

STAND. COM. REP. NO. 1415
Honolulu, Hawaii

RE: S.C.R. No. 2

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

Your Committees on Housing and Public Safety, Intergovernmental, and Military Affairs, to which was referred S.C.R. No. 2 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE COUNTIES TO STUDY HOW INCLUSIONARY ZONING IMPACTS HOUSING SUPPLY,"

beg leave to report as follows:

The purpose and intent of this measure is to request the counties to study how inclusionary zoning impacts housing supply.

Your Committees received testimony in support of this measure from the Building Industry Association Hawaii.

Your Committees find that inclusionary zoning is a housing policy that requires a certain percentage of units in new residential developments to be priced as "affordable housing" for buyers with low to moderate income levels. This policy gained traction in the 1970s and today is an increasingly popular method of producing affordable homes through the private market. Despite the increase in popularity over the years, questions remain over the effectiveness of inclusionary zoning policies. A 2016 study by the Turner Center for Housing Innovation at the University of California, Berkley, estimated that a new inclusionary zoning policy in the city of Oakland, California, would lead to a six to twelve percent reduction in total housing unit production than if the zoning policy did not exist. Furthermore, the same study estimated that the inclusionary zoning policy would reduce government revenue from taxes and fees by between six to nineteen percent. Due to Hawaii's continuing housing crisis and the urgent need for more housing units throughout the State, it is vitally important to understand the impacts of inclusionary zoning policies on the housing market. This measure requests the counties to study inclusionary zoning and its effects on housing supply in the State.

As affirmed by the records of votes of the members of your Committees on Housing and Public Safety, Intergovernmental, and Military Affairs that are attached to this report, your Committees concur with the intent and purpose of S.C.R. No. 2 and recommend its adoption.

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

CLARENCE K. NISHIHARA, Chair

STANLEY CHANG, Chair