

STAND. COM. REP. NO.

1598

Honolulu, Hawaii

April 9, 2009

RE: S.B. No. 1350
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committees on Water, Land, & Ocean Resources and
Housing, to which was referred S.B. No. 1350, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO KAKAAKO,"

beg leave to report as follows:

The purpose of this bill is to increase the affordable
housing stock in urban Honolulu by increasing the reserved housing
requirements in the Kakaako mauka area of the Kakaako Community
Development District. Specifically, this bill:

- (1) Requires at least 50 percent of the countable floor area
of each planned development lot of at least 80,000
square feet to be developed as reserved housing made
available to purchase by a family with a household
income of not more than 140 percent of the median
income;
- (2) Exempts lots one acre and less;
- (3) Permits developers to pay cash in lieu of meeting the
reserved housing requirement; and
- (4) Permits the transfer of excess reserve housing credits
to another project in the Kakaako area.



The Ironworkers Stabilization Fund supported this bill. A concerned individual supported this bill with amendments. CUNA Mutual Group, Waterhouse, Inc., General Growth Properties, Inc., Land Use Research Foundation of Hawaii, Servco Pacific Inc., Kamehameha Schools, and a concerned individual opposed this bill. The Hawaii Community Development Authority (HCDA), The Gas Company, JN Group, Inc., Hawaiian Dredging and Construction Company, and a concerned individual offered comments.

Your Committees have amended this bill by replacing its contents with the substance of H.B. No. 948, H.D. 1. As amended, this bill:

- (1) Requires that the development of any lot in the Kakaako mauka area that is three acres or greater in area include at least 25 percent of its countable floor area for reserved housing;
- (2) Requires that the development of any lot in the Kakaako mauka area that is less than three acres but more than 20,000 square feet in area include at least 20 percent of any dwelling units developed for reserved housing;
- (3) Requires that HCDA report to the Legislature prior to the convening of the Regular Session of 2017 on the status of reserved housing in Kakaako, including a recommendation on whether the reserved housing requirements contained in this measure should be reduced, remain unchanged, or increased;
- (4) Requires that HCDA determine whether the reserved housing units provided shall be for sale or for rent and:
 - (A) If for sale, that HCDA adopt rules to ensure that the reserved housing units remain "affordable" for the economic life of the units; and
 - (B) If for rent, that the reserved housing units be transferred to be managed and rented by the Hawaii Public Housing Authority;
- (5) Amends section 206E-4(18), Hawaii Revised Statutes, to limit any in lieu dedication of land for reserved housing to fee simple property within the Kakaako mauka area;



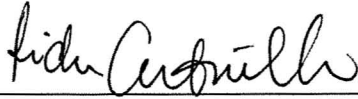
- (6) Prohibits a developer from making cash payments in lieu of developing reserved housing;
- (7) Allows the developer to transfer excess reserved housing credits to another development in the Kakaako mauka area, or sell excess credits to another developer of a development in the area;
- (8) Requires any reserved housing units to have certificates of occupancy issued prior to or concurrently with the issuance of certificates of occupancy for other non-reserved housing units or other uses;
- (9) Includes measures to prohibit the acceptance of applications for any development of a lot three acres or greater or any applications for building permits or subdivisions of any lot three acres or greater in area until after HCDA has adopted rules implementing the requirements of this measure; and
- (10) Makes technical, nonsubstantive changes for style, clarity, and consistency.

Your Committees note that several provisions of this bill would benefit from additional clarification and revision, and, therefore, we respectfully request that the conferees consider additional amendments for clarity and consistency if this bill comes before them.

As affirmed by the records of votes of the members of your Committees on Water, Land, & Ocean Resources and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1350, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1350, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.



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



RIDA CABANILLA, Chair



KEN ITO, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

Record of Votes of the Committee on Water, Land, & Ocean Resources

Bill/Resolution No.: SB 1350, SD2	Committee Referral: WLO/HSG	Date: 3/18/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
WLO Members	Ayes	Ayes (WR)	Nays	Excused
1. ITO, Ken (C)	✓			
2. HAR, Sharon E. (VC)	✓			
3. CABANILLA, Rida	✓			
4. CHANG, Jerry L.	✓			
5. CHONG, Pono	✓			
6. COFFMAN, Denny	✓			
7. HERKES, Robert N.	✓			
8. LEE, Chris	✓			
9. LUKE, Sylvia				✓
10. MORITA, Hermina M.	✓			
11. SAGUM, Roland D., III	✓			
12. CHING, Corinne W.L.				✓
13. THIELEN, Cynthia	✓			
TOTAL (13)	11			2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. Committee acronym(s)				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

