

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 25, 2025 at 10:00 a.m.
State Capitol, Room 308

In consideration of
H.B. 739 HD2
RELATING TO HOUSING

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee.

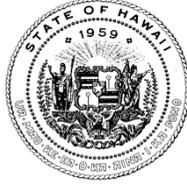
HHFDC **supports** HB 739 HD2, which establishes the Kamaaina Homes Program under the Hawaii Housing Finance and Development Corporation (HHFDC) to provide funding from the Dwelling Unit Revolving Fund to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

HHFDC is in full support of the program's goal of creating an inventory of homes for local residents.

We request clarification on whether the annual lump sum can be used for administrative costs for both HHFDC and the counties.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



EDWIN H. SNIFFEN
DIRECTOR
KA LUNA HO'OKELE

Deputy Directors
Nā Hope Luna Ho'okele
DREANALEE K. KALILI
TAMMY L. LEE
CURT T. OTAGURO
ROBIN K. SHISHIDO

STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF TRANSPORTATION | KA 'OIHANA ALAKAU
869 PUNCHBOWL STREET
HONOLULU, HAWAII 96813-5097

February 25, 2025
10:00 a.m.
State Capitol
Conference Room 308 & Videoconference

HB 739, HD2
RELATING TO HOUSING

The House Committee on Finance

The Department of Transportation (DOT) strongly supports HB739, HD2, which establishes the Kamaaina Homes Program as a proactive measure to address Hawaii's critical housing crisis.

Hawaii's housing affordability challenges are among the most pressing issues of our time. With the median home price now exceeding \$800,000, homeownership has become unattainable for many local families. This untenable situation has forced an increasing number of residents, including essential workers, to leave Hawaii in search of affordable living options elsewhere. The resulting outmigration not only diminishes our workforce but also erodes the cultural fabric and sense of community that make Hawaii unique.

DOT recognizes the intrinsic link between housing stability, economic resilience, and cultural preservation. By enabling local families to remain in Hawaii, HB739, HD2 not only meets an urgent housing need but also lays the foundation for a more secure and vibrant future for our state.

Thank you for the opportunity to provide testimony on this important measure.



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
February 25, 2025

The Honorable Representative Kyle T. Yamashita, Chair
House Committee on Finance
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Yamashita and Committee members:

SUBJECT: HB739 HD2 Relating to Housing

The Hawai'i State Council on Developmental Disabilities **SUPPORTS HB739 HD2**, which establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers. Effective 7/1/3000. (HD2)

Stable and affordable housing is essential for individuals with intellectual and developmental disabilities (I/DD) to live independent, self-determined lives within their communities. Access to affordable housing remains a significant barrier for individuals with I/DD in Hawai'i. Many rely on fixed incomes or limited financial resources, making market-rate housing unattainable. This lack of affordable options can lead to institutionalization or dependence on family caregivers, limiting opportunities for community integration, employment, and overall quality of life.

The Kama'āina Homes Program offers promising solutions. By supporting long-term affordability through voluntary deed restrictions, the program could provide stable housing for individuals with I/DD, reducing the risk of homelessness and housing insecurity. Affordable, community-based housing options would empower these individuals to live alongside their peers, fostering inclusive neighborhoods where everyone can thrive. With stable housing, individuals with I/DD would have more opportunities to pursue employment, education, and community activities, promoting greater self-sufficiency and reducing reliance on state-funded services. Additionally, access to affordable housing would alleviate the burden on family caregivers, lessening stress related to long-term care planning and enhancing the overall well-being of entire families.

Thank you for the opportunity to submit testimony **in support of HB739 HD2**.

Sincerely,

Daintry Bartoldus
Executive Administrator



HB739 HD2
RELATING TO HOUSING
COMMITTEE ON FINANCE

February 25, 2025

10:00 a.m.

Room 308

Aloha e Chair Yamashita, Vice Chair Takenouchi, and members of the House
Committee on Finance:

The Office of Hawaiian Affairs (OHA) provides **SUPPORT** on HB739 HD2, which would establish Kamaaina homes program and provide counties funding through the dwelling unit revolving fund established pursuant to section 201H-191 to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

This bill proposes a State-funded initiative that partners HHFDC with counties to purchase voluntary deed restrictions from homeowners and homebuyers. These restrictions will run with the land in perpetuity. The program looks to work with the individual needs of each county to leverage existing county deed restriction programs and other county housing initiatives. These initiatives will assist in preserving affordability for Kama'aina and protect property value to ensure it remains attainable and accessible to Hawai'i residents as primary residences, with the requirement that both owner-occupants and renters of record work locally. This prevents homes from being sold to non-resident buyers or short-term vacation rentals. It will prioritize kama'aina housing needs and is an investment in local community, sustainable economy, and future generations of kama'aina.

This initiative is in line with OHA's mission to improve the conditions of Native Hawaiians and ensure their equitable access to housing, education, healthcare, and economic opportunities. It reflects our commitment to advancing the well-being of our beneficiaries and the broader community. OHA Supports the clarifying amendments to this version of the measure to ensure that kama'aina benefit from the terms of HB739 HD2.

OHA appreciates the opportunity to share our mana'o and urges the Legislature to **PASS** HB739 HD2. Mahalo nui loa.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 739, H.D. 2, Relating to Housing

BEFORE THE:

House Committee on Finance

DATE: Tuesday, February 25, 2025

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 308

Chair Yamashita, Vice-Chair Takenouchi, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding H.B. 739, H.D. 2, for your consideration.

H.B. 739, H.D. 2, establishes a new "Kamaaina Homes Program" to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or buyers who limit occupancy to owner-occupants or resident tenants that live and work in the State. The purpose is to secure a dedicated housing supply for locals.

Section 2 of the bill, on page 10, line 1, establishes a chapter 247 conveyance tax exemption under the new subsection 201H-E(b), HRS, for property sold with a deed restriction pursuant to the Kamaaina Homes Program.

Section 5 of the bill, on page 24, line 7, amends section 247-3, HRS, by adding a conveyance tax exemption for any document or instrument conveying real property that contains a county owned deed restriction pursuant to the Kamaaina Homes Program. Section 5 also exempts any document or instrument conveying the county owned deed restriction.

The measure has a defective effective date of July 1, 3000.

DOTAX requests that if this bill is passed, section 5 take effect on January 1, 2026, to allow for form and instruction changes necessary to implement the proposed conveyance tax exemption.

DOTAX estimates the following revenue losses:

General Fund Impact (\$ millions)

FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
-0.9	-1.9	-2.0	-2.1	-2.2	-2.3

Thank you for the opportunity to provide comments on this measure.

OFFICE OF HOUSING
KE KE'ENA HO'OLĀLĀ KŪKULA HALE
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAII 96813
PHONE: (808) 768-4675 • FAX: (808) 768-4242 • WEBSITE: www.honolulu.gov/housing

RICK BLANGIARDI
MAYOR
MEIA



KEVIN AUGER
EXECUTIVE DIRECTOR
PO'O HO'OKO

February 24, 2025

2025-HOU-031

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members:

SUBJECT: Testimony Supporting the Intent of HB739 HD2 – Relating to Housing

The Office of Housing **supports the intent** of HB739 HD2 that would establish the Kama'āina Homes Program to incentivize the deeded reservation of homes for local residents. This bill would enable the Hawai'i Housing Finance and Development Corporation (HHFDC) to allocate funds from the Dwelling Unit Revolving Fund (DURF) to the counties for the purpose of purchasing deed restrictions from eligible homeowners or homebuyers on a voluntary basis to ensure the property is available for local residents in perpetuity.

With the alarming rate of out-migration from our islands, we recognize the need to innovate to find additional ways to not only create new housing, but also preserve existing units within the existing housing stock for local residents. While the City appreciates this proposal to help house local residents, we have several concerns that may require additional study and discussion if a successful deed restriction program is to be implemented. Our concerns relate to capacity challenges, lack of positions and staff, potential impacts to real property tax revenues, eligibility criteria, implementation timelines, enforceability, and the actual effectiveness of this program in Honolulu at a heightened scale compared to Vail with a resident population of 4,521 as of 2023.

HB739 HD2 requires that counties be responsible for administering, validating evidence, and ensuring compliance with the proposed program. While the bill allows the counties to establish and collect fees and premiums to cover these costs, there is no dedicated funding source to establish and stand-up full-time equivalent (FTE) positions to administer, train, and enforce the program, or meet the annual reporting requirements that will continue for the length of recorded deed restrictions, potentially into perpetuity, even if program funding is terminated at some point in the future.

The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair
and Members of the House Committee on Finance
February 24, 2025
Page 2

The City and County of Honolulu does not currently have the capacity to administer this program and the bill's language is unclear if a portion of the DURF funds provided to the counties could be used for administrative funding purposes. Additionally, the City is not currently in the business of purchasing and owning deed restrictions as this process usually is conducted by an applicant or homebuyer directly through the Hawai'i State Bureau of Conveyances. If the City was to take on this responsibility, we would need appropriate funding and time to either onboard new staff with the required expertise, train new and existing staff, or contract out to a third-party entity. The time and skill required to negotiate the price of a deed restriction on a case-by-case basis alone would require extensive costs and may require clarification that these purchases are in the public interest, despite being exempt from the procurement process.

Acknowledging the many issues associated with deeded restrictive housing requirements, we appreciate this bold attempt to provide housing inventory dedicated to residents. Local families need affordable housing options. Given our concerns with this particular proposal, if this measure is to move forward, we request these issues be addressed as the discussions continue. The City and County of Honolulu wants to be part of a solution that protects housing inventory for our local families, but we need the funding, capacity, and expertise to make this work.

Thank you for the opportunity to testify.

Sincerely,



Kevin D. Auger
Executive Director

APPROVED:



Michael D. Formby, Managing Director Designate
Office of the Managing Director

KAUA'I COUNTY HOUSING AGENCY

ADAM ROVERSI, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR
REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Adam Roversi

Director, Kaua'i County Housing Agency

Before the

House Committee on Finance

Tuesday, February 25, 2025, at 10:00 a.m.
Conference Room 308 & Videoconference

In consideration of

House Bill 739 HD2 Relating to Housing

Honorable Chair Kyle T. Yamashita, Vice Chair Jenna Takenouchi, and Members of the Committee:

The Kaua'i County Housing Agency **supports** HB739 HD2, which establishes and funds the Kamaaina Homes Program as an investment in the future of Hawai'i and keeps local working families in the State by securing a dedicated housing supply specifically for local residents.

