

Honolulu, Hawaii

FEB 18 2022

RE: S.B. No. 3261
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Housing and Government Operations, to which was referred S.B. No. 3261 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the ALOHA homes program to develop low-cost homes on state-owned and county-owned land in urban redevelopment sites to be sold in leasehold by the Hawaii Housing Finance and Development Corporation;
- (2) Exempt certain lands from the definition of public lands;
- (3) Provide for the disposition of lands acquired by the Hawaii Housing Finance and Development Corporation but no longer needed for the ALOHA homes program; and
- (4) Appropriate funds.

Your Committees received testimony in support of this measure from the Building Industry Association of Hawaii; Institute for Human Services, Inc.; Church of the Crossroads; and two individuals. Your Committees received testimony in opposition to this measure from the Schatz Collaborative. Your Committees



received comments on this measure from the Hawaii Housing Finance and Development Corporation, Department of Budget and Finance, Department of the Attorney General, Grassroot Institute of Hawaii, Hawai'i Appleseed Center for Law and Economic Justice, and Michaels Development--Hawai'i Region.

Your Committees find that Hawaii faces a persistent housing shortage. The lack of affordable homes is driven by a lack of high density housing, which could provide homes for many of the State's residents. Although this measure addresses critical housing needs for many living in the State, it is unlikely to solve Hawaii's housing crisis. Moreover, further clarification and study of the provisions of this measure is required.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying the purpose of the measure;
- (2) Removing a definition for "small and medium vendor";
- (3) Clarifying that the ALOHA homes program is sustainable, rather than revenue neutral, especially for the purposes of infrastructure development;
- (4) Requiring that development be conducted in consultation with private developers;
- (5) Allowing the ALOHA homes program to include income preferences and additional subsidies for low-income households;
- (6) Requiring that ALOHA homes waitlists be established in coordination with county affordable housing programs;
- (7) Allowing the Hawaii Housing Finance and Development Corporation to repurchase ALOHA homes using dwelling unit and affordable homeownership revolving funds;
- (8) Requiring the Hawaii Housing Finance and Development Corporation to establish price limits for the resale of ALOHA homes;
- (9) Removing exemptions for the ALOHA homes revolving fund;



- (10) Directing the Hawaii Housing Finance and Development Corporation to conduct a study on leasehold housing markets in the State and form a working group on the implementation of the ALOHA homes program;
- (11) Including additional positions for which funds are appropriated and appropriating funds for software and hardware needed for the ALOHA homes program; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Housing and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3261, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3261, S.D. 1, and be referred to your Committees on Ways and Means and Water and Land.

Respectfully submitted on
behalf of the members of the
Committees on Housing and
Government Operations,



SHARON MORIWAKI, Chair



STANLEY CHANG, Chair



The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:* SB 3261	Committee Referral: Hou/GVO, WAM/WTL	Date: 2/3/22		
<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	5			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: D. K. L.				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
 Thirty-First Legislature
 State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* SB 3261	Committee Referral: HOU / GVO, WAM / WTL	Date: 02 / 03 / 22		
<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
MORIWAKI, Sharon Y. (C)	X			
DELA CRUZ, Donovan M. (VC)	X			SR
CHANG, Stanley	X			
GABBARD, Mike	X			
FEVELLA, Kurt	X			
TOTAL	5			
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				

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