

Honolulu, Hawaii

**February 5**, 2018RE: H.B. No. 2575  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 2575 entitled:

"A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING,"

begs leave to report as follows:

The purpose of this measure is to establish a system for statewide rent stabilization for dwelling units rented or designated for rent on or after July 1, 2018, in structures more than ten years old, including by:

- (1) Establishing a Rent Stabilization Office in the Department of Commerce and Consumer Affairs;
- (2) Prohibiting landlords from demanding or accepting rent in excess of the maximum allowable amount or taking specified actions to waive or circumvent the applicability of rent stabilization requirements;
- (3) Establishing methods for calculating allowable monthly rents, annual rent increases, security deposits, and temporary surcharges for capital expenditures, utility increases, and expenses required by law;



- (4) Requiring registration of a dwelling unit with the Department of Commerce and Consumer Affairs before any rent increase may become effective; and
- (5) Authorizing tenant enforcement of rent stabilization requirements through a civil action in district court and specifying damages recoverable and allocation of attorneys' fees and costs.

The Hawaii Housing Finance and Development Corporation and Hawaii Association of REALTORS testified in opposition to this measure. The League of Women Voters offered comments to this measure.

Your Committee finds that the State must strike a balance between keeping rental housing affordable for Hawaii's renters and making the provision of rental housing economically viable for landlords and housing developers.

The testifiers in opposition noted this measure may adversely affect affordable housing projects and discourage new investment in rental housing.

Your Committee notes that while this measure will likely face opposition in the legislative process, further discussion may be beneficial.

Your Committee has amended this measure by:

- (1) Making rent stabilization applicable to dwelling units in structures of more than an unspecified age;
- (2) Deleting all provisions relating to a Rent Stabilization Office and required registration of dwelling units;
- (3) Deleting all restrictions placed on rent amounts other than specifying a maximum permitted percentage for annual rent increases and deleting provisions for calculating allowable rents, deposits, and surcharges;
- (4) Deleting the severability clause;
- (5) Changing the effective date to January 1, 2050, to facilitate further discussion; and



- (6) Making technical nonsubstantive amendments for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2575, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2575, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



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TOM BROWER, Chair



State of Hawaii  
House of Representatives **HSCR 60-18**  
The Twenty-ninth Legislature

**Record of Votes of the Committee on Housing**

Bill/Resolution No.: <b>HB 2575</b>	Committee Referral: <b>HSG, CPC, JUD, FIN</b>	Date: <b>2/1/18</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <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. BROWER, Tom (C)	✓			
2. NAKAMURA, Nadine K. (VC)		✓		
3. AQUINO, Henry J.C.	✓			
4. HASHEM, Mark J.		✓		
5. QUINLAN, Sean				✓
6. SAN BUENAVENTURA, Joy A.		✓		
7. MCDERMOTT, Bob			✓	
<b>TOTAL (7)</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>1</b>
<b>The recommendation is:</b> <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>				
<b>Vice Chair's or designee's signature:</b> <i>Nadine K. Nakamura</i>				
<b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				