The Kaua'i County Housing Agency has been studying similar long-standing programs in several rocky mountain communities on the mainland. Like Kaua'i, these mainland jurisdictions have seen high demand for resorts and second homes that squeeze out local residents, including essential workers necessary for a functioning community. Deed restricted homes available only to local employed renters or owners is a demonstrated potential solution to ensuring much needed housing for local residents.

Kaua'i County has already begun developing administrative rules to implement such a program. We would very much welcome a partnership with the state to help make it a reality, and encourage the legislature to permit Counties to utilize a reasonable portion of program funds allocated to the Counties for administrative costs.

Thank you for the opportunity to testify in **support** and for your consideration.





1001 Bishop Street #625 | Honolulu, HI 96813
866-295-7282 | aarp.org/hi | hiaarp@aarp.org |
[Twitter.com/aarphawaii](https://twitter.com/aarphawaii) | facebook.com/aarphawaii

**The State Legislature
House Committee on Finance
Tuesday, February 25, 2025
Conference Room 308
10:00 a.m.**

TO: The Honorable Kyle Yamashita
FROM: Keali'i S. López, State Director
RE: Support for H.B. 739, HD2 Relating to Housing

Aloha Chair Yamashita and Members of the Committee:

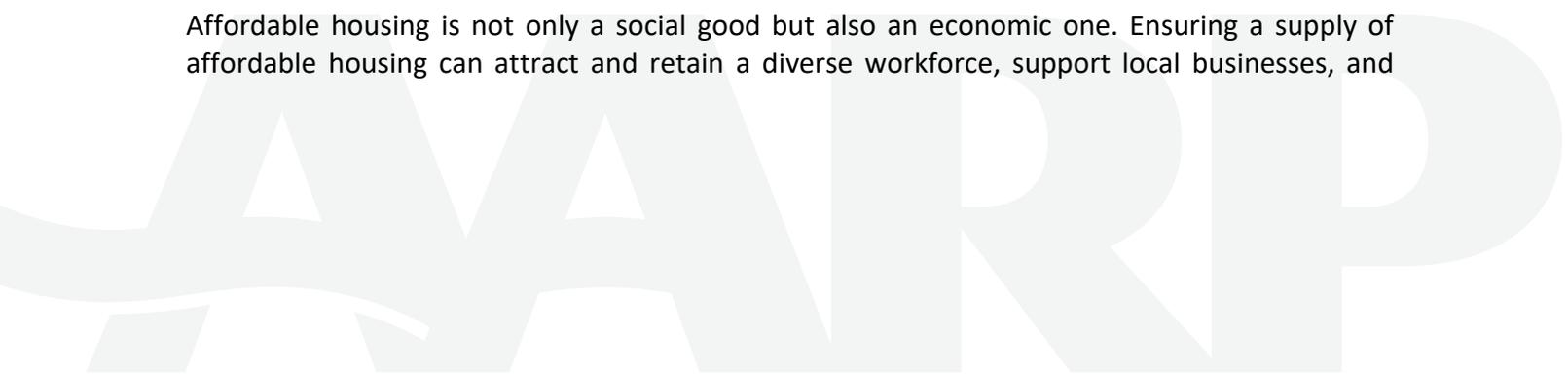
I am Keali'i Lopez, State Director of AARP Hawai'i. AARP is a nonprofit, nonpartisan, social impact organization dedicated to empowering people 50 and older to choose how they live as they age. We advocate at the state and federal level for the issues that matter most to older adults and their families. On behalf of our nearly 135,000 members statewide, thank you for the opportunity to share our testimony.

AARP is in support of H.B. 739, HD2 which seeks to establish the Kamaaina Homes Program that provides funding to the counties to purchase voluntary deed restrictions from eligible homeowners or home buyers. AARP believes this bill is an important step towards addressing the housing affordability crisis in Hawaii.

H.B. 739 HD1 aligns with AARP's housing policy, which emphasizes the importance of increasing the availability of affordable housing options for all residents, particularly older adults. By allowing voluntary deed restrictions, this bill encourages property owners to contribute to the creation of affordable housing units, thereby helping to meet the growing demand for such housing.

Stable and affordable housing is a cornerstone of vibrant and resilient communities. By supporting this measure, we can foster long-term community stability and prevent displacement caused by rising housing costs. This bill provides a mechanism for preserving affordable housing stock, which benefits all residents.

Affordable housing is not only a social good but also an economic one. Ensuring a supply of affordable housing can attract and retain a diverse workforce, support local businesses, and



contribute to the overall economic health of our state. Senate Bill 490 can play a pivotal role in achieving these economic benefits. Having affordable housing enables working families stay together and help support older adults to age in place. This stability is essential for the well-being of our aging population

H.B. 739, HD2 represents a thoughtful and balanced approach to addressing our state's housing challenges. By establishing the Kamaaina Homes program, Hawaii can make significant strides towards ensuring that all residents have access to safe, affordable, and stable housing.

Thank you for the opportunity to testify in support.

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 808-733-7060
 808-737-4977

 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 25, 2025

The Honorable Kyle T. Yamashita, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

RE: House Bill 739, HD2, Relating to Housing

HEARING: Tuesday, February 25, 2025, at 10:00 a.m.

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments** on House Bill 739, HD2, which establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers. Effective 7/1/3000.

Hawai'i REALTORS® supports the creation of more workforce housing for Hawaii residents. We do however have concerns that the deed restrictions contained in this measure are in perpetuity. Having deed restrictions on a property in perpetuity can be problematic especially in land use planning, as communities can change and uses for a property may need to change as well over time. We respectfully suggest that the deed restrictions be amortized over 10 years but are open to other proposals for alternative timeframes. We look forward to further discussions on this matter.

Mahalo for the opportunity to provide testimony on this measure.



HB-739-HD-2

Submitted on: 2/22/2025 3:20:49 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
amy agbayani	Hawai'i Friends of Civil Rights	Support	Written Testimony Only

Comments:

Testimony in duppoty og HB739 hd2

Amy Agbayani, co-chair Hawai'i Friends of Civil Rights

I am testifying in **strong support of HB739 HD2** and the establishment of the Kama'āina Homes Program.

The Kama'āina Homes Program plan to make more housing available for local residents. Too many local working class families use up huge percentage of their monthly income and are priced-out of houses and many leave our state. The Kama'āina Homes Program has restrictions that would prevent homes from being lost to non-resident buyers or short-term vacation rentals.

I respectfully urge the committee to pass HB739 HD2 to support housing for Hawai'i's families. Mahalo for your consideration and support.

Amy_Agbayani@yahoo.com

To: Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

From: Chevelle Davis, MPH Director of Early Childhood & Health Policy
Hawai'i Children's Action Network Speaks!

Subject: Measure H.B. No. 739 H.D. 2 – Relating to Housing

Hearing: Tuesday, February 25, 2025, at 10:00 AM, Conference Room 308

POSITION: STRONG SUPPORT

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to provide testimony in **STRONG SUPPORT** of **H.B. No. 739 H.D. 2**, which establishes the Kama'āina Homes Program and provides funding to the counties to purchase voluntary deed restrictions from eligible homeowners of homebuyers.

Stable, affordable housing is critical to the well-being of Hawai'i's families and keiki. However, the rising cost of homeownership continues to push local families out of the state, threatening our communities' cultural and economic fabric. This exodus disrupts communities, separates extended families, and creates instability for our keiki. The Kama'āina Homes Program provides a proactive solution to ensure Hawai'i remains home for the next generation.

By creating a dedicated housing stock for local working families, the Kama'āina Homes Program will help curb the outmigration of residents. Voluntary deed restrictions have effectively prevented speculative real estate practices that drive up housing costs. This model keeps homes in the hands of those who contribute to our communities, prevents them from being lost to non-resident buyers or short-term vacation rentals, and prevents the continued displacement of Native Hawaiian and generational local families.

The Kama'āina Homes Program is an investment in Hawai'i's future – one that prioritizes our keiki and ensures they can grow up in safe, stable, thriving communities. Keeping local families here strengthens our economy, preserves our culture, and builds a future where Hawai'i's keiki can envision a life for themselves in the place they call home.

We believe that investing in programs that protect local homeownership aligns with our mission to ensure that all keiki in Hawai'i have the opportunity to grow up in a safe, supportive, and stable environment. We urge the committee to pass **H.B. No. 739 H.D.2** and take this crucial step toward securing affordable housing for our communities and future generations.

Mahalo for the opportunity to testify on this critical measure.



COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Jenna Takenouchi, Vice Chair

BILL HB739 HD2

POSITION: SUPPORT

Hearing Date: Tuesday, 02-25-25 10:00AM in Conference Room 308

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Committee Members:

Aloha United Way and the ALICE Initiative strongly support HB739, which establishes the **Kamaaina Homes Program** to provide funding for counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

Aloha United Way and the Community Benefit Organizations in the ALICE initiative strongly support this bill because the need for housing units for local residents is critical.

The recently released **State of ALICE in Hawaii report found that 40% of our state's residents are Asset Limited, Income Constrained, Employed, or ALICE**. These are local families and individuals who are employed but whose incomes are not sufficient to meet a basic survival budget.

Even more alarming, the report showed that **37% of households have at least 1 person considering leaving the State in the next 12 months**. Nearly three quarters of those cited the high cost of housing as their main reason for leaving Hawaii.

Aloha United Way supports efforts to ensure that Hawaii's limited housing stock is available first and foremost to Hawaii's residents. If we don't act boldly, Hawaii will continue to see its working families and individuals leave the islands, taking with them our workforce, unique culture, and our very future.

For the well-being of our residents and our state, we urge you to pass HB739. Mahalo for the opportunity to testify in support.

Sincerely,

A handwritten signature in blue ink that reads "Michelle Bartell".

Michelle Bartell
President & CEO
Aloha United Way



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support for HB739 HD2 – Relating to Housing
House Committee on Finance
Tuesday, February 25, 2025 at 10:00AM | Conf. Rm. 308 and via Videoconference

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Mahalo for the opportunity to testify in **strong support of HB739 HD2**, which would establish the “Kama‘aina Homes Program” which would provide funding to counties to purchase voluntary deed restrictions to preserve our existing housing stock for residents.

