

STAND. COM. REP. NO.

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Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 867

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 Judiciary and Ways and Means, to which was referred S.B. No. 867 entitled:

"A BILL FOR AN ACT RELATING TO INCLUSIONARY ZONING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit any law, ordinance, or rule from imposing an inclusionary zoning requirement on housing offered exclusively for sale in perpetuity to buyers who are residents of the State, are owner-occupants, and do not own any other real property; and
- (2) Require each county to submit a report on inclusionary zoning requirements to the Legislature every year until the Regular Session of 2028.

Your Committees received testimony in support of this measure from Hawaii Housing Financing and Development Corporation. Your Committees received testimony in opposition to this measure from Department of Planning and Permitting of the City and County of Honolulu. Your Committees received comments on this measure from the Grassroot Institute of Hawaii.

Your Committees find that the counties play a major role in setting policies that impact the production of housing in the



State. Your Committees recognize that counties have used inclusionary zoning rules to encourage the creation of affordable housing in the State. According to testimony received by your Committees, well-intentioned inclusionary zoning makes housing less affordable, since developers respond to such mandates by building fewer affordable housing units. This measure would provide a strong incentive for the production of housing units at all price points, thereby allowing developers to meet the housing needs of the State.

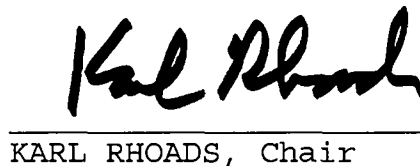
Your Committees have amended this measure by:

- (1) Inserting an effective date of March 22, 2075, to encourage further discussion; and
- (2) 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 Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 867, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 867, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Ways and Means,


DONOVAN M. DELA CRUZ, Chair


KARL RHOADS, Chair



