

STAND. COM. REP. NO. 265

Honolulu, Hawaii

FEB 14 2023

RE: S.B. No. 469
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred S.B. No. 469 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to authorize the counties to reclassify lands fifteen to one hundred acres in certain rural, urban, and agricultural districts in which at least fifty percent of the housing units on the land sought to be reclassified are set aside for persons and families with incomes at or below one hundred forty percent of the area median income.

Your Committee received testimony in support of this measure from the Office of the Governor, Hawaii Housing Finance and Development Corporation, Office of Housing and Community Development of the County of Hawai'i, Hawai'i Association of REALTORS, Building Industry Association of Hawaii, and Maui Chamber of Commerce. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs, Sierra Club of Hawai'i, Hawai'i Farm Bureau, Kupuna for the Mo'opuna, Grassroot Institute of Hawaii, Livable Hawaii Kai Hui, and eleven individuals. Your Committee received comments on this measure from the Office of Planning and Sustainable Development, Department of Agriculture, and Land Use Commission.



Your Committee finds that Hawaii has been struggling with the issue of affordable housing for decades. According to the Department of Business, Economic Development, and Tourism report "Measuring Housing Demand in Hawaii, 2015-2025", the forecast demand for additional housing units in the counties totals 64,693 during the 2015 through 2025 period. Your Committee recognizes the immense housing supply problem in the State and that creative solutions are needed to build more housing at all price points.

Your Committee further finds that the Land Use Commission has the authority over district boundary amendment petitions involving the reclassification of lands in the conservation district, land areas greater than fifteen acres, and lands delineated as important agricultural land. Your Committee finds, however, that the Land Use Commission process can be expensive, burdensome, and lengthy and that enabling the counties to instead reclassify certain lands intended for affordable housing development will make larger scale projects economically feasible. Therefore, this measure authorizes the counties to reclassify lands fifteen to one hundred acres in certain rural, urban, and agricultural districts in which at least fifty percent of the housing units on the land sought to be reclassified are set aside for persons and families with incomes at or below one hundred forty percent of the area median income.

Your Committee has heard the testimony of the Land Use Commission expressing concerns that this measure's parameters for affordable housing units would not be helpful for its intended demographic, such as nurses and teachers. Further, the Land Use Commission testified that expanding the counties' jurisdiction to lands up to one hundred acres goes too far and could jeopardize the Land Use Commission's ability to effectuate the State's broader policy and planning goals.

Therefore, your Committee has amended this measure by:

- (1) Requiring that at least seventy-five percent of the housing units under this measure be set aside for persons at or below one hundred percent of the area median income level, in place of the requirement of fifty percent of housing units for persons at or below one hundred forty percent of the area median income level;



- (2) Replacing the acreage range that establishes the counties' district boundary amendment reclassification authority over certain rural, urban, and agricultural lands of fifteen to one hundred acres, with fifteen to fifty acres;
- (3) Amending section 1 to reflect its amended purpose;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 469, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 469, S.D. 1, and be referred to your Committee on Ways and Means.


Respectfully submitted on
behalf of the members of the
Committee on Water and Land,


LORRAINE R. INOUE, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 469	Committee Referral: WTL, WAM	Date: 02 / 10 / 23		
<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
INOUYE, Lorraine R. (C)	✓			
ELEFANTE, Brandon J.C. (VC)	✓			
CHANG, Stanley				✓
MCKELVEY, Angus L.K.	✓			
FEVELLA, Kurt	✓			
TOTAL	4	0	0	1
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