This legislation is thoughtful and based on successful models like the “Vail InDEED” program in Colorado which is a nationally recognized model being duplicated in many jurisdictions across the country¹. The program has been successful in housing Vail’s workforce and has been an efficient use of tax payer money—in 2020 it was reported that the InDEED program acquired 153 units costing \$10.5M through the voluntary deed restriction program in comparison to when the town purchased a 288 unit apartment for \$200M².

Under current market conditions, Hawaii’s soaring housing costs—now with median home prices exceeding \$900,000³—have made homeownership unattainable for many local families. According to UHERO’s “Hawaii Housing Factbook 2024,” only 20% of residents can afford to purchase a home in the current market⁴. This program tackles this pressing issue by creating a dedicated stock of housing units exclusively reserved for local residents, effectively establishing a “locals-only” housing market.

Mahalo for the opportunity to testify on this measure.

Sincerely,

Arjuna Heim
Director of Housing Policy

¹ <https://www.huduser.gov/portal/casestudies/study-081121.html>

² <https://www.vaildaily.com/news/vail-indeed-program-earns-national-recognition-for-innovation/>

³ <https://www.locationshawaii.com/learn/market-reports/hawaii-statewide-real-estate-report/>

⁴ <https://uhero.hawaii.edu/wp-content/uploads/2024/05/HawaiiHousingFactbook2024.pdf>

**Testimony to the House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair**

**Tuesday, February 25, 2025, at 10:00AM
Conference Room 308 & Videoconference**

RE: HB739 HD2 Relating to Housing

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 739 House Draft 2 (HB739 HD2), which establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

HB739 HD2 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

Hawaii's housing crisis has made homeownership unattainable for many local families, forcing residents to leave in search of affordable living. With home prices averaging over \$800,000, an estimated twelve people leave the state daily, leading to a historic shift where more Native Hawaiians now reside outside Hawaii than within it. A Holomua Collective survey found that 70% of local workers are considering leaving due to high costs, with nearly half planning to move within five years. The shortage of workforce housing further exacerbates the issue, making it difficult for essential workers like teachers and healthcare professionals to live near their jobs, increasing commute times, straining infrastructure, and worsening environmental challenges.

To address this, the legislature proposes the Kamaaina Homes Program, modeled after Vail, Colorado's "Vail InDEED" initiative, which has secured over 1,000 deed-restricted homes for local workers. This voluntary program would allow Hawaii to purchase deed restrictions to keep homes available for local residents, ensuring essential workers and families can stay in the state. By prioritizing existing housing, the initiative reduces the need for new development, alleviates congestion, and strengthens communities. The Chamber supports this program as a practical solution to Hawaii's housing crisis, helping local families stay, preserving cultural heritage, and fostering a stable, resilient economy.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass House Bill 739 House Draft 2. Thank you for the opportunity to testify.



The House Committee on Housing

Hearing: Tuesday, February 11th, 2025

TESTIMONY IN SUPPORT OF HB739: RELATING TO HOUSING

The Hawaii State Youth Commission (HiYC) was established to “advise the governor and legislature on the effects of legislative policies, needs, assessments, priorities, programs, and budgets concerning the youth of the state.” We are writing in support of HB739.

Kama‘āina today face a significant housing crisis. On O‘ahu, the median home selling price is \$750,000, with Maui experiencing prices exceeding this amount. Between 2019 and 2023, the median income for local households was \$104,000. Housing prices have been rising exponentially, and without a steady income to keep pace, local workers are forced to purchase homes by taking out high-interest loans or, in many cases, moving out of state. As such, out-migration has been on the rise on a disproportionate scale, further weakening the local workforce.

Establishing the Kama‘āina Homes Program would provide necessary relief to local residents and expand homeownership opportunities for Kama‘āina under deed restrictions. The deed restrictions within the program would limit out-of-state investors’ and prospective buyers’ ability to purchase property in the future. Instead of heading toward a lucrative real estate market supported by out-of-state buyers, the government should seek to remedy the Kama‘āina who have worked on these islands for generations and are in desperate need of housing. Moreover, HB739 enables municipalities to offer secured loans and financial aid to lower-income residents.

Most importantly, this program would have long-term benefits for local workers and families. The pressing housing crisis undeniably affects the youth today, and thus, the issues it entails involve our current youth. We urge the government to implement programs to make the housing market more stable and less speculative. By focusing on local residents, HB739 provides a practical and sustainable path for Hawaii’s housing market in the future.

Thank you for your consideration of our testimony in support of this vital bill.

The Hawai‘i State Youth Commission

hawaiistateyc@gmail.com



TO: HOUSE COMMITTEE ON FINANCE
The Honorable Kyle T. Yamashita, Chair
The Honorable Jenna Takenouchi, Vice Chair, and
Members of the Committee

FROM: Micah A. Kāne, CEO & President

RE: Testimony in Support for HB739 HD2, Relating to Housing

Date: Tuesday, February 25, 2025 at 10:00am

Place: Hearing Room 308

The Hawai'i Community Foundation (HCF) supports HB739 HD2, Relating to Housing, which establishes the Kama'āina Homes Program.

Housing is a priority area within HCF's CHANGE Framework under the "C" sector of Community Centered Economy. Per UHERO, "median housing costs in Hawaii are more than 2.7 times the national level"¹ and median rents are the highest in the country.² ALICE families are more vulnerable because of our current housing market.

The demand for attainable local housing currently enveloping Hawai'i is at crisis levels. Too many people who do not live or work in Hawai'i are owning and driving up the costs of our housing market, which contributes to a record outmigration of local residents. The agony of this dynamic is punctuated by the fact that more Hawaiians now live out of Hawai'i than in Hawai'i.

While efforts to address the housing crisis have shown progress, it is evident that the current perspectives and efforts need to be expanded, and new creative solutions must be adopted. Hyper prioritization of major off-site infrastructure improvements that can effectuate housing, broad-based collaboration and regulatory reform are more critical now than ever.

We support the creation of the Kama'āina Homes Program because it represents a new and creative solution. Selling a deed restriction can create a variety of meaningful impacts on our community. A deed restriction sold is a promise to the community that another home is available for a working family in perpetuity. A deed restriction sold is an opportunity for a new homebuyer to have the down payment for their first home. It can also help an existing homeowner to fund necessary repairs to their aging home or replace the cesspool on their property. A deed

¹ [UHERO 2023 Hawaii Housing Factbook](#) at page 1.

² [UHERO 2024 Hawaii Housing Factbook](#) at page 6.



restriction sold is an opportunity for the government to make an investment in our future and preserve our local culture.

Kama'āina want to stay in Hawai'i and HB 739 HD2 can open that door and provide that hope. There is universal agreement that locals need more places to call home. Homes must be affordable so residents will be free from the pressure of leaving the island. HB 739 HD2 is an innovative solution that contributes to more housing for our community, and HCF is happy to support it.



Queen's Court
800 Bethel Street, Suite 501
Honolulu HI 96813

Phone 808.587.7770
Fax 808.587.7769
www.avalonhi.com

February 23, 2025

Chair, Kyle Yamashita
House Finance Committee
Hawaii State Capitol
Honolulu, HI 96813

Re: Testimony in support of HB 739 HD 2 Relating to Housing

Avalon Group through its subsidiary Avalon Development Company is an active developer of housing in Hawaii. We support HB 739 and request your approval.

This innovative concept will let counties purchase voluntary deed restrictions that require the occupants to be kamaaina of Hawaii. In the long run, this concept will help preserve more homes to be available for the Kamaaina families.

This concept will not solve the housing crises nor increase the housing supply. However, it is a tool that has worked in Veil, another tourism based highly desirable, high-cost locale like Hawaii. We need to have many tools in our bucket to help our local residents compete for and afford housing.

The key aspects of the proposal is that it remains voluntary. Often, well meaning legislation turn into high-cost requirements or become market disruptions that add barriers to housing development. Building housing is already difficult without more requirements being added. HB 739 is a fresh innovative tool that neither hinders or adds requirements. It is a concept worthwhile of your approval.

Mahalo,

Christine Camp
President & CEO



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

February 25, 2025

House Committee on Finance
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for HB 739 HD2 - RELATING TO HOUSING

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 739 HD2** which would establish the Kama'āina Homes Program, funding and allowing counties to purchase voluntary deed restrictions from eligible homeowners and homebuyers.

We believe in fixing incentives, and this includes creating innovative and targeted incentives. Hawai'i homebuyers continue to struggle to compete with non-Hawai'i buyers both because of lack of funds and a non-dedicated housing stock. This innovative incentive will let counties purchase **voluntary** deed restrictions that require the owner-occupant and/or renters be recently retired from or be a full time employee of a Hawai'i business, with appropriate protections for those experiencing involuntary unemployment or disability. In the long-term, more homes volunteer for the deed restriction creating a stock of homes dedicated to those who work and live in Hawai'i.

This alone will neither solve the housing crisis, nor increase housing supply, however, it is a long range approach to incentivize homebuyers and homeowners to dedicate their home to local working families of tomorrow.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,
Damien Waikoloa
Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega
Chapter Lead, Hawai'i YIMBY



Date: February 24, 2025

To: Representative Kyle Yamashita, Chair
Representative Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

From: Early Childhood Action Strategy

Re: House Bill 739 HD2, Relating to Housing

Early Childhood Action Strategy (ECAS) is a statewide cross-sector collaborative designed to improve the system of care for Hawai'i's youngest children and their families. ECAS partners work to align priorities for children prenatal to age eight, streamline services, maximize resources, and improve programs to support our youngest keiki.

ECAS supports House Bill 739 HD2, which would establish Kama'āina Homes Program.

We are all aware that a limited housing inventory and highly inflated housing costs have continued to price local families out of their homes, causing them to flee the state in droves. Though it may not solve the problem in and of itself, the Kama'āina Homes Program can play a role in keeping families in Hawai'i by establishing a dedicated inventory for local working families by empowering the counties to purchase voluntary and perpetual deed restrictions from homeowners and homebuyers. Coupled with a work declaration that requires both owners/occupants to have local employment, the program is geared to the prevention of homes being bought or sold to non-resident buyers for use as either long-term housing or short-term vacation rentals.

