

Honolulu, Hawaii

FEB 29 2008

RE: S.B. No. 2293
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committees on Commerce, Consumer Protection, and Affordable Housing and Intergovernmental and Military Affairs, to which was referred S.B. No. 2293 entitled:

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

beg leave to report as follows:

The purpose of this measure is to increase the number of affordable housing units in Hawaii by exempting new multi-family housing condominium developments of fifty units or more per acre from certain state and county affordable housing requirements.

Specifically this measure:

- (1) Exempts new multi-family housing condominium developments of fifty units or more per acre on privately-owned lands or lands owned by the State or county for a period of less than a year as a facilitator of affordable housing from the Hawaii Housing Finance and Development Corporation's shared appreciation equity program and the ten-year occupancy requirements and transfer restrictions; and
- (2) Exempts an affordable housing multi-family housing condominium development of fifty or more units per acre from being required to be on the same parcel of land as any required market-priced housing development; provided that the both developments are located in the same county, and the areas of the affordable housing



development and the market-priced housing development are of equal square footage.

Testimony in support of this measure was submitted by Central Pacific Bank, Central Pacific HomeLoans, and five private individuals. Testimony in opposition to this measure was submitted by the Hawaii Housing Finance and Development Corporation; the Department of Community Services, City and County of Honolulu; the Office of Housing and Community Development, County of Hawaii; and the Office of Hawaiian Affairs.

Affordable housing for Hawaii residents and the local workforce are in critically short supply. Government cannot alone increase the needed supply to meet the overwhelming demand for affordable housing for those with incomes of 140 per cent and below the median income in Hawaii. Your Committees find private landowners and developers need incentives in order to meet the demand for and increase the supply of affordable housing. Eliminating or reducing certain state and county requirements, including the equity sharing program and occupancy and transfer period, for new multi-family condominium housing developments for privately developed projects will encourage the private sector to build affordable workforce housing. However, your Committees recognize that the unit-per-acre density threshold as contained in the measure is too low and that government financial assistance may be considered in future deliberations.

Your Committees note the concerns regarding the exemption from equity sharing and the reduction of the buyback period from ten years to three years, and requested that Hawaii Housing Finance Development Corporation work with the counties to develop amendable language that would also fulfill the purposes of this measure.

Accordingly, your Committees have amended this measure by:

- (1) Increasing the maximum density from fifty units to seventy-five units per acre;
- (2) Adding language that requires the new multi-family housing condominium development on privately owned land to be privately financed without federal, state, or county financing assistance or subsidies;



- (3) Deleting language that would statutorily authorize affordable and market housing units to be located on different parcels on land within the same county; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and style.

Your Committees believe that this measure, as amended, fulfills the intent of this measure, which is to increase the number of affordable housing units in Hawaii.

As affirmed by the records of votes of the members of your Committees on Commerce, Consumer Protection, and Affordable Housing and Intergovernmental and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2293, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2293, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Commerce,
Consumer Protection, and
Affordable Housing and
Intergovernmental and Military
Affairs,


LORRAINE R. INOUE, Chair


RUSSELL S. KOKUBUN, Chair



The Senate
Twenty-Fourth Legislature
State of Hawaii


Record of Votes
Committee on Commerce, Consumer Protection and Affordable Housing
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 2293	CPH/16M	2/13/08		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
KOKUBUN, Russell S. (C)	/			
IGE, David Y. (VC)				/
ESPERO, Will	/			
IHARA, Jr., Les				/
SAKAMOTO, Norman				/
TANIGUCHI, BRIAN T.	/			
TRIMBLE, Gordon		/		
TOTAL	3	1		3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Will Espeso</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Intergovernmental and Military Affairs
IGM

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<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended <small>2312</small>				
<input checked="" type="checkbox"/> Pass, with amendments <small>2311</small>				
<input type="checkbox"/> Hold <small>2310</small>				
<input type="checkbox"/> Recommit <small>2313</small>				
Members	Aye	Aye (WR)	Nay	Excused
INOUE, Lorraine R. (C)	/			
TSUTSUI, Shan S. (VC)	/			
HEMMINGS, Fred	/			
TOTAL	3	0	0	0
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
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