

STAND. COM. REP. NO. 3277

Honolulu, Hawaii

MAR 22 2024

RE: H.B. No. 2090  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committees on Government Operations and Water and Land, to which was referred H.B. No. 2090, H.D. 1, 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) Beginning on January 1, 2026, permit residential uses in areas zoned for commercial use, with certain exceptions; and
- (2) Require, no later than January 1, 2026, each county to adopt or amend its ordinances to allow for adaptive reuse of commercial buildings for residential purposes.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources, Hawaii Housing Finance and Development Corporation, one member of the Kaua'i County Council, Hawai'i Association of REALTORS, NAIOP Hawaii, Building Industry Association of Hawaii, Housing Hawai'i's Future, Hawaii Appleseed Center for Law and Economic Justice, Grassroot Institute of Hawaii, Hawai'i Island Chamber of Commerce, BOMA Hawai'i, Hawaii Zoning Atlas, and nine individuals.



Your Committees received testimony in opposition to this measure from the City and County of Honolulu Department of Planning and Permitting.

Your Committees received comments on this measure from the American Institute of Architects Hawaii State Council.

Your Committees find that the State is experiencing a chronic housing shortage. Your Committees further find that the adaptive reuse of commercial buildings that are underutilized due to market conditions or functional obsolescence for residential purposes is more-cost effective than the construction of new housing on undeveloped land. This measure seeks to efficiently increase the State's housing inventory to better meet local need by requiring the counties to relax regulatory land use restrictions in areas zoned for commercial use, including allowing for the adaptive reuse of existing commercial buildings.

According to testimony received by your Committees, because the provisions of this measure do not allow for adaptive reuse until after January 1, 2026, existing projects in areas zoned for commercial use that are currently going through the permitting and development process would not be able to practice adaptive reuse to increase the State's housing inventory. Accordingly, this measure needs to be amended to address this matter.

Your Committees have amended this measure by:

- (1) Accelerating the date for the counties to permit residential uses in areas zoned for commercial use, with certain exceptions, and to allow for residential use of commercial buildings for residential purposes, from January 1, 2026, to January 1, 2025;
- (2) Amending section 1 to reflect its amended purpose; and
- (3) Inserting an effective date of July 1, 2491, to encourage further discussion.

As affirmed by the records of votes of the members of your Committees on Government Operations and Water and Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2090, H.D. 1, as amended herein,



and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2090, H.D. 1, S.D. 1, and be referred to your Committee on Judiciary.

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

  
LORRAINE R. INOUÉ, Chair

  
ANGUS L.K. MCKELVEY, Chair



The Senate  
Thirty-Second Legislature  
State of Hawai'i

**Record of Votes  
Committee on Government Operations  
GVO**

Bill / Resolution No.:* <i>HB 2090 HD 1</i>	Committee Referral: <i>GVO / WTL, JDC</i>	Date: <i>March 19, 2024</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 <span style="margin-left: 100px;"><input checked="" type="checkbox"/> Pass, with amendments</span> <span style="margin-left: 100px;"><input type="checkbox"/> Hold</span> <span style="margin-left: 100px;"><input type="checkbox"/> Recommit</span> <span style="margin-left: 50px;">2312</span> <span style="margin-left: 150px;">2311</span> <span style="margin-left: 150px;">2310</span> <span style="margin-left: 150px;">2313</span>				
Members	Aye	Aye (WR)	Nay	Excused
MCKELVEY, Angus L.K. (C)	<input checked="" type="checkbox"/>			
GABBARD, Mike (VC)	<input checked="" type="checkbox"/>			
SAN BUENAVENTURA, Joy A.	<input checked="" type="checkbox"/>			
WAKAI, Glenn	<input checked="" type="checkbox"/>			
AWA, Brenton	<input checked="" type="checkbox"/>			
<b>TOTAL</b>	<i>5</i>	<i>—</i>	<i>—</i>	<i>—</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <span style="margin-left: 200px;"><input type="checkbox"/> Not Adopted</span>				
Chair's or Designee's Signature: 				
<b>Distribution:</b> 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  
 Thirty-Second Legislature  
 State of Hawai'i

Record of Votes  
 Committee on Water and Land  
 WTL

Bill / Resolution No.:* <b>HB 2090, HD1</b>	Committee Referral: <b>AVD/WTL, JDC</b>	Date: <b>3/19/24</b>
--	--	-------------------------

The Committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley	✓			
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt				✓
<b>TOTAL</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>1</b>

Recommendation:    
 Adopted    
 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**