

Honolulu, Hawaii

MAR 06 2009

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

Honorable Colleen Hanabusa  
President of the Senate  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Madam:

Your Committee on Judiciary and Government Operations, to which was referred S.B. No. 1350, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO KAKAAKO,"

begs leave to report as follows:

The purpose of this measure is to increase the affordable housing stock in the urban core of Honolulu by establishing reserved housing requirements for certain planned developments of the Hawaii Community Development Authority (Authority).

Specifically, this measure, among other things:

- (1) Establishes reserved housing requirements for planned developments in the Kakaako mauka area on lots of at least 80,000 square feet and lots between 20,000 and 43,559 square feet;
- (2) Allows in lieu cash payments to the Authority as an alternative to fulfilling the reserved housing requirements;
- (3) Redefines "reserved housing" to reassert the 140 per cent of median income requirement for eligible families; and
- (4) Provides for the adoption of applicable rules by means of an expedited process and indicates for what planned developments applications may or may not be accepted or



processed by the Authority, pending adoption of such rules.

Your Committee finds that the highest cost item for families in Hawaii is housing. More needs to be done to address the affordable housing issue, or families will continue to move down the economic social ladder.

This measure addresses the shortage of reserved housing units in the urban core of Honolulu. This focus makes sense because demand for affordable housing in Kakaako is high and the urban core is where most of the jobs are. Furthermore, the fast-tracking afforded by this measure creates the potential for faster development of affordable housing and construction activity, both of which are urgently needed.

Your Committee has amended this measure by:

- (1) Deleting the purpose section;
- (2) Increasing the reserved housing requirement to at least sixty per cent of the countable floor area for planned developments of at least 80,000 square feet, effective five years from the effective date of the measure;
- (3) Deleting the 20 per cent reserved housing requirement for planned developments with multi-family dwelling units between 20,000 and 43,559 square feet, and completely exempting the reserved housing units for properties of one acre or less;
- (4) Requiring that reserved housing units be built prior to or concurrent with a planned development;
- (5) Deleting the provision regarding when reserved housing floor area or units need not be developed on the same lot as the planned development;
- (6) Improving the economic feasibility of the reserve housing program by providing for the transfer or sale of excess housing credits between Kakaako planned developments, and requiring the Authority to review, among other things, the amount and price for the transfer of excess credits and make adjustments, if necessary;



- (7) Allowing the Authority to accept in lieu cash payments as an alternative to requiring the fulfillment of reserved housing requirements for properties less than 80,000 square feet;
- (8) Deleting the section amending section 206E-4, Hawaii Revised Statutes, and revising section 206E-31.5, Hawaii Revised Statutes, instead, to prohibit the construction of "substitute housing" in areas where residential development is prohibited under section 206E-31.5; and
- (9) Exempting any major development for which a building permit is pending from being subject to the rules adopted pursuant to this measure, and clarifying that such developments are subject to the statutes and rules in effect on the date of the building permit application for a period of five years from the effective date of the Act, after which time the provisions of this Act are applicable to any unbuilt portions of the development.

As affirmed by the record of votes of the members of your Committee on Judiciary and Government Operations that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1350, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1350, S.D. 2.

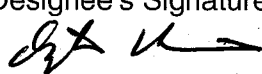
Respectfully submitted on  
behalf of the members of the  
Committee on Judiciary and  
Government Operations,

  
BRIAN T. TANIGUCHI, Chair



The Senate  
Twenty-Fifth Legislature  
State of Hawaii

**Record of Votes**  
**Committee on Judiciary and Government Operations**  
**JGO**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB1350, SD1	EDH / WTL, JGO	3/3/09		
<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
TANIGUCHI, Brian T. (C)	✓			
TAKAMINE, Dwight Y. (VC)	✓			
BUNDA, Robert				✓
GABBARD, Mike				✓
NISHIHARA, Clarence K.	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>2</b>
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink	Goldenrod	
File with Committee Report	Clerk's Office	Drafting Agency	Committee File Copy	

\*Only one measure per Record of Votes