The Kama'āina Homes Program is an investment in local families and the local workforce. The importance and benefits of a program of this nature cannot be overstated.

For this reason, Early Childhood Action Strategy supports House Bill 739 HD2.

Mahalo for the opportunity to provide this testimony.



February 24, 2025

Support for HB739 HD2 – Relating to Housing

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is **Rob Nobriga, President and CEO of Tradewind Group**, and I am testifying in **strong support of HB739 HD2** and the establishment of the Kama'āina Homes Program.

Hawai'i's housing crisis is forcing local families to leave—but the Kama'āina Homes Program offers a solution. The Program imagines a future where local families can stay in Hawai'i—home by home, neighborhood by neighborhood, by ensuring there is housing available just for local residents. Skyrocketing home and rental prices have resulted in many local families struggling to secure places to live, pressuring local working families to leave Hawai'i in search of attainable living options elsewhere. The Kama'āina Homes Program would create a dedicated housing inventory for local working families by empowering the counties to purchase voluntary and perpetual deed restrictions from homeowners and homebuyers. The restrictions would come with a requirement that both owner-occupants and renters of record work locally. This prevents homes from being lost to non-resident buyers or short-term vacation rentals.

The Kama'āina Homes Program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It's an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people.

I urge the committee to pass HB739 HD2 to support Hawai'i's housing future.

Mahalo for the opportunity to testify.

Rob Nobriga
rnobriga@tradewindgrp.com

Council for Native Hawaiian Advancement
91-1270 Kinoiki St., Bldg. 1
Kapolei, HI 96707

Hawai'i State House of Representatives

Committee on Finance

HB739 – Relating to Housing

RE: Strong support of HB739

February 25, 2025

The Council for Native Hawaiian Advancement (CNHA) writes in **strong support of HB739**. This bill is critical to mitigating the ongoing and worsening impacts of the rising cost of living that make it difficult for working local and Native Hawaiian residents to secure attainable housing.

The average price of a home in Hawai'i has now surpassed \$800,000. As a result, Native Hawaiians are forced to seek affordable housing out of state, leading to more Native Hawaiians residing outside of Hawai'i than within. Since 1984, existing home prices have increased by 155%, while Hawai'i's median household income has risen only 24%. High housing prices disproportionately impact our working families and young people, prospective homeowners who find it nearly impossible to build a future here in Hawai'i. According to DBEDT's 2024 report on Demographic, Social, and Economic Characteristics of Hawai'i's Race Groups, around 62 percent of Native Hawaiians in Hawai'i are employed, yet they earn significantly less than other major race groups in the state, with medium annual earnings falling below \$40,000 for full-time, year-round work.

HB739 seeks to address this housing crisis by establishing and funding the Kamaaina Homes Program. This program would assist counties through the dwelling unit revolving fund to purchase voluntary deed restrictions from eligible homeowners. These deed restrictions would ensure that homes remain attainable for local and Native Hawaiian families that contribute to the local workforce while preserving community stability. This bill is an innovative solution that prioritizes residents first and foremost.

This measure establishes housing solutions to keep local and Native Hawaiian workers, particularly essential workers, in Hawai'i. This initiative provides critical support to ensure that workers who contribute to our community have access to housing in Hawai'i. Prioritizing initiatives to address inequalities in housing accessibility creates economic stability for Hawai'i's workforce and fosters community development for future generations residing in Hawai'i. For these reasons, we humbly ask that you **PASS HB739**.

Me ka ha'aha'a,

Madelyn McKeague
Director of Advocacy, CNHA



1200 Ala Kapuna Street • Honolulu, Hawai'i 96819
Tel: (808) 833-2711 • Fax: (808) 839-7106 • Web: www.hsta.org

Osa Tui, Jr.
President

Logan Okita
Vice President

Cheney Kaku
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Ann Mahi
Executive Director

1

TESTIMONY TO THE HAWAI'I HOUSE COMMITTEE ON FINANCE

Item: HB 739, HD2 – Relating to Housing

Position: Support

Hearing: Tuesday, February 25, 2025, 10:00 am, Room 308

Submitter: Osa Tui, Jr., President - Hawai'i State Teachers Association

Dear Chair Yamashita, Vice Chair Takenouchi and members of the committee,

The Hawai'i State Teachers Association (HSTA) **supports** HB 739, HD2 which establishes the Kama'āina Homes Program. As you know, Hawai'i is in the midst of a severe housing crisis, making homeownership unattainable for many local working families. The average price of a home in Hawai'i is now over \$800,000, an amount out of reach for most working residents. This crisis is not only affecting families, but also essential workers like teachers who are struggling to find affordable housing. The lack of affordable housing has led to an outmigration of residents, including Native Hawaiians, who are leaving the islands to seek a more affordable life.

HB 739, HD2 offers a potential solution by prioritizing workforce housing and ensuring that homes are occupied by local residents. We believe this program could help alleviate the housing crisis and allow essential workers, like teachers, to remain in Hawai'i. A similar program in Vail, Colorado, has proven successful in creating deed-restricted homes for local working residents. We urge the committee to pass HB 739, HD2 and invest in the future of Hawai'i by keeping local families and essential workers in our communities.

Mahalo.

Date: February 25, 2025
To: Chair Yamashita and Members of the House Committee on Finance
From: Jeff Esmond
Subject: HB739 HD2 Related to Housing - In Support

I am currently the Chair of the Hawai'i State Commission on Fatherhood and would like to offer personal testimony in support of HB739 HD2.

In the spirit of the Commission of Fatherhood, whose intent is to improve the lives of the keiki of Hawaii, I believe that additional housing opportunities for families will do just that.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Brad Nicolai
Mike Pietsch
Sunshine Topping

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

827 Fort Street Mall, 2nd Floor
Honolulu, Hawai'i 96813

+1 (808) 542-4089
info@holomuacollaborative.org

HolomuaCollaborative.org

Page 1 of 3

Committee: House Committee on Finance
Bill Number: HB 739 HD2, Relating to Housing
Hearing Date and Time: February 25, 2025, 10:00am (Room 308)
Re: Testimony of Holomua Collaborative – Support

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of HB 739 HB2, Relating to Housing. This bill would establish and fund the Kama'āina Homes Program.

Hawai'i remains in a housing crisis. Skyrocketing home prices leave many local families struggling to secure safe, attainable places to live. The median home price in Hawai'i now exceeds \$800,000—an impossible amount for most residents. As a result, many local families are being forced to leave in search of affordable living options elsewhere. Between July 2022 and July 2023 alone, an average of twelve people left Hawai'i *every day*.¹ More Native Hawaiians now live outside Hawai'i than within it. This is a loss of our culture, traditions, and the essence of what makes Hawai'i home.

In October 2024, a survey² gathering information about the day-to-day financial experience of local workers was released and it suggests this growing crisis has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive “no,” while sixty-nine percent said “yes” or “unsure.” And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawai'i. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

The high cost of living and limited attainable housing options have led many people in our local workforce – teachers, firefighters, health care workers, and more - to consider relocating to the continent, further deepening our state's labor shortages and eroding the quality of life for all residents.

The Kama'āina Homes Program is an income-blind, voluntary initiative, based on programs successfully deployed in other jurisdictions. It would create a dedicated housing supply for local residents by empowering the Counties to purchase perpetual deed restrictions on properties that require occupants to live and work in Hawai'i.

¹ U.S. Census Bureau, Population Division Estimates, released on March 14, 2024; and calculations by the Hawai'i State Department of Business, Economic Development & Tourism, Hawai'i State Data Center.

https://files.hawaii.gov/dbedt/census/popestimate/2023/county-pop/2023_daily_est_counties.pdf

² <https://holomuacollective.org/survey/>

In the face of our state's ongoing housing crisis, this program represents a critical investment in the future of Hawai'i—both in terms of our economy and our cultural heritage. This program would ensure housing is reserved for local families for generations. And it would help reverse the trend of families and workers leaving Hawai'i by providing them with the opportunity to live in their communities long term.

A program with similar principles, Vail InDEED³, offers an inspiring example. Launched in 2018, Vail, Colorado, created a voluntary program that allowed the town to purchase deed restrictions on homes, ensuring they were only available to local residents. This program has reduced the pressure on the housing market and improved the overall stability of the community. Not only has it fostered a supportive environment for local families, but it has also strengthened the community by ensuring that the people who work in Vail can *afford* to live there, too.

A key feature of the Kama'āina Homes Program is the lack of restriction the program places on how the moneys received by an eligible homeowner or homebuyer can be used. A significant portion of money exchanged in return for deed restrictions in Vail was used by first time homebuyers, as it provided a sum of money for down payments to families that would otherwise never be able to save for a down payment. Flexibility in how the money can be used—whether for a down payment, cesspool conversion, infrastructure improvements or renovations, tuition, healthcare, or some other important need—is a key draw for many prospective participants.

Finally, we note that the Kama'āina Homes Program is one of the most *efficient* ways for the government to invest funding into housing for a local workforce. In terms of dollars per unit per year, the return on investment realized through this program compounds over time. For example, if a county under this program paid \$50,000 for a deed restriction, then in 10 years the cost per unit per year is only \$5,000. In 50 years, it would only be \$1,000 per year. The longer the home stays in the program, the more efficient the program becomes.

The Kama'āina Homes Program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It's an opportunity to ensure that our islands remain vibrant, diverse, and a place where local working families can afford to stay.

We respectfully request the Committee consider amending the measure to add one additional section. This section would specify that if funds from the Kama'āina Homes Program are used to build an accessory dwelling unit (ADU), then the ADU must also comply with the deed restriction occupancy requirements. However, relatives of the primary dwelling unit's occupant who live in the ADU would not be in violation of the occupancy requirements. Suggested language as follows:

³ See <https://www.vail.gov/government/departments/housing/vailindeed>

“§201H- Construction of an accessory dwelling unit; exemption. (a) If the money granted pursuant to this subpart is used to finance the construction costs, development costs, or non-reoccurring closing costs associated with the construction of an accessory dwelling unit on the deed restricted property, the deed restriction shall apply to the primary dwelling unit and the constructed accessory dwelling unit .

