

STAND. COM. REP. NO. 615

Honolulu, Hawaii

Feb 20, 2009

RE: H.B. No. 1612
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 Hawaiian Affairs and Housing, to which was referred H.B. No. 1612 entitled:

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

beg leave to report as follows:

The purpose of this bill is to allow the Department of Hawaiian Home Lands (DHHL) to partner with developers who are interested in satisfying their affordable housing requirements through agreements with DHHL, by:

- (1) Authorizing DHHL to receive, assign, transfer, or exchange county affordable housing credits; and
- (2) Authorizing the counties to provide affordable housing credits to DHHL.

Kamehameha Schools, Building Industry Association of Hawaii, Hawaii Developers' Council, The Chamber of Commerce of Hawaii, Council for Native Hawaiian Advancement, Land Use Research Foundation of Hawaii, Hawaii Habitat for Humanity Association, Waimea Hawaiian Homesteaders' Association, Inc., Maluohai Residents' Association, and a concerned individual supported this bill. DHHL supported the intent of this bill.



Your Committees heard testimony that there are private housing developments in Hawaii that are entitled to begin construction but are "dead in the water" because of the economic downturn. It was asserted that this bill would make these market-driven projects feasible for developers and serve as a stimulus for our economy.

However, concerns were also raised that authorizing these credits might have several unintended effects. First, they might increasingly segregate communities in Hawaii by removing affordable housing units from high-end housing developments. Furthermore, the additional affordable housing supported by these credits would primarily benefit a limited segment of Hawaii's people--the native Hawaiian beneficiaries of the Hawaiian Homes Commission Act.

Your Committees believe that this bill has the potential to help the State address its affordable housing, Hawaiian Homestead housing, and economic stimulus needs.

Accordingly, your Committees have amended this bill by:

- (1) Inserting provisions clarifying the counties' role and powers relative to the affordable housing credits authorized by this bill; and
- (2) Changing the effective date of the bill to July 1, 2011.

Technical, nonsubstantive amendments were also made for style, clarity, and consistency.

Your Committees also believe that the counties should be at the table to discuss this bill and respectfully request the Committee on Finance to consider the position of the counties on this measure.

As affirmed by the records of votes of the members of your Committees on Hawaiian Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1612, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1612, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committees on Hawaiian Affairs
and Housing,

Rida Cabanilla
RIDA CABANILLA, Chair

Mele Carroll
MELE CARROLL, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

Record of Votes of the Committee on Housing

Bill/Resolution No.: HB 1612	Committee Referral: HAW / HSG, FIN	Date: 2-18-09		
<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)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. CABANILLA, Rida (C)	✓			
2. CHONG, Pono (VC)	✓			
3. CHANG, Jerry L.	✓			
4. COFFMAN, Denny	✓			
5. HAR, Sharon E.	✓			
6. HERKES, Robert N.				—
7. ITO, Ken				—
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)	8			5
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				