Honolulu, Hawaii

FEB 1 3 2023

RE: S.B. No. 763
        S.D. 1

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

Sir:

        Your Committee on Housing, to which was referred S.B. No. 763 entitled:

        "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

        The purpose and intent of this measure is to temporarily exempt Hawaii Housing Finance and Development Corporation affordable housing projects from certain state and county fees and exactions when the units of the housing project are exclusively made available to certain qualified residents.

        Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaiʻi Health & Harm Reduction Center, and Partners in Care. Your Committee received testimony in opposition to this measure from the Honolulu Board of Water Supply; Hawaii's Thousand Friends; Kaukaho Ohana Association; Momilani Farm; Pele Lani Farm, LLC; and sixteen individuals. Your Committee received comments on this measure from one individual.

        Your Committee finds that Hawaii has been in a housing crisis for many decades and many of Hawaii's most vulnerable residents are priced out of housing. This measure would serve to reduce development costs and encourage the development of more affordable housing units. According to testimony received by your Committee, a Water Systems Facilities Charge is calculated for each new water
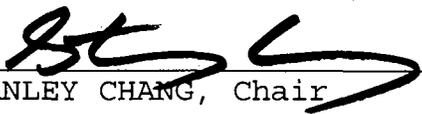
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user to connect and access the county's water system. Your Committee recognizes that this fee not only pays for increasing the capacity of the existing water system to accommodate new and expanding developments, but the moneys collected from this charge currently allows for the Honolulu Board of Water Supply to waive the water systems facilities charges and new meter cost for up to five hundred qualified on-site affordable and homeless dwelling units per year. Testimony from the Honolulu Board of Water Supply also indicates that the exemption of this charge would not only affect its operating and capital improvement budget, but also place a heavy financial burden for the people and businesses that it serves.

Accordingly, your Committee has amended this measure by:

(1) Clarifying that the affordable housing projects shall remain subject to rates, fees, and exactions of the various boards of water supply as authorized under chapter 54, Hawaii Revised Statutes; and

(2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 763, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 763, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on behalf of the members of the Committee on Housing,

STANLEY CHANG, Chair

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:
SB 763	HOU, JDC/WAM	01/31/2023

☐ 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
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
AQUINO, Henry J.C.	✓			
RHOADS, Karl	✓			
AWA, Brenton			✓	
TOTAL	4		1	

Recommendation: ☑ Adopted　　　☐ Not Adopted

Chair's or Designee's Signature: _DKK_

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

Revised: 11/30/22