(b) An accessory dwelling unit constructed with moneys pursuant to this subpart that is occupied by a relative, by blood, marriage, or adoption, of an occupant of the primary dwelling unit shall not be in violation of the occupancy requirements established pursuant to this subpart.

(c) As used in this section:

"Accessory dwelling unit" means an accessory or a second dwelling unit that includes its own kitchen, bedroom, and bathroom facilities, and is attached or detached from the primary dwelling unit on the zoning lot on which the primary dwelling unit of the owner is located.

"Development costs" includes costs associated with site preparation, architectural or engineering design, permits, soil tests, impact fees, and property survey."

We urge you to support the Kama‘āina Homes Program for the sake of Hawai‘i’s future, and for the generations of local families who will benefit from the stability, security, and opportunity this program offers.

Sincerely,



Joshua Wisch
President & Executive Director



TITLE GUARANTY
HAWAII

February 25, 2025

Testimony in support of HB 739 HD2, Relating to Housing

Aloha Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

We write in support of HB 739 HD2, Relating to Housing, which would establish the Kama'āina Homes Program to place voluntary deed restrictions on homes that will be dedicated for local working residents.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'āina family since 1896 and we are proud to employ over 250 residents who work in our branches across the state. As an organization that has worked for over a century to help connect local families with housing, we see firsthand the economic shift that is preventing local families from achieving the dream of homeownership.

The Kama'āina Homes Program is an innovative proposal to create a new pool of residential real estate that is restricted to local residents. This will enable locals to get into Hawaii's tight housing market by restricting housing stock for local families and promoting a local workforce. This program is offering property sellers and buyers incentives in exchange for voluntarily placing a deed restriction on their property that restricts the types of future buyers and/or tenants to Hawai'i residents. The proposal accomplishes this by tying the voluntary deed restriction to residency and work requirements. It enables locals to compete with mainland buyers when buying a home and it also encourage property owners to rent to locals long term instead of leaving homes vacant.

HB 739 HD2 is an original solution that invests in our community and in culture, and I hope that you support this effort to keep local residents in Hawai'i.

Sincerely,

Mike B. Pietsch
President and Chief Operating Officer
Title Guaranty of Hawai'i





February 25, 2025

Committee: House Committee on Finance
Bill Number: HB739 HD2, Relating to Housing
Hearing Date and Time: February 25, 2025, 10:00am
Re: Testimony of HPM Building Supply in Support

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members:

I would like to submit this testimony in support of HB739 HD2, Relating to Housing. The purpose of HB739 HD2 is to create a dedicated local housing market through the establishment of the Kama'āina Homes Program.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawai'i and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

A significant portion of our workforce consists of skilled tradespeople like carpenters, electricians, and plumbers, all of whom are integral to the construction process. However, as housing prices rise and rental prices soar, these workers are forced to leave the state in search of more affordable living situations. The result is a shortage of skilled labor in the construction sector, leading to delays and higher costs for homeowners and developers alike. The Kama'āina Homes Program offers a solution to this by ensuring that local workers have a place to live in the same communities where they work.

HB 739 HD2's approach—creating deed-restricted housing dedicated to local working residents—will help stabilize the housing market by giving local workers a fighting chance in a competitive market in which wealthier non-residents often have an advantage. With more local residents able to afford homes and stay in the state we will have a stronger, more sustainable construction industry that benefits everyone, from homeowners to contractors and beyond.

I ask for your support of HB739 HD2, as it provides the foundation for a more robust, locally employed, and efficient building industry that will meet the needs of Hawaii's growing population.

Sincerely,

Jason Fujimoto
Chairman & CEO





**Testimony to
House Committee on Finance
February 25, 2025
10:00 AM
Conference Room 308 & VIA videoconference
Hawai'i State Capitol
HB 739 HD2**

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

We write in support of HB 739 HD2. This bill will increase our housing supply for local working families in Hawai'i.

Established in 1904, Hawai'i Gas serves over 70,000 customers on all islands through its utility pipeline infrastructure and propane business, all of whom depend on the company for sustainable, reliable, and affordable gas for water heating, cooking, drying, and other commercial and industrial applications. The company employs some 350 professionals, over 75% of whom are under collective bargaining.

The stability of our local workforce is directly tied to the ability of local families to live and work in Hawai'i. Housing instability has a direct impact on the workforce's ability to remain in the state and to continue supporting the essential infrastructure that allows businesses like ours to thrive and serve the public.

Our company relies on a dedicated workforce of technicians, engineers, and support staff who ensure that the gas services we provide are safe, reliable, and accessible to all residents. However, the rising cost of housing makes it increasingly difficult for these essential workers to remain in the state. The Kama'āina Homes Program offers a meaningful solution by ensuring that local families can secure housing in their communities, thereby providing a stable and skilled workforce that is essential to industries like ours.

HB 739 HD2 addresses long-term workforce sustainability, ensuring that employees who work in critical infrastructure sectors like energy can stay in Hawai'i and continue their work without the constant threat of displacement. It is a smart, forward-thinking solution that will benefit all sectors of our economy.

We urge you to support HB 739 HD2, as it represents an investment in Hawai'i's workforce, infrastructure, and long-term prosperity.

Thank you for the opportunity to testify.



Statement of
Meli James and Brittany Heyd
Cofounders
Mana Up

HB739 HD2, Relating to Housing

Aloha Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

We support HB739 HD2, which establishes the Kama'āina Homes Program to provide voluntary deed restrictions to willing eligible homeowners and homebuyers who agree to limit the use of their property for local working occupants.

Mana Up is a statewide initiative that helps provide entrepreneurs in Hawai'i with the resources and tools to grow their business and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i. To keep these types of entrepreneurs in Hawai'i and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford.

We repeatedly hear from our entrepreneurs about the difficulty they have in finding attainable housing that provides them the safety and security necessary to focus on their business and family. Local entrepreneurs want to create and expand their business in Hawai'i, but far too often feel that opportunities for housing and business are better on the continent.

Creating a dedicated housing stock for our local workforce will help our families have security as they navigate the difficult economic conditions that face the State. The Kama'āina Homes Program incentivizes local homeowners and buyers to voluntarily be a part of the solution to create a permanent dedicated housing stock for local families. Housing is a challenge for everyone, and by coming together, we can find shared solutions that help all the people of Hawai'i.

Sincerely,

Meli James | Cofounder, Mana Up
Brittany Heyd | Cofounder, Mana Up

TORI RICHARD

February 25, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

We write in support HB 739 HD2 and the creation of the Kama'āina Homes Program.

Tori Richard has manufactured in Honolulu for nearly 70 years, and we continue to proudly do so today. As a long-time medium-sized Hawai'i employer, we recognize the challenge high housing costs pose to everyone working to make ends meet in Hawai'i.

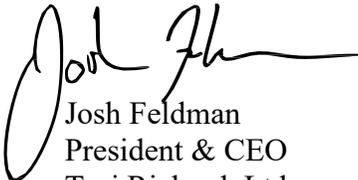
Our business is deeply committed to supporting Hawaii's local workforce, but the growing housing crisis makes it increasingly difficult for our employees to remain in the islands. Attainable housing is key to keeping talented, creative people in Hawai'i, and this bill offers a much-needed solution to that challenge.

Many of our employees are struggling to find attainable places to live. As their employer, I see firsthand the impact this has on their lives. When workers are forced to move away or leave the state altogether, it hurts our ability to operate and expand. The Kama'āina Homes Program ensures that local workers, like those in the fashion, manufacturing, and retail industries, have a place to call home. This stability will allow them to continue contributing to Hawai'i's vibrant economy and support local businesses.

Moreover, as a company that takes pride in being part of the local community, we understand the importance of preserving Hawaii's unique cultural identity. The housing crisis threatens that identity, as local residents are pushed out by non-resident investors and wealthy buyers. HB 739 HD2 will help reverse this trend by providing a steady supply of attainable homes dedicated to local residents, ensuring that our workforce and community remain strong and diverse.

I urge you to support HB 739 HD2, as it is essential to the future of our business and the local economy. Thank you for your consideration.

Sincerely,



Josh Feldman
President & CEO
Tori Richard, Ltd.

1891 NORTH KING STREET
HONOLULU, HAWAII 96819



Testimony in Support of HB 739 HD2, Relating to Housing

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

We write in strong support of HB 739 HD2 which will establish the Kama'āina Homes Program allowing interested homeowners and homebuyers to voluntarily sell a deed restriction on their property that limit the occupancy of the property to our local workforce.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawai'i is at our core, and through our products and services, we work hard to make Hawai'i a better place for future generations.

Hawai'i is in the midst of a housing crisis. Our employees are our greatest asset, and we want to ensure that they have access to quality and attainable housing. This program is a good first step at establishing a housing market that is dedicated to local working families rather than out-of-state purchasers.

Mahalo for the opportunity to submit testimony in support of HB 739 HD2.

A handwritten signature in black ink that reads "Brandon Kurisu".

Brandon Kurisu
aio Family of Companies



Committee: House Committee on Finance
Bill Number: HB 739 HD2, Relating to Housing
Hearing Date and Time: February 25, 2025, 10:00am (Room 308)

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the committee:

I write today in **strong support of HB 739 HD2**, Relating to Housing.

It is rare to be at a local gathering nowadays and not hear someone comment that they, or their family member or friend, are considering moving to the continent because they were unable to find housing in Hawai'i. This outmigration has become the norm, and it is affecting all aspects of our community. We are watching 'ohana separated from one another. Key community roles and jobs are left vacant as teachers, first responders, care workers, service staff are seeking financial security away from Hawai'i. And our next generations are opting for new places to call home because they know that they will never be able to afford a place to call their own in Hawai'i when wealthy interests from outside the state are able to outbid them in the open market.

The Kama'āina Homes Program lays a framework to mitigate this housing and cultural crisis. This a voluntary initiative inspired by successful models from other regions. It offers a much-needed solution by ensuring that housing is dedicated specifically to local residents, without considering income levels. This means the program focuses on keeping housing within reach for Hawai'i families who are working and living here, supporting our residents in staying rooted in the communities they call home.

Given the housing crisis we continue to face, this program is an investment in our future—both economically and culturally. It creates long-term restrictions on properties, requiring that they be occupied by those who live and work in Hawai'i, which helps to prevent housing from being priced out of reach for local families. With rising costs and the constant threat of our own residents being displaced, this program ensures that our communities will remain intact, and that local workers and families will not be forced to leave for lack of affordable options.

