

STAND. COM. REP. NO.

1760

Honolulu, Hawaii

APR 02 , 2025

RE: S.B. No. 1170
S.D. 2
H.D. 3

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

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 1170, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE EXPEDITIOUS REDEVELOPMENT AND DEVELOPMENT OF AFFORDABLE RENTAL HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the director of a county planning department to issue a special management area use permit to redevelop permanent affordable multi-family rental housing that has been destroyed as a result of certain natural disasters and require county planning departments or agencies to prioritize approving permits for these redevelopments, under certain circumstances;
- (2) Permanently exempt affordable multi-family rental housing projects within the special management area that are being redeveloped and are located on properties or districts on the state or national historic register from environmental impact statement requirements; and
- (3) Permit county planning departments or other applicable state or county department or agency to amend or modify

2025-3016 SB1170 HD3 HSCR HMSO



final plans and specifications for redevelopment of existing experimental and demonstration housing projects, with certain restrictions.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Lāhainā Strong; Maui Chamber of Commerce; KCOM Corp.; Pacific Commercial Realty Corp.; and one individual. Your Committee received comments on this measure from the Office of Planning and Sustainable Development.

Your Committee finds that the State's affordable housing shortage is particularly acute and continued development of affordable housing projects is critical, especially following a disaster such as the 2023 Maui wildfires. There is an urgent need to quickly rebuild affordable housing after a disaster, including multi-family rental housing, to ensure displaced residents are able to return to their communities and rebuild their lives. Your Committee notes that presently, special management area use permits in Maui County can require over a year for processing. Your Committee further finds that the longer the development process takes, the higher the associated costs, which in turn drive up housing prices. This measure streamlines the redevelopment process for permanent affordable multi-family rental housing, which in turn will lower development expenses, make housing more affordable, and ensure more affordable rental housing is available sooner.

Your Committee has amended this measure by:

- (1) Placing language requiring county planning departments to prioritize the approval of permits to redevelop permanent affordable multi-family rental housing after issuing a special management area use permit in chapter 201H, Hawaii Revised Statutes, relating to the Hawaii Housing Finance and Development Corporation, rather than in chapter 205A, Hawaii Revised Statutes, relating to coastal zone management;
- (2) Placing language exempting affordable multi-family rental housing projects within a special management area that are being redeveloped and are located on properties or districts on the Hawaii or National Historic Register from environmental impact statement requirements in



chapter 343, Hawaii Revised Statutes, relating to environmental impact statements, rather than in chapter 205A, Hawaii Revised Statutes, relating to coastal zone management;

- (3) Placing language establishing certain procedures and exemptions for the redevelopment of affordable multi-family rental housing that was originally developed as an experimental and demonstration housing project in chapter 46, Hawaii Revised Statutes, relating to county organization and administration, rather than chapter 205A, Hawaii Revised Statutes, relating to coastal zone management; 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1170, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1170, S.D. 2, H.D. 3.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



