STAND. COM. REP. NO. 1361

Honolulu, Hawaii

MAR 18 , 2025

RE: S.B. No. 38
        S.D. 2
        H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

     Your Committee on Housing, to which was referred S.B. No. 38,
S.D. 2, entitled:

     "A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

     The purpose of this measure is to prohibit a county
legislative body from making modifications or imposing conditions
to affordable housing development proposals that would increase
the cost of the project.

     Your Committee received testimony in support of this measure
from the Hawaii Housing Finance and Development Corporation and
Grassroot Institute of Hawaii. Your Committee received testimony
in opposition to this measure from the Department of Planning and
Permitting of the City and County of Honolulu; one member of the
Maui County Council; Hawai'i State Association of Counties; Lāhainā
Strong; HI Good Neighbor; LIMBY Hawai'i; Hawaii's Thousand Friends;
and two individuals.

     Your Committee finds that projects developed under Hawaii
Housing Finance and Development Corporation programs must be
primarily affordable and conditions of approval and exactions
often add significant cost to developments that ultimately may
make the projects infeasible. However, your Committee notes that

prohibiting a county legislative body from imposing necessary modifications to a project that would increase the cost can negate the quality of their review and could jeopardize the entire project. Your Committee further notes that any condition that required a change to the plans and drawings could be argued to increase the cost of the project. However, your Committee believes that some guardrails are necessary to ensure that these housing projects remain affordable.

Accordingly, your Committee has amended this measure by:

(1) Deleting language that would have prohibited a county legislative body from making any modification to a housing project that would increase the cost of the project;

(2) Prohibiting a county legislative body from imposing conditions stricter than the Hawaii Housing Finance and Development Corporation, stricter area median income requirements, or a reduction in fee waivers that will increase the cost of the project; and

(3) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

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 S.B. No. 38, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 38, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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

LUKE A. EVSLIN, Chair

2025-2665 SB38 HD1 HSCR HMSO

State of Hawaii
House of Representatives
The Thirty-third Legislature

HSCR 1361

Record of Votes of the Committee on Housing

Bill/Resolution No.: SB38 SD2	Committee Referral: HSG, JHA	Date: 3/14/25

☐ The committee is reconsidering its previous decision on the measure.

The recommendation is to: ☐ Pass, unamended (as is) ☑ Pass, with amendments (HD) ☐ Hold
☐ Pass short form bill with HD to recommit for future public hearing (recommit)

HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. EVSLIN, Luke A. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			
3. COCHRAN, Elle				✓
4. GRANDINETTI, Tina Nakada		✓		
5. KILA, Darius K.	✓			
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.	✓			
9. PIERICK, Elijah				✓
TOTAL (9)	6	1	0	2

The recommendation is: ☑ Adopted   ☐ Not Adopted

If joint referral, _____ did not support recommendation.
committee acronym(s)

Vice Chair's or designee's signature: _____

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