

STAND. COM. REP. NO. **395**

Honolulu, Hawaii

FEB 16 2023

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

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

Sir:

Your Committees on Housing, Water and Land, and Government Operations, to which was referred S.B. No. 865 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish 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 Public Housing Authority (HPHA) to qualified residents;
- (2) Exempt certain land from the definition of public lands;
- (3) Provide for the disposition of lands acquired by the HPHA but no longer needed for the ALOHA Homes Program; and
- (4) Appropriate funds.

Your Committees received testimony in support of this measure from the Hawaii Public Housing Authority; Building Industry Association of Hawaii; The Institute for Human Services, Inc.; Church of the Crossroads; Hawai'i YIMBY; and two individuals. Your Committees received testimony in opposition to this measure from



seven individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Land and Natural Resources, Department of the Attorney General, and Grassroot Institute of Hawaii.

Your Committees find that the State must be proactive in establishing a unified vision and approach toward redevelopment of its properties to maximize the benefits of state land available for redevelopment. According to testimony from the Building Industry Association of Hawaii, this measure is required for the State to build its way out of the housing crisis by increasing the supply of housing at all price points. Your Committees note that due to the lack of income restrictions in the ALOHA Homes Program, a variety of incomes will inherently exist in these sites. Your Committees recognize that there are currently projects on the islands of Maui and Hawaii that are being proposed and developed under the ALOHA Homes Program's general concept of low-cost leasehold homes for sale to residents of the State on state-owned land.

Your Committees have amended this measure by:

- (1) Deleting the:
 - (A) Definition of "small and medium vendor", as it is not referenced elsewhere in the measure;
 - (B) Provision that would have required the HPHA to retain seventy-five percent of all profits from the owner's sale of the ALOHA home to an eligible buyer; and
 - (C) Language that would have exempted the expenditures of the ALOHA Homes Revolving Fund from appropriation and allotment of the Legislature;
- (2) Clarifying that the heir of a deceased owner of an ALOHA home shall sell the ALOHA home to an eligible buyer if the heir does not meet eligibility requirements to accept transfer of the ALOHA home;



- (3) Amending the number and type of positions requested by HPHA to evaluate all potential sites, negotiate public entities, and implement the ALOHA Homes Program; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing, Water and Land, and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 865, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 865, 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, Water and Land, and Government Operations,


 LORRAINE R. INOUE, Chair


 STANLEY CHANG, Chair


 ANGUS L.K. MCKELVEY, Chair



The Senate
Thirty-Second Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* <div style="text-align: center; font-size: 1.2em;">SB 865</div>	Committee Referral: <div style="text-align: center; font-size: 1.2em;">HOU/WTL/GVO, WAM</div>	Date: <div style="text-align: center; font-size: 1.2em;">02/07/2023</div>		
<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)	✓			
AQUINO, Henry J.C.	✓			
RHOADS, Karl	✓			
AWA, Brenton	✓			
TOTAL	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-size: 1.5em; margin-top: 10px;">DKA</div>				
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*Only one measure per Record of Votes

The Senate
 Thirty-Second Legislature
 State of Hawai'i

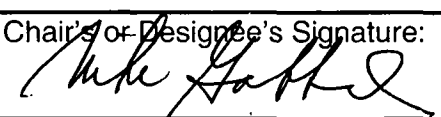
Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 865	Committee Referral: HOU/WTL/GVO, WAM	Date: 2/7/23		
<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
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt				✓
TOTAL	4 4	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted 4 <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* <i>SB 865</i>	Committee Referral: <i>HOU/WTL / GVO, WAM.</i>	Date: <i>2-7-23</i>		
<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
MCKELVEY, Angus L.K. (C)	✓			
GABBARD, Mike (VC)	✓			
SAN BUENAVENTURA, Joy A.	✓			
WAKAI, Glenn				✓
AWA, Brenton	✓			
TOTAL	<i>4</i>	<i>—</i>	<i>—</i>	<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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