

RE: S.B. No. 2212
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii
Sir:

Your Committees on Public Safety, Intergovernmental, and Military Affairs and Housing, to which was referred S.B. No. 2212 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to prohibit any law, ordinance, or rule from imposing an inclusionary zoning requirement on housing offered exclusively for sale in perpetuity to buyers who are residents of the State, are owner-occupants, and do not own any other real property.

Your Committees received testimony in support of this measure from one member of the Maui County Council; the National Association of Industrial and Office Properties, Hawaii Chapter; Building Industry Association Hawaii; and Chamber of Commerce Hawaii. Your Committees received testimony in opposition to this measure from the Office of Hawaiian Affairs, Department of Planning and Permitting of the City and County of Honolulu, Hawaiian Community Assets, and Hawaii Habitat for Humanity Association.

Your Committees find that the State is experiencing a severe shortage of affordable housing. While the State has made progress toward increasing the housing supply for residents, there has been a lack of measurable progress at the county level to enact policies that will stimulate housing production to meet this projected demand. This measure incentivizes the production of housing units at all price points and encourages more developers to build affordable housing in the State for residents.

Your Committees note that inclusionary zoning is like trying to end a famine by taxing food. Studies show that inclusionary zoning actually decreases affordable housing production.

Your Committees have amended this measure by:

(1) Requiring each county to submit a report on inclusionary zoning requirements to the Legislature every year until the Regular Session of 2025;

(2) Inserting language that repeals this measure on July 1, 2025; and

(3) 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 Public Safety, Intergovernmental, and Military Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2212, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2212, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on behalf of the members of the Committees on
Public Safety, Intergovernmental, and Military Affairs and Housing,

STANLEY CHANG, Chair

CLARENCE K. NISHIHARA, Chair