

Honolulu, Hawaii

, 2020

FEB 14

RE: H.B. No. 2449

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2449 entitled:

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

begs leave to report as follows:

The purpose of this measure is to require cash payments by developers, made in lieu of providing the required reserved housing units in the development of residential projects for the Hawaii Community Development Authority, to be deposited into the Rental Housing Revolving Fund.

Your Committee received testimony in support of this measure from Hawaiian Community Development; Kobayashi Group, LLC; and two individuals. Your Committee received testimony in opposition to this measure from the Hawaii Housing Finance and Development Corporation and one individual.

Your Committee finds that Hawaii is experiencing a severe affordable housing crisis with a lack of affordable rental and sale units. Housing demand is projected to reach 64,693 units by 2025, with nearly seventy percent, 43,828 units, needed for households earning eighty percent or less of the area median income. This measure will incentivize developers to construct affordable housing within the State, which will help address the affordable housing crisis.



However, your Committee also notes the concerns raised in testimony by the Hawaii Housing Finance and Development Corporation, that in lieu payments made by developers enable the Hawaii Community Development Authority to continue administering its reserved housing program and the development of mixed-income housing projects in the Kakaako District.

Your Committee has amended this measure by:

- (1) Authorizing, rather than requiring, cash payments made by developers in lieu of providing the required reserved housing units to be deposited into the Rental Housing Revolving Fund;
- (2) Changing the effective date to July 1, 2025, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests that, should your Committee on Finance choose to hear this measure, serious consideration be given to working with either the Hawaii Housing Finance and Development Corporation or your Committee on Housing in regard to developing amendments for this measure.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2449, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2449, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Housing,


TOM BROWER, Chair