Hawai'i is a special place, with a unique culture and way of life that depend on the strength and stability of our local communities. By supporting the Kama'āina Homes Program, you would be taking a decisive step toward securing that future—ensuring that future generations of Hawai'i residents can live and thrive in the islands they call home.

Mahalo for your consideration,
Sunshine Topping

February 25, 2025

TO: Chair Yamashita and Members of the Finance Committee
RE: HB 739, HD2 RELATING TO HOUSING.

Dear Chair Yamashita and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support the establishment of the Kamaaina Homes Program through HB 739, HD2.

The Kamaaina Homes Program is modeled on a similar program in Vail, Colorado. Like many of Hawai'i's communities, Vail is heavily reliant on tourism. Furthermore, tourism has adversely impacted their locality's supply of affordable housing. The housing shortage leads to a workforce shortage. As HHF concluded in our sixth policy brief, the Vail InDeed model is uniquely tailored to Hawai'i's housing constraints.¹

Deed restrictions can preserve local housing supply. By purchasing deed restrictions from homeowners, county governments can ensure deed-restricted homes remain permanently affordable for residents.

Under this program, residents who work at least thirty hours per week in the community, or who meet another set condition, are eligible to live in these deed-restricted homes. This program will foster a new, permanent affordable housing market for working residents.

We are grateful for your careful consideration of HB 739, HD2.

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org

¹ Housing Hawai'i's Future. "Policy Brief #6: Deed Restrictions in Maui County." 2024.
<https://www.hawaiisfuture.org/resources/policy-brief-mau-deed-restrictions>.

1288 Ala Moana Blvd. Suite 201
Honolulu, Hawaii 96814
tel (808) 524-1508
fax (808) 524-0766
web kobayashi-group.com
email info@kobayashi-group.com

February 24, 2025

Representative Kyle T. Yamashita
Representative Jenna Takenouchi
House Committee on Finance
Hawai'i State Capitol
Honolulu, Hawai'i 96813

**RE: HEARING OF FEBRUARY 25, 2025; TESTIMONY IN SUPPORT OF HB 739
RELATING TO HOUSING**

Dear Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Mahalo for the opportunity to submit testimony **in support** of HB739, Relating to Housing. This bill would establish and fund the Kama'āina Homes Program. In the face of our state's ongoing housing needs, this program represents a critical investment in the future of Hawai'i—both in terms of our economy and our cultural heritage.

Kobayashi Group is a company deeply rooted in Hawai'i, understanding the unique values and priorities of our island communities. We take great care to honor those values in everything we do, applying our skills and expertise to meet the needs of a diverse population.

We support the opportunity to secure a long-term inventory of homes not restricted from the important ability to grow equity, but creates a voluntary program to keep these homes for Kama'āina families, which is an innovative approach that has worked in other cities.

Sincerely,



Alana Kobayashi Pakkala
CEO + Partner

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE; Kamaaina Homes Program; Voluntary Deed Restrictions

BILL NUMBER: HB 739 HD 2

INTRODUCED BY: House Committee on Judiciary & Hawaiian Affairs

EXECUTIVE SUMMARY: Establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

SYNOPSIS: Adds a new subpart to chapter 201H, Part III, HRS establishing the Kamaaina Homes Program (“Program”) within the Hawaii Housing Finance and Development Corporation (“HHFDC”).

The Program allows the purchase of voluntary deed restrictions from eligible homeowners or buyers, to be funded through the dwelling unit revolving fund established pursuant to section 201H-191, HRS. Upon application of the county, HHFDC may allocate an annual lump sum necessary for a county to purchase a voluntary deed restriction from an eligible homeowner or homebuyer.

Definitions provided for “eligible homeowner or homebuyer” and “qualified business”.

New section 201H-C, HRS, the deed restriction shall run with the land in perpetuity, binding all future owners, successors and assigns.

New section 201H-E, HRS, provides property with a deed restriction shall be exempt from the following with conforming amendments made to: (a) Chapter 343 Environmental impact statements; (b) Chapter 247 Conveyance tax; and (c) Chapter 103D Hawaii procurement code.

Makes conforming amendments to section 201H-191(a), HRS, relating to the dwelling unit revolving fund.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: If it is decided to implement this program and allow a conveyance tax exemption for properties on which a deed restriction is recorded, we suggest the following amendment to the exemption:

(18) Any document or instrument conveying real property with a county-owned deed restriction pursuant to subpart _____, part III of chapter 201H, including any document or instrument granting such a county-owned deed restriction.

Digested: 2/24/2025



Aloha e Representatives, Chair, Vice Chair:

Opposition to HB739/SB490

We are testifying on behalf of Locals In My Backyard (LIMBY) Hawai'i. LIMBY Hawai'i is a hui of concerned kama'āina and kānaka advocating for solutions to our state's housing crisis.

We are concerned that NIMBYism has driven up costs and driven our friends and families out by opposing all development. We are equally concerned that the apparent answer to this, YIMBYism, insists that anything resembling true affordability is impossible and promotes building housing that gets bought by overseas investors. ***We won't solve our housing woes without building more, but we won't solve them by simply building more.***

The true solution is to create a housing market for locals: one that houses locals first, is tied to local wages, and is managed in trust. We detail real solutions to our housing woes on our website and through our newsletter.

The future for kama'āina and kānaka will be LIMBY or Las Vegas.

Deed restricted affordability purchased by the counties are a viable mechanism for perpetually affordable housing for local families and workers. This bill to that extent represents a step in the right direction. However, the bill contains a fairly hands off approach that may limit its impact.

We offer comments and amendments. To better leverage this bill's potential and the public's investment in these units, the bill should be amended to:

- allow counties to define qualified businesses and maintain a list of approved businesses
- require that participants in this scheme pre-register with the county and that such registration be subject to residency and annual renewal and that eligibility be at least partially based on time spent on this list
- require that applicants not own other real property nor substantial holdings in company whose sole or primary purpose is the management, ownership, or development of real property
- wealth limits to insure these homes are going to actual kama'aina
- limits on the amount gifted to the buyer for closing costs or downpayment from non-state programs or individuals

- requirements that any other publicly funded or charitable gifts covering the downpayment or closing costs be added to the value of the affordability easement further increasing affordability in event unit is resold
- resale limits tied to local incomes
- more stringent penalties for violation of the deeded restriction

These will limit abuse of the program and better direct it towards the local working class. Funds will doubtless be limited for this program. It is therefore critical that those funds go towards long suffering locals. These amendments will achieve that.

Pre-registration side steps the otherwise very loose requirements for “residency”. There is little more required to be a resident than to have an address here: which can be accomplished before one even arrives in Hawai‘i.

Annual renewal with a seniority criteria gives our keiki an advantage as they could register at 18, attend college, return home, and begin saving for a home all while moving up to the front of the line. This would allow them to be first in line above someone who had just arrived with the funds to purchase a home.

We believe the program outlined here is best understood as a way for local families to put down permanent roots. It should not be a rental program—indeed the ability to rent the property would seem to contradict some of the other requirements of this bill.

To that end, if the property is going to be rented, there should be a cap on how much rent could be charged as a percentage of local incomes: rents should not exceed 100% of AMI. This would ensure that the property would continue to pay it forward as lower rents would enable local families to save for an eventual home of their own.

This would also account for the fact that local incomes are skewed higher by those working multiple jobs and as remote work has exploded.

However, properly understood this is a **homeownership** program. Not one for landlords. It thus makes little sense to subsidize landlords purchasing units via a program intended for homeownership. Thus it would be better that this property require an **owner-occupant** status. If the owner—living on the property—wishes to sublet a portion of the property under those terms that would be their own affair.

As written the requirement that only a single-tenant on the property be working at a qualified local business is particularly onerous. It would allow for arrangements with exorbitant rents so long as a single tenant works at a local company. This does nothing for housing affordability.

In a similar vein, there should be restrictions on ownership of real property by participants in this program. This should be for locals who want a place to live, not investors who want a home and a rental unit. Thus the program should require, via affidavit or other measure, that they attest to no ownership of other real property.

Finally, our affordable home programs have an unfortunate tendency to flow units towards the wealthy. This is often done under the auspices of a “low-income” family member purchasing a unit with gifted funds. No one doubts their right to a home, however, members of the public whose family members can gift them a home are not who this program is best intended for and are certainly in less imminent danger of moving to the CONUS due to housing costs.

We believe then limits on these gifted funds for closing costs or the downpayment should be limited. However, this need not include grant funds administered by other government or charitable institutions that would allow stacking and an increase in the overall affordability of the unit.

Resale limits that tie this property to local income increases are similarly necessary. This is a public investment in property and we should exercise that option to the fullest extent. It should not be seen as a vehicle for private profit born on the backs of locals leaving and investors buying in.

Finally our housing crisis is dire. We should not tolerate abuse of this program and the penalties for abuse of public funds sorely needed for affordable housing should be more stringent.

As written this bill introduces some good ideas, but as written this bill will likely just mean that home prices go up. All it does is subsidize landlords with grants, thus meaning they can bid higher, while retaining no requirement for meaningful affordability. While the kernel of the bill is strong—deed restrictions—insufficient thought has been put into how to make that device achieve what lawmakers actually want: which is affordable housing.

We urge the committee to either make these substantive amendments or drop the bill and try again next year.

Me ka ha’aha’a
Makana Hicks-Goo,
Organizer on behalf of LIMBY Hawai‘i



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
Tuesday, February 25, 2025 AT 10:00 A.M.**

To The Honorable Representative Kyle T. Yamashita, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

SUPPORT HB739 HD2 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS HB739 HD2** which establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

Housing is one of the Maui Chamber's top priorities as we are in a housing crisis. Ensuring the availability of attainable homes and rentals is essential to the well-being of our residents. It is also a vital pillar in our efforts toward workforce stability and economic recovery.

This is another excellent tool in the toolbox for housing.

