geographic limitations, lack of major infrastructure, construction cost, and government regulation. Your Committees believe that the State needs innovative solutions to address the housing crisis and keep families in Hawaii.

Your Committees have amended this measure by:

- (1) Changing the program from the ALOHA Homes Program to the Ninety-Nine Year Leasehold Pilot Program (Pilot Program) under the Hawaii Community Development Authority rather than the Hawaii Public Housing Authority;
- (2) Requiring the Pilot Program to be limited to one development on non-ceded land within an urban redevelopment site and requiring the Hawaii Community Development Authority to select the development;
- (3) Deleting language that would have:
 - (A) Required the Pilot Program to seek to produce enough housing to meet housing demand; and
 - (B) Authorized the Hawaii Community Development Authority to sell certain infrastructure capacity to private sectors;
- (4) Specifying that rules adopted for the sale of leasehold homes within an urban redevelopment site shall require that at least fifty percent of the homes be sold to an individual or household with an income of up to one hundred forty percent of the area median income;
- (5) Deleting language that would have established enforcement provisions for the owner-occupancy requirement;
- (6) Expanding the requirements of the annual report to the Legislature;
- (7) Deleting language that would have appropriated funds for certain positions within the Hawaii Public Housing Authority;



- (8) Amending its purpose section;
- (9) Changing the sunset date to June 30, 2030;
- (10) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 865, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 865, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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


LINDA ICHIYAMA, Chair


TROY N. HASHIMOTO, Chair



