

STAND. COM. REP. NO.

222

Honolulu, Hawaii

FEB 06 , 2025

RE: H.B. No. 1318
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 1318 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Remove from the definition of "public lands" lands set aside by the Governor to the counties for the purpose of affordable housing; and
- (2) Allow the Board of Land and Natural Resources to issue residential leases for affordable housing with an aggregate of initial terms and extension up to ninety-nine years.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation and Kaua'i County Housing Agency. Your Committee received comments on this measure from the Department of Land and Natural Resources and Office of Hawaiian Affairs.

Your Committee finds that Hawaii's ongoing housing crisis requires innovative solutions to increase the supply of affordable homes, particularly on underutilized state lands. While the State

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has set aside certain lands for county-led affordable housing development, bureaucratic hurdles have slowed progress. This measure removes certain lands from the definition of "public lands", streamlining the approval process and enabling counties to move forward with much-needed housing projects more efficiently.

Your Committee notes that it is the intent of the Legislature to ensure that counties utilizing ceded lands are in full fulfillment of the public trust. While your Committee acknowledges the request in testimony from the Department of Land and Natural Resources to clarify the fiduciary duty to manage lands as set aside under this measure, your Committee has concerns that specifically requiring only these lands to be managed pursuant to the public trust could be construed to mean that the other exemptions to the definition of "public land" are not required to fulfill their public trust fiduciary duties and obligations.

Your Committee has amended this measure by:

- (1) Defining "affordable housing";
- (2) Deleting language that would have authorized residential leases made by the Board of Land and Natural Resources for affordable housing to be made for an initial term of fifty-five years, not to exceed ninety-nine years;
- (3) Specifying that lands set aside by the Governor to the counties for affordable housing require legislative approval for the sale or gift of such lands; and
- (4) Changing the effective date to July 1, 3000, to encourage further discussion.

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 H.B. No. 1318, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1318, H.D. 1, and be referred to your Committee on Water & Land.



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

LAC.

LUKE A. EVSLIN, Chair

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