For these reasons, we **SUPPORT HB739 HD2**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

HB-739-HD-2

Submitted on: 2/22/2025 4:45:18 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sandy Ma	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice Chair Takenouchi and Members of the House Finance Committee,

I support HB739, HD2, establishing the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers. This program will:

1. help to preserve Hawai'i's communities by ensuring housing remains available for local working families.
2. create a dedicated housing supply for local residents.
3. create a secondary market for housing just for local residents, which will reduce the cost of housing over time.
4. make housing available to local residents working for local employers.

With Hawaii's high home prices, we must adopt innovative ways to ensure that local families may be able to afford homes to remain in Hawaii.

I respectfully ask you to pass HB739, HD2 out of your Committee. Mahalo!

HB-739-HD-2

Submitted on: 2/22/2025 8:44:01 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Stephany Vaioleti	Individual	Support	Written Testimony Only

Comments:

Aloha,

We need creative sustainable solutions for our local families and generations to come. This program is an investment for our children and their children. I know families who have left the place they call home because of the high cost of living. Our daughter, son-in-law and new grandchild may never be able to buy a home in this economy. This program is a critical investment and one way to increase ownership and affordability for local families. Please move this bill forward. Mahalo

HB-739-HD-2

Submitted on: 2/22/2025 11:11:43 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ellen Godbey Carson	Individual	Support	Written Testimony Only

Comments:

I support this bill. It is an important step in helping us have more effective affordable housing programs.

Thank you for your consideration of my testimony.

Ellen Carson

HB-739-HD-2

Submitted on: 2/23/2025 11:25:28 AM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jamie Yamagata	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi and Members of the Committee,

I am writing in strong support of HB 739, HD2 which seeks to establish the Kama‘āina Homes Program to create a dedicated housing supply for local residents. As a lifelong resident of Hawai‘i, I have witnessed firsthand how our housing market has become increasingly out of reach for local families, forcing many of my friends to leave the islands in search of affordability elsewhere.

In 2021, my husband and I were in the market to purchase our first home together. We were financially prepared, pre-approved and ready to make offers. However, time and time again, we lost out to buyers offering \$50,000 to \$100,000 over asking price—often with all-cash offers. The experience was devastating. We were not looking for luxury, just a modest home with two bathrooms and a reasonable commute so we could continue raising our children in the place we call home. It became clear that many of the buyers we were competing against were not in the same boat as us—a local family simply trying to put down roots.

The reality is, if our circumstances had allowed us to move to the mainland for a more affordable community, we likely would have. And while we have done everything possible to make it work here, I worry about what the future holds for our children. If the housing market continues on this trajectory, I do not see how they—or their generation—will be able to afford to stay in Hawai‘i.

The Kama‘āina Homes Program is a necessary step toward addressing this crisis. Similar programs have been successfully implemented in other tourism-dependent communities on the mainland, ensuring that local residents are prioritized and have a real chance at homeownership. There is no reason we cannot do the same here in Hawai‘i.

I urge you to pass this bill and take action to protect the future of local families. Mahalo for your time and consideration.

Sincerely,

Jamie Yamagata and Nolan Hong

HB-739-HD-2

Submitted on: 2/23/2025 3:42:26 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kawika Riley	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Honorable Member of the Committee on Finance,

As a kama‘āina parent and resident, I strongly support HB 739, Relating to Housing. Speculation and other factors make it increasingly difficult for middle-income individuals and families who love Hawai‘i to stay in Hawai‘i. Our state should use all the reasonable tools available to address the housing crisis, and this is clearly one of them. Among other qualities, this bill may help local families stay in Hawai‘i without compromising our historic preservation laws, Native Hawaiian rights and access to cultural resources, or infrastructure.

Please advance HB 739, Relating to Housing.

Kāwika Riley

Kaimukī, O‘ahu

Committee: House Committee on Finance
Bill Number: HB 739, RELATING TO HOUSING
Hearing Date & Time: February 25, 2025 at 10:00am
Re: Testimony of Malia Wisch **in Support of HB739**

Aloha Chair Yamashita, Vice Chair Takenouchi and members of the committee:

My name is Malia Wisch and I am a partner and creative director of the local branding and design agency Wall to Wall Studios. I am a third-generation Kailua resident and graduate of Hawaii's public schools.

I am testifying in support of HB739, which establishes the Kama'āina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

I am a local employer who struggles to hire locally and who has lost 3 employees – 2 of whom are native Hawaiian – to the mainland in the past few years. These are talented workers, and none of them wanted to leave. They made up a significant percentage of our staff. They simply couldn't justify the sacrifice to be able to afford housing in Hawai'i anymore.

I had given up hope that there would be a constitutional way to give local working people a leg up in the insane local housing market, where we cannot compete with remote worker salaries or military housing allowances.

The idea proposed in this bill is exciting and gives me new hope. It is a model that's been successfully tested in communities with similar challenges and it makes use of *existing* housing. Maybe Hawai'i *can* find and adopt creative solutions to keep our local talent working here at home, where they want to be.

Our design business benefits from a nuanced understanding of local customs, language, humor and symbolism. More importantly, *all of us* enjoy the richness of this shared culture. We will lose it if the current mass exodus is not curtailed.

I personally hope to apply for this. As a homeowner, I will gladly add the deed restriction to my house to ensure a local family has an advantage over a newcomer in buying this house one day.

I urge the committee to pass HB739 HD2 to give local folks a fighting chance against outsiders, to retain local talent as well as the character of our home.

Mahalo nui loa for considering my testimony in support of this important legislation.

Sara Malia Wisch
Partner and Creative Director
Wall to Wall Studios, 1128 Nuuanu Ave #203, Honolulu, HI 96817
malia@walltowall.com

HB-739-HD-2

Submitted on: 2/23/2025 8:28:04 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sam Dorios	Individual	Support	Remotely Via Zoom

Comments:

Aloha,

I am writing in strong support of HB 739, which seeks to address the urgent and persistent housing crisis in Hawai‘i. As someone who has spent nearly a decade working on systems mapping for the Hawai‘i Leadership Forum, I have seen firsthand how deeply intertwined housing is with nearly every major challenge our state faces. Whether in mapping issues related to ALICE (Asset Limited, Income Constrained, Employed) families, health disparities, education, or economic stability, housing emerges time and time again as a fundamental barrier to progress.

The breadth of the crisis is staggering. Across numerous projects, regardless of focus, the lack of affordable and accessible housing repeatedly surfaces as a core driver of social and economic distress. It affects individuals and families at all income levels, from those struggling to make ends meet to those who, on paper, should have the means to live comfortably in Hawai‘i but find themselves increasingly burdened by housing costs.

I would also like to highlight the depth of this crisis by sharing a personal story. My wife and I are both professionals—I have a stable career in Hawai‘i, and she is a tenured professor at the University of Hawai‘i at Mānoa. We are frugal, carry no debt, and have managed to save a reasonable amount over the years. Yet, we have had serious discussions about whether we can afford to stay in Hawai‘i specifically due to the high cost of housing. We are not alone in this struggle. We know other professionals, similarly situated, who have made the difficult decision to leave the state because they simply could not justify the cost of staying. If those of us with financial stability are grappling with this decision, I can only imagine how much more devastating the situation is for families with fewer resources.

This bill is not just about housing—it is about the future of Hawai‘i. It is about ensuring that local families, workers, and businesses can continue to thrive here without being priced out of their own communities. It is about retaining our workforce, strengthening our economy, and preserving the cultural and social fabric that makes Hawai‘i unique.

I urge you to pass HB 739 and take a decisive step toward addressing this ongoing crisis. Mahalo for your time and consideration.

- Sam Dorios

HB-739-HD-2

Submitted on: 2/23/2025 8:52:49 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kiana Otsuka	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

My name is Kiana Otsuka, and I am an O‘ahu resident writing in **strong support of HB739 HD2**, which establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

I am in support of this bill because it creates a locals only housing market through deed restrictions, prevents rising housing costs from non local investments, is a voluntary opt-in program that offers an upfront grant for homeowners who permanently restrict resale to local workforce, and funds can be used for mortgage, repair, education, or other needs.

Hawai‘i’s rental market has reached a critical tipping point, with costs spiraling beyond what working families can afford, ranking 4th most expensive state for renters in the nation. The combination of limited affordable housing supply, stagnant wages, and minimal tenant protections has created a perfect storm that threatens the stability of our communities.

Those most vulnerable in our current system include the 56% of renters who spend more than 30% of their income on rent, single mothers with children (the demographic most often evicted), kūpuna on fixed social security income, and households with high healthcare, childcare, and foodcare costs.

Please pass this bill, so that we can begin making greater investment in the future of Hawai‘i and keep local working families in the State by securing a dedicated housing supply specifically for locals.

Thank you for the opportunity to testify.

Mahalo,

Kiana Otsuka

HB-739-HD-2

Submitted on: 2/24/2025 6:57:46 AM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Joy Barua	Individual	Support	Written Testimony Only

Comments:

Aloha Honorable Chair Yamashita, Vice Chair Takenouchi, and members of the House Finance committee:

I fully support HB739 HD2 to establish and fund the Kama'āina Homes Program.

Hawaii's housing crisis continues to spiral, impacting our island families and communities. I hold in high regard, the efforts of our policymakers and legislators to address the issue in collaboration with multi-sector stakeholders.

The Kama'āina Homes Program is an innovative effort that is grounded on tried-and-true practice - an income-blind, voluntary initiative, based on programs successfully deployed in other jurisdictions. It would create a dedicated housing supply for local residents by empowering the Counties to purchase perpetual deed restrictions on properties that require occupants to live and work in Hawaii.

The Program is an investment in our future focused on keeping local families at home and creating stronger communities, reducing out-migration, and building a more sustainable economy. It is an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people.

I urge you to support the Kama'āina Homes Program.

Mahalo nui loa,

Joy Barua

Committee: House Committee on Finance
Bill Number: HB 739 HD2, Relating to Housing
Hearing Date and Time: February 25, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to submit testimony **in support** of HB739, Relating to Housing. This bill would establish and fund the Kama'āina Homes Program.

Hawai'i is in the midst of an unprecedented housing crisis, with skyrocketing home prices leaving many local families struggling to secure safe, attainable places to live. Residents need to earn nearly twice the median income to afford a home at the median price. As a result, many local families are being forced to leave the islands in search of affordable living options elsewhere. Between July 2022 and July 2023 alone, an average of twelve people left Hawai'i *every day*.¹ And alarmingly, more Native Hawaiians now live outside the state than within it. This loss isn't just in numbers—it's a loss of our culture, traditions, and the very essence of what makes Hawai'i home.

