

STAND. COM. REP. NO.

523

Honolulu, Hawaii

FEB 19 2021

RE: S.B. No. 4
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 4
entitled:

"A BILL FOR AN ACT RELATING TO INCLUSIONARY ZONING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Prohibit any law, ordinance, or rule from imposing an inclusionary zoning requirement on housing offered exclusively for sale in perpetuity to certain buyers; and
- (2) Require each county to submit a report on inclusionary zoning requirements to the Legislature every year until the Regular Session of 2026.

Your Committee received testimony in support of this measure from the Maui Chamber of Commerce, Faith Action Housing NOW!, and two individuals.

Your Committee finds that inclusionary zoning, which requires developers to sell housing units at below-market rates to low-income households, acts as a tax on developers because it reduces their revenues. A 2010 study by the University of Hawaii analyzed inclusionary zoning policies around the United States and found that inclusionary zoning policies overwhelmingly resulted in both




increased market price of housing and decreased housing units available. This measure will help Hawaii families by exempting them from inclusionary zoning policies provided that the housing buyer is a Hawaii resident who will occupy the unit and does not own any other real property.

Your Committee has amended this measure by:

- (1) Removing the repeal date; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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 S.B. No. 4, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 4, S.D. 1, and be referred to your Committee on Judiciary.

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

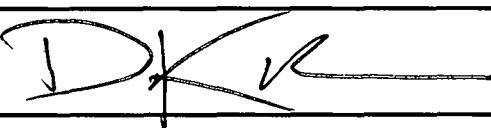


STANLEY CHANG, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 4	Committee Referral: HOU, JDC	Date: 2/9/21		
<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
CHANG, Stanley (C)	✓			
KANUHA, Dru Mamo (VC)	✓			
MORIWAKI, Sharon Y.		✓		
RHOADS, Karl	✓			
FEVELLA, Kurt	✓			
TOTAL	4	1	0	0
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