

Honolulu, Hawaii
February 16, 2018

RE: H.B. No. 2016
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Housing and Water & Land, to which was referred H.B. No. 2016 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose of this measure is to encourage the private sector to increase the supply of workforce housing by prohibiting the imposition of inclusionary zoning and exactions during the zoning and permitting process for certain housing developments.

The Chamber of Commerce Hawaii, Pulama Lana'i, Hawaii Island Economic Development Board, Hawaii Leeward Planning Conference, Building Industry Association of Hawaii, and an individual testified in support of this measure. The Department of Planning and Permitting of the City and County of Honolulu (DPP), Hawaiian Community Assets, UNITE HERE Local 5, Office of Hawaiian Affairs, Hawaii Habitat for Humanity, Faith Action for Community Equity Housing Now Coalition, EAH Housing, Trinity United Methodist Church, Hawaii Appleseed Center for Law and Economic Justice, Parents and Children Together, and several concerned individuals testified in opposition to this measure. The Office of Planning provided comments.

Your Committees find that there is a tremendous need for affordable housing in Hawaii. According to the Department of



Business, Economic Development and Tourism, approximately 64,693 additional housing units will be required to be built statewide between 2015 and 2025 to meet the demands for affordable housing. Furthermore, your Committees find that, while the policies of inclusionary zoning and the imposition of development exactions were intended to increase the availability of affordable housing units, they appear to have had the opposite effect, resulting in slower housing growth. Your Committees find that this measure addresses this issue.

However, your Committees understand the concerns raised by DPP that this measure will take away time-tested major tools used for the delivery of needed housing and will intrude a careful process and strategy currently in place, exempting development projects that would otherwise be required to provide affordable housing. Your Committees also understand concerns raised by some members that the application of this measure will have a limited effect on the cost of housing in some districts because the cost of housing, even without the added cost of exactions, in those districts is very high. Nevertheless, your Committees find that this measure deserves further consideration.

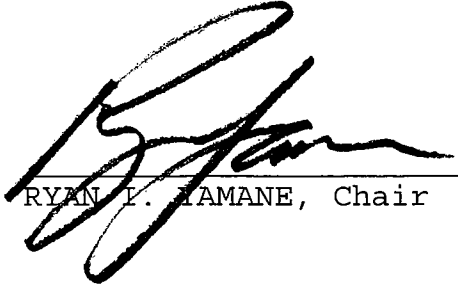
Your Committees have amended this measure by:

- (1) Inserting a provision to repeal the prohibition on the imposition of inclusionary zoning and exactions during the zoning and permitting process for certain housing developments in five years; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Housing and Water & Land that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2016, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2016, H.D. 1, and be referred to your Committee on Finance.



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



RYAN L. LAMANE, Chair



TOM BROWER, Chair



