

STAND. COM. REP. NO. 722
Honolulu, Hawaii

RE: S.B. No. 607
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii
Sir:

Your Committee on Judiciary, to which was referred S.B. No. 607, S.D. 1, entitled:
"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Remove the construction completion deadline for the Leialii affordable housing project and Keawe Street apartments; and

(2) Exempt the Leialii affordable housing project from the application of the historic preservation provisions of chapter 6E, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation. Your Committee received testimony in opposition to this measure from the Office of Hawaiian Affairs and one individual. Your Committee received comments on this measure from the Department of Land and Natural Resources.

Your Committee finds that there is a severe shortage of affordable rental housing in the county of Maui, particularly in the western part of the island. To remedy this problem, the Legislature appropriated funds to expedite and complete the Leialii affordable housing and the Keawe Street apartments housing projects, with the mandate that the projects be completed by 2022. However, in 2020 the State Historic Preservation Division of the Department of Land and Natural Resources notified the Hawaii Housing Finance and Development Corporation that it would require a new archaeological inventory survey for the entire Leialii and Keawe Street projects. Despite discussions between the Hawaii Housing Finance and Development Corporation, the State Historical Preservation Division, and Office of the Governor, no agreement could be reached and a new archaeological survey must be performed. In light of this new requirement, your Committee finds that the 2022 completion deadline imposed by the Legislature cannot be met.

Although the intent of the Legislature is to extend the deadline for completion of the Leialii affordable housing project, your Committee further finds that a broad exemption to the historic preservation protections of chapter 6E, Hawaii Revised Statutes (HRS), could cause significant negative impacts to burials and historic sites within and adjacent to the project.

Your Committee additionally finds that any exemption to chapter 6E, HRS, should be as narrow as possible to minimize the risk of negative impact.

Your Committee has amended this measure by:

(1) Narrowing the exemption from the requirements of chapter 6E, HRS, to apply only to the Keawe Street apartments; and

(2) 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 Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 607, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 607, S.D. 2.

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

KARL RHOADS, Chair