

STAND. COM. REP. NO. 1746-24

Honolulu, Hawaii

APR 04 , 2024

RE: S.B. No. 3202
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 Committees on Housing, Water & Land, and Judiciary & Hawaiian Affairs, to which was referred S.B. No. 3202, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO URBAN DEVELOPMENT,"

beg leave to report as follows:

The purpose of this measure is to:

- (1) Require county zoning ordinances to allow for two or more additional dwelling units per residentially zoned lot within an urban district;
- (2) Prohibit private covenants for residentially zoned lots within an urban district from including certain limitations or restrictions on residential units;
- (3) Require the director of the county agency responsible for land use to review and act on any application for subdivision, consolidation, or resubdivision of certain parcels within the state urban land use district; and
- (4) Amend the calculation of impact fees for certain developments.

2024-2735 SB3202 HD1 HSCR HMSO-1



Your Committees received testimony in support of this measure from the Office of Planning and Sustainable Development; Hawaii Housing Finance and Development Corporation; Office of the Mayor of the County of Maui; one member of the Kaua'i County Council; County of Hawai'i Planning Department; Department of Planning and Permitting of the City and County of Honolulu; County of Kaua'i Planning Department; one member of the Hawai'i County Council; Affordable Housing Connections LLC; AARP Hawai'i; Hawai'i Island Chamber of Commerce; Council for Native Hawaiian Advancement; Oahu Metropolitan Planning Organization; Hawai'i Zoning Atlas; Island Plastic Bags, Inc.; Hawai'i Housing Affordability Coalition; Hawai'i YIMBY; Hawaii Appleseed Center for Law & Economic Justice; Housing Hawai'i's Future; Grassroot Institute of Hawaii; Hawai'i Children's Action Network Speaks!; Holomua Collaborative; HPM Building Supply; Kaua'i Chamber of Commerce; Hawaii Habitat for Humanity Association; Hawaii Young Republicans; Building Industry Association of Hawaii; Chamber of Commerce Hawaii; Dowling Company, Inc.; Maui Chamber of Commerce; and numerous individuals. Your Committees received testimony in opposition to this measure from two members of the Honolulu City Council; Hawaii Kai Neighborhood Board No. 1; Kailua Neighborhood Board No. 31; Mānoa Neighborhood Board No. 7; Save O'ahu's Neighborhoods; Rubin Enterprises.info; Lanikai Association; Windward Coalition; Case Lombardi A Law Corporation; Waimānalo Health Center; The Outdoor Circle, Manoa Branch; Livable Hawaii Kai Hui; Hawaii's Thousand Friends; Board of Directors of the 'Āina Haina Community Association; AIA Hawaii State Council; HI Good Neighbor; and numerous individuals. Your Committees received comments on this measure from the Department of the Attorney General; Office of Hawaiian Affairs; one member of the Honolulu City Council; Hawai'i Association of REALTORS; NAIOP Hawaii; and five individuals.

Your Committees find that the State's housing crisis has reached a point where existing methods are no longer sufficient to meet the increasing demands for affordable housing. Thousands of residents are leaving Hawaii every year in search of more affordable housing options on the mainland. Many families that remain in Hawaii are living paycheck to paycheck, with most of their money going to housing costs. Your Committees believe that reducing regulatory barriers to the development of housing will increase the supply of housing, thereby allowing more families to remain in Hawaii.



Your Committees received numerous written testimony in both support and opposition to this measure, as well as oral testimony at the hearing. The committee members engaged in a robust discussion with testifiers, and it was a respectful deliberative process. Your Committees also heard from several of the counties that they are discussing amendments to their county land use ordinances to allow additional dwelling units on lots zoned for residential use. It is your Committees' intention to closely monitor these discussions and if the counties are unsuccessful, to revisit this issue in a future legislative session.

Your Committees have amended this measure by:


- (1) Deleting language that would have required the counties to allow additional residential units on a residentially zoned lot within an urban district and all related language;
- (2) Clarifying that no private covenants for a residentially zoned lot within an urban district recorded after the effective date of this measure shall restrict density on that lot below the amount allowed by county zoning codes;
- (3) Exempting any private covenants recorded before the effective date of this measure from the private covenant restrictions under this measure;
- (4) Defining "residentially zoned lot";
- (5) Clarifying the powers of the director of the county agency responsible for land use and each county regarding any application for subdivision, consolidation, or resubdivision of parcels within the urban district;
- (6) Deleting the savings clause;
- (7) Changing the effective date to January 1, 3000, to encourage further discussion; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.




As affirmed by the records of votes of the members of your Committees on Housing, Water & Land, and Judiciary & Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 3202, S.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 3202, S.D. 2, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on behalf of the members of the Committees on Housing, Water & Land, and Judiciary & Hawaiian Affairs,


LINDA ICHIYAMA, Chair


LUKE A. EVSLIN, Chair


DAVID A. TARNAS, Chair



Record of Votes of the Committee on Housing

Bill/Resolution No.: 5B3202, 5D2	Committee Referral: HSG/NAL/JHA	Date: 4/1/2024		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. EVSLIN, Luke A. (C)	✓			
2. AIU, Micah P.K. (VC)	✓			
3. KILA, Darius K.	✓			
4. KITAGAWA, Lisa				✓
5. MIYAKE, Tyson K.	✓			
6. ONISHI, Richard H.K.		✓		
7. TODD, Chris	✓			
8. MATSUMOTO, Lauren				✓
TOTAL (8)	5	1	2	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

