

Honolulu, Hawaii

March 3, 2006

RE: H.B. No. 3202
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 Committee on Finance, to which was referred H.B. No. 3202 entitled:

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

begs leave to report as follows:

The purpose of this bill is to promote the development of affordable housing by authorizing the counties to adopt inclusionary requirements in residential housing developments. Among other things, counties that adopt an inclusionary zoning ordinance:

- (1) Are required to implement a requirement for projects where units are offered for rent that at least 15 percent of the units be affordable rental units, unless the developer can prove undue hardship, and of those affordable units:
 - (a) 50 percent must be affordable to households earning 50 percent or less of the adjusted median family income (MFI); and
 - (b) 50 percent must be affordable to households earning between 50 and 80 percent of MFI;
- (2) Are required to implement an affordability requirement for projects where units are offered for sale as follows:



- (a) For projects whose average sales price of a unit is affordable to households earning 80 percent or less of MFI, ten percent of the units must be affordable to households earning 50 percent or less of MFI;
 - (b) For projects whose average sales price of a unit is affordable to households earning 100 percent or less of MFI, 15 percent of the units must be affordable to households earning 80 percent or less of MFI;
 - (c) For projects whose average sales price of a unit is affordable to households earning 140 percent or less of MFI, 20 percent of the units must be affordable to households earning 100 percent or less of MFI;
 - (d) For projects whose average sales price of a unit is affordable to households earning above 140 percent of MFI, 20 percent of the units must be affordable to households earning 140 percent or less of MFI; and
 - (e) Projects that designate larger percentages of affordable units would qualify for an additional density bonus;
- (3) May consider alternative equivalent proposals and requests to accept in-lieu fees instead of meeting the inclusionary requirements; and
 - (4) Are required to provide certain concessions and incentives and will have the flexibility to offer additional concessions or incentives if the project meets certain conditions.

Habitat for Humanity in Hawaii testified in support of this bill. A member of the Kauai County Council opposed this measure. The Land Use Research Foundation of Hawaii offered comments.

Your Committee has amended this bill by:

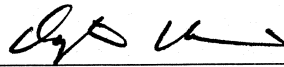
- (1) Changing the effective date to July 1, 2020, to encourage further discussion; and



- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 3202, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 3202, H.D. 1.

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




DWIGHT TAKAMINE, Chair



State of Hawaii
House of Representatives
The Twenty-third Legislature

HSCR 916

Record of Votes of the Committee on Finance

Bill/Resolution No.: <div style="text-align: right; padding-right: 50px;">HB 3202</div>		Date: <div style="text-align: right; font-size: 24pt; font-family: cursive;">3.1.06</div>		
Committee Referral: <div style="text-align: right; padding-right: 50px;">HSG/WLO, FIN</div>		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input type="checkbox"/> Pass, unamended <input type="checkbox"/> Hold </div> <div style="width: 45%;"> <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Recommit </div> </div>				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKAMINE, Dwight Y. (C)	✓			
2. KAWAKAMI, Bertha C. (VC)	✓			
3. CARROLL, Mele	✓			
4. CHONG, Pono	✓			
5. EVANS, Cindy	✓			
6. LEE, Marilyn B.	✓			
7. MAGAOAY, Michael Y.	✓			
8. NAKASONE, Bob	✓			
9. NISHIMOTO, Scott Y.	✓			
10. TANAKA, Kameo	✓			
11. TSUJI, Clift	✓			
12. WAKAI, Glenn	✓			
13. YAMANE, Ryan I.	✓			
14. YAMASHITA, Kyle T.	✓			
15. MEYER, Colleen Rose				✓
16. MOSES, Mark S.	✓			
17. PINE, Kymberly				✓
18. STEVENS, Anne V.	✓			
TOTAL	16			2
The recommendation is: <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <div style="width: 45%;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div> <div style="width: 45%;"> If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div> </div> </div>				
Vice Chair's or designee's signature: <div style="text-align: center; font-size: 24pt; font-family: cursive; margin-top: 10px;">  </div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – HMSO Duplicate (Pink) – Clerk's Office				