

Honolulu, Hawaii

MAR 22, 2024

RE: S.B. No. 2066
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 2066, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to establish another means for a housing project to seek an exemption from certain laws and rules, including those relating to planning, zoning, and construction, that are developed under the various programs of the Hawaii Housing Finance and Development Corporation.

Your Committee received testimony in support of this measure from the Church of the Crossroads and one individual. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation and NAIOP Hawaii.

Your Committee finds that the State is experiencing a severe shortage of housing, leading to many residents moving out of Hawaii in search of more affordable housing options on the mainland. To address the housing shortage, existing law authorizes certain housing projects to be exempt from all State laws and rules relating to planning, zoning, construction of dwelling units, under certain conditions. However, your Committee further finds that recent interest rates have increased to the



point where it is no longer feasible to finance housing construction under the restrictions in existing law. Your Committee believes that the State must further incentivize the development of housing for residents by creating a new pathway for projects to seek exemption from state laws, county charters or ordinances, or rules.

Your Committee has amended this measure by:

- (1) Inserting a purpose section;
- (2) Amending the conditions that housing projects seeking an exemption from all state rules and laws must meet to include meeting existing requirements, not having an affordability requirement or income restrictions, and dedicating one hundred percent of the units in the project exclusively for qualified residents for the lifetime of the project;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2066, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2066, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



LUKE A. EVSLIN, Chair



