STAND. COM. REP. NO. 1447-24

Honolulu, Hawaii MAR 27, 2024 RE: H.R. No. 70 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.R. No. 70 entitled:

"HOUSE RESOLUTION URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO ADOPT ADMINISTRATIVE RULES TO CREATE A PROCESS UNDER SECTION 201H-38, HAWAII REVISED STATUTES, FOR HOUSING PROJECTS EXCLUSIVELY FOR SALE OR RENT TO QUALIFIED RESIDENTS AS DEFINED IN SECTION 201H-32, HAWAII REVISED STATUTES, WHO ARE DEEMED TO BE MODERATE INCOME HOUSEHOLDS,"

begs leave to report as follows:

The purpose of this measure is to urge the Hawaii Housing Finance and Development Corporation to adopt administrative rules to create a process for housing projects to be exclusively for sale or rent to qualified residents.

Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the State is experiencing a severe shortage of housing. To address the housing shortage, existing law authorizes certain housing projects to be exempt from all State laws and rules relating to planning, zoning, construction of dwelling units, under certain conditions. However, your Committee further finds that recent interest rates have increased to the

2024-2533 HR70 HD1 HSCR HMS0

STAND. COM. REP. NO. **/447**-24 Page 2

point where it is no longer feasible to finance housing construction under the restrictions in existing law. Your Committee believes that the State must further incentivize the development of housing for residents by creating a new pathway for projects to seek exemption from state laws, county charters or ordinances, or rules.

Your Committee has amended this measure by:

- (1) Clarifying that the Hawaii Housing Finance and Development Corporation is urged to amend their administrative rules to establish another pathway for housing projects seeking an exemption from state laws and rules, including meeting existing requirements, not having an affordability requirement or income restrictions, and dedicating one hundred percent of the units in the project exclusively for qualified residents for the lifetime of the project;
- (2) Amending the recipients of certified copies of this measure;
- (3) Amending its title in accordance with its amended purpose; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 70, as amended herein, and recommends its adoption in the form attached hereto as H.R. No. 70, H.D. 1.

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

LUKE A. EVSLIN, Chai:

2024-2533 HR70 HD1 HSCR HMS0

State of Hawaii House of Representatives The Thirty-second Legislature

MSCR 1447-24

Record of Votes of the Committee on Housing

Bill/Resolution No.: Com	Committee Referral:		Date: 3 26 2074		
The committee is reconsidering its previous decision on the measure.					
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
HSG Members	Ayes	Ayes (WR)	Nays	Excused	
1. EVSLIN, Luke A. (C)					
2. AIU, Micah P.K. (VC)					
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3. KILA, Darius K.					
4. KITAGAWA, Lisa			S Shitty in Sale	/	
- MIAUAWA, LISA	1				
5. MIYAKE, Tyson K.					
6. ONISHI, Richard H.K.					
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7. TODD, Chris					
8. MATSUMOTO, Lauren					
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TOTAL (8)	le	ϕ	Ø	2	
The recommendation is: Adopted If joint referral, did not support recommendation.					
Vice Chair's or designee's signature:					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					