

STAND. COM. REP. NO.

91

Honolulu, Hawaii

FEB 7 - 2019

RE: S.B. No. 874  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Hawaiian Affairs, to which was referred  
S.B. No. 874 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING ON HAWAIIAN HOME  
LANDS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Authorize the construction and use of micro housing units on Hawaiian homelands, notwithstanding county zoning laws, to be leased to native Hawaiians;
- (2) Authorize the use of the Hawaiian Home Loan Fund and Hawaiian Home General Loan Fund to assist native Hawaiians in purchasing or leasing micro housing units on Hawaiian homelands; and
- (3) Appropriate funds for the Department of Hawaiian Home Lands to construct micro housing units, subject to certain conditions, and build general organizational capacity of Native Hawaiian-controlled nonprofit housing developers.

Your Committee received testimony in support of this measure from the Council for Native Hawaiian Advancement, Kalamaula Homesteaders Association, Hawaiian Community Assets, Hawaiian



Community Development Board, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and four individuals. Your Committee received testimony in opposition to this measure from the Center for Hawaiian Sovereignty Studies and one individual. Your Committee received comments on this measure from the Department of the Attorney General and Department of Hawaiian Home Lands.

Your Committee finds that the current waitlist for Hawaiian homelands leases has over twenty thousand applicants and applicants often wait years before receiving a lease offer. However, your Committee further finds since many of the lots offered to applicants do not include dwelling units, waitlist applicants, faced with the obstacles of financing and building new construction, often decline lease offers. Micro housing units allow the Department of Hawaiian Home Lands to respond to the needs of waitlist applicants and offer more lease lots with pre-existing dwellings.

Your Committee has amended this measure by:

- (1) Removing language granting the Department of Hawaiian Home Lands the authority to build micro housing units on Hawaiian homelands in recognition that the Hawaiian Homes Commission Act already establishes this authority;
- (2) Removing Hawaiian blood quantum requirements for purposes of clarity, as beneficiaries of the Hawaiian Homes Commission Act must already meet applicable blood quantum requirements to hold a homestead lease;
- (3) Utilizing the Department of Hawaiian Home Lands' vacancy savings, rather than the general fund, to fund the appropriations;
- (4) Expanding the pool of Native Hawaiian-controlled nonprofit housing developers eligible to receive funds to build general organization capacity by removing eligibility limitations based on past experience and the makeup of the nonprofit's board of directors to focus instead on developers' demonstrated commitment to developing housing units on Hawaiian homelands; and



- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes concerns raised by the Attorney General that changing the appropriation funding source from the general fund to department vacancy savings may present a separation of powers concern. Your Committee respectfully requests your Committee on Ways and Means to consider funding from the Department of Hawaiian Home Lands' base budget since the Department has indicated its plans to explore supplemental dwelling units and appears to be supportive of some of the concepts in this measure. In the alternative, your Committee on Ways and Means could also consider deleting the appropriation language from this measure.

As affirmed by the record of votes of the members of your Committee on Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 874, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 874, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Hawaiian Affairs,



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MAILE S.L. SHIMABUKURO, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Hawaiian Affairs**  
**HWN**

Bill / Resolution No.:* <i>SB 074</i>	Committee Referral: <i>HWN WAM</i>	Date: <i>01/31/19</i>		
<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
SHIMABUKURO, Maile S.L. (C)	X			
KAHELE, Kaiali'i (VC)	X			
IHARA, Jr., Les	X			
KEOHOKALOLE, Jarrett				X
FEVELLA, Kurt	X			
<b>TOTAL</b>	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                                    Yellow                                    Pink                                    Goldenrod File with Committee Report            Clerk's Office                            Drafting Agency                        Committee File Copy				

\*Only one measure per Record of Votes