

Honolulu, Hawaii

Feb 9, 2006

RE: H.B. No. 2242
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Third State Legislature
Regular Session of 2006
State of Hawaii

Sir:

Your Committees on Housing and Water, Land, & Ocean Resources,
to which was referred H.B. No. 2242 entitled:

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

beg leave to report as follows:

The purpose of this bill is to promote the development of affordable housing by requiring the Land Use Commission (LUC), the counties, Hawaii Housing Finance and Development Administration, Hawaii Public Housing Administration, and Hawaii Community Development Authority to require developers with plans to develop 50 or more residential dwelling units to dedicate at least 20 percent of the units to affordable housing.

The Sierra Club, Hawaii Chapter, Affordable Housing and Homeless Alliance, and a concerned individual testified in support of this bill. The Housing and Community Development Corporation of Hawaii, City and County of Honolulu Department of Planning and Permitting, and Land Use Research Foundation of Hawaii offered comments.

Your Committees engaged in a productive discussion with regard to this matter and acknowledge the concerns of several members. Some of the concerns raised include that the measure does not specify what is considered "affordable" and that the public works law may also need to be addressed to lower the labor costs of developing affordable housing. Concerns were also raised



that once affordable housing is built, something should be done to keep the units at affordable prices.

Your Committees received extensive written testimony that included data on some of the housing development projects over the past 15 years that asked for relief from LUC with regard to affordable housing requirements.

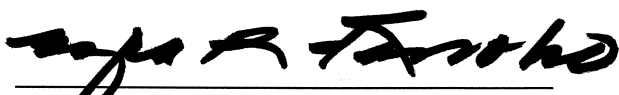
Your Committees acknowledge and share some of the concerns raised by members and testifiers, believe that this measure deserves further discussion, and respectfully requests the Committee on Judiciary to consider further amendments to this measure.

Accordingly, your Committees have amended this bill by:

- (1) Changing the effective date to July 1, 2007, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water, Land, & Ocean Resources that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2242, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2242, H.D. 1, and be referred to the Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committees on Housing and
Water, Land, & Ocean Resources,


EZRA R. KANOHO, Chair


MICHAEL P. KAHIKINA, Chair



