

STAND. COM. REP. NO. 1186

Honolulu, Hawaii

March 2, 2007

RE: H.B. No. 1001
H.D. 2

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1001, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this bill is to encourage the development of affordable housing by establishing an expedited review and approval process and to provide incentives through construction loans to eligible counties and a tax credit.

The Hawaii Housing Finance and Development Corporation (HHFDC), Office of Hawaiian Affairs, Land Use Research Foundation of Hawaii, and Catholic Charities Hawaii supported the intent of this bill. The City and County of Honolulu Department of Planning and Permitting, a member of the Maui County Council, and two concerned individuals opposed this measure. The Department of Taxation provided comments.

Your Committee commends the Committee on Human Services and Housing for its effort in preparing the H.D. 1. Your Committee has followed that Committee's lead in establishing an expedited review and approval process to address the affordable rental housing issue.

Your Committee is supportive of the concept of a pilot project applicable to counties with populations of at least 500,000. However, for-sale housing projects are generally more

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complex than rental housing projects, requiring greater scrutiny and longer periods for review and approvals. Additionally, maintaining affordability of for-sale units would be difficult. For these reasons, your Committee finds that the expedited review and approval process in a pilot project should not be available to for-sale housing.

Accordingly, your Committee has substantially revised this bill to include:

- (1) A pilot project applicable to counties with at least 500,000;
- (2) Waiver of certain county requirements, upon meeting certain conditions, except for minimum health and safety requirements and certain environmental and cultural preservation requirements;
- (3) Provisions allowing for the forfeiture of a project to the jurisdiction of HHFDC if the county does not act in a timely manner or if the county denies the project;
- (4) Provisions requiring the county to allow county-approved projects to connect to county-owned infrastructure and to accept offsite infrastructure constructed and dedicated by the developer of the project;
- (5) Provisions for non-ceded public lands to be transferred to HHFDC without the approval of the Board of Land and Natural Resources to be made available to developers of eligible projects at a lease rent of \$1 per year;
- (6) An expedited rulemaking process for HHFDC to implement the pilot project;
- (7) Appropriations to HHFDC and eligible counties to implement the pilot project; and
- (8) An effective date of July 1, 2020, to encourage further discussion.

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. 1001, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1001, H.D. 2.



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



MARCUS R. OSHIRO, Chair