In October 2024, a survey² seeking to gather information about the day-to-day financial experience of local workers suggests this growing crisis has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive “no,” while sixty-nine percent said “yes” or “unsure.” And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawai'i. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

The high cost of living and limited attainable housing options have led many people in our local workforce – teachers, firefighters, health care workers, and more - to consider relocating to the continent, further deepening our state's labor shortages and eroding the quality of life for all residents.

The Kama'āina Homes Program is an income-blind, voluntary initiative that has been successfully deployed in other jurisdictions, which would create a dedicated housing supply for local residents by empowering the Counties to purchase perpetual deed restrictions on properties that require occupants to live and work in Hawai'i.

In the face of our state's ongoing housing crisis, this program represents a critical investment in the future of Hawai'i—both in terms of our economy and our cultural heritage. This program would ensure that housing is reserved for locals for generations to come. Just as importantly, it would help reverse the trend of families and workers leaving Hawai'i by providing them with the opportunity to live in their communities long term.

¹ U.S. Census Bureau, Population Division Estimates, released on March 14, 2024; and calculations by the Hawai'i State Department of Business, Economic Development & Tourism, Hawai'i State Data Center. https://files.hawaii.gov/dbedt/census/popestimate/2023/county-pop/2023_daily_est_counties.pdf

² <https://holomuacollective.org/survey/>

The Kama'āina Homes Program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It's an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people.

I urge you to support the Kama'āina Homes Program for the sake of Hawai'i's future, and for the generations of local families who will benefit from the stability, security, and opportunity this program offers.

Aloha nui,

Billy Pieper

Billy.pieper@gmail.com

HB-739-HD-2

Submitted on: 2/24/2025 8:37:22 AM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Adriann Gin	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is **Adriann Gin**, and I am testifying in **strong support of HB739 HD2** and the establishment of the Kama‘āina Homes Program.

Hawai‘i’s housing crisis is forcing local families to leave—but the Kama‘āina Homes Program offers a solution. The Program imagines a future where local families can stay in Hawai‘i—home by home, neighborhood by neighborhood, by ensuring there is housing available just for local residents.

Skyrocketing home and rental prices have resulted in many local families struggling to secure places to live, pressuring local working families to leave Hawai‘i in search of attainable living options elsewhere. This Program would create a dedicated housing stock for local working families by empowering the counties to purchase voluntary and perpetual deed restrictions from homeowners and homebuyers. The restrictions would come with a requirement that both owner-occupants and renters of record work locally. This prevents homes from being lost to non-resident buyers or short-term vacation rentals.

The Kama‘āina Homes Program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It’s an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people.

I urge the committee to pass HB739 HD2 to support Hawai‘i’s housing future.

Mahalo for the opportunity to testify.

Adriann Gin
agin808@gmail.com

HB-739-HD-2

Submitted on: 2/24/2025 9:13:07 AM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lawrence S Franco	Individual	Support	Written Testimony Only

Comments:

Deed Restriction Housing will be locals housing. We can no longer continue doing nothing to keep our young people in Hawaii to usher in local leadership for the future. To do that, we need housing for our local people and this legisaion accomplishes that goal.

HB-739-HD-2

Submitted on: 2/24/2025 9:35:44 AM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jordan Odo	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

I am writing in **support** of HB 739 (HD 2).

I have been a Hawai‘i resident my whole life, and for the past few years, I’ve been anxious about our state’s future. While I have decided to stay in Hawai‘i to raise my family (at least for now), I have many close family members, friends, and neighbors who decided to move away due to the high cost of living.

Our state, unfortunately, takes the nation’s top spot for a number of unaffordability metrics:

- Most expensive single-family houses
- Highest residential rental rates
- Highest living wage
- Lowest millennial homeownership rate

This high cost of living has resulted in a few alarming population trends:

- Net outmigration for every year since 2017
- Hawai‘i residents are having fewer children and later in life
- Hawai‘i’s population is aging rapidly

Such population issues are already having an adverse effect on our economy as there are not enough workers to keep businesses open and our tax base is shrinking. What will happen in the future? Will we be able to have enough workers to support a thriving and diversified economy? Would we have enough tax revenue to maintain our public infrastructure and social programs?

Additionally, we have a responsibility to our own people and communities. It’s sad to know that, today, more native Hawaiians live outside Hawai‘i than in it. Retaining our local residents is important to ensuring that we have vibrant communities where people come together to help each other out and address issues.

I believe the Kamaaina Homes Program has the potential to mitigate or reverse these trends. The program is a creative way to ensure that existing housing inventory in Hawai‘i remains available for local residents. Through voluntary deed restrictions, local residents can be a part of the

housing solution through incentives. While the bill's drafters and proponents should be applauded for their out-of-the-box thinking, it is noteworthy that this deed restriction concept has a successful precursor in Vail, Colorado.

Let's do this for our future generations of Hawai'i residents.

Jordan Odo

HB-739-HD-2

Submitted on: 2/24/2025 10:16:42 AM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Stacey Alapai	Individual	Support	Written Testimony Only

Comments:

Please support HB739 to create the voluntary kamaaina homes deed program. This is such an important piece of the affordable housing puzzle for families like mine. It could allow local families to keep their homes AND incentivize sellers to prioritize owner-occupants and local families in this very competitive housing market.

We recently bought our home with lots of family help to preemptively ensure we aren't priced out in the future. We pay a much higher mortgage than what rent might be, but the added security of knowing we own is worth that to us. We were only able to purchase this home because the seller voluntarily chose us over a higher offer. They understood the importance of keeping our community locally owned. I would gladly volunteer for this program in order to lower our outrageous mortgage payment and reduce our cost of living.

This bill would formalize these sentiments among our community and actually reward people who do the right thing and choose to sell locally instead of to the highest bidder. It also would provide relief to local homeowners struggling to pay their mortgage or maintain their properties.

Please support this bill to ensure both short and long term affordability of housing for local families.

To: Hawaii State House Committee on Finance
Hearing Date/Time: Tuesday February 25, 2025, 10:00am
Place: Hawaii State Capitol, CR 308 & Videoconference
Re: Judith Ann Armstrong supports HB739 Relating to Housing

Dear Chair Rep. Kyle T. Yamashita, Vice Chair Rep Jenna Takenouchi and members of the Committee on Finance

I, Judith Ann Armstrong, support HB739, which would establish the Kama'āina Homes Deed Restriction Program to create a protected market of housing specifically for Hawaii workforce residents.

This innovative program addresses a core driver of Hawaii's housing crisis: the competition between local families and outside investors that has made home prices completely disconnected from local incomes.

- Only 20% of Hawaii residents can afford a median-priced home
- Outside buyers spend on average 46% more than local residents on home purchases
- Median housing costs are 2.7 times the national level
- Housing costs has been cited as the primary reason for locals leaving Hawaii, with a mass exodus of thousands of local families leaving

Many longtime local landowners want to preserve housing for locals, yet face increasing financial pressure to sell to outside investors. The Kama'āina Homes program offers a practical solution providing grants to property owners who place deed restrictions on their homes, ensuring future sales/rentals to local residents

The program is modeled after successful deed restriction initiatives in other high-cost regions like Vail, Colorado's InDEED program and Aspen, Colorado's workforce deed restriction

By separating our local housing market from the global investment market, we can begin to address the massive gap between local incomes and housing costs that is forcing families to leave Hawaii.

I strongly urge the committee to pass HB739 to create housing stability for Hawaii's families.

Mahalo for the opportunity to testify.

Sincerely,

Judith Ann Armstrong

HB-739-HD-2

Submitted on: 2/24/2025 12:05:28 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ben Trevino	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to submit testimony in support of HB739 HD2, Relating to Housing. This bill would establish and fund the Kama‘āina Homes Program.

I am in full support of this bill and its intent to secure housing for our Kama‘aina residents. Every single member of the legislative body is close to their constituents, not to mention residents themselves, and consequently very familiar with the nature of housing challenges facing our working families.

One of the messages that our residents receive when the cost of housing is so high is: **There is no place for you here.** The Kama‘āina Homes Program is an opportunity for us to send different messages: **You are part of this community. Your presence in Hawai‘i matters. You belong.**

I urge you to support the Kama‘āina Homes Program and let our people know how important they are.

Sincerely,

Ben Trevino

Jennifer Kagiwada
Council Member District 2 South Hilo



Office: (808) 961-8272
jennifer.kagiwada@hawaiicounty.gov

HAWAI‘I COUNTY COUNCIL - DISTRICT 2

25 Aupuni Street • Hilo, Hawai‘i 96720

DATE: February 24, 2025
TO: House Committee on Finance
FROM: Jennifer Kagiwada, Council Member
Council District 2
SUBJECT: HB 739 HD2

Aloha Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

I write in support of HB 739 HD2 which will establish the Kama‘āina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers. This legislation is based on successful models like the “Vail InDEED” program in Colorado which is a nationally recognized model being duplicated across the country. Hawai‘i’s soaring housing costs have made homeownership unattainable for many local families. According to UHERO’s “Hawai‘i Housing Factbook 2024,” only 20% of residents can afford to purchase a home in the current market. This program tackles this pressing issue by creating a dedicated stock of housing units exclusively reserved for local residents.

I strongly agree with Hawai‘i Appleseed’s testimony from Jan. 29th and request that this legislation include considerations of the following:

Focus on Outer Islands with Infrastructure Constraints: Prioritize funding allocation to outer islands where infrastructure limitations—such as insufficient roads, water systems, or sewage capacity—restrict the ability to construct new housing. This ensures the program directly addresses regions where traditional housing solutions face significant barriers

Build a Strong Pilot Program in the Outer Islands: Establish a pilot program in an outer island county, such as Kauai or Hawai‘i Island, to demonstrate the program’s effectiveness in addressing affordability and housing shortages. Success in these areas could serve as a model for statewide implementation.

Ensure Equitable Distribution of Funds: Avoid distributing funds solely based on population size. Instead, consider factors like local wages, housing costs, and the number of essential workers in need of housing. This approach ensures smaller, more rural counties receive adequate resources to address their unique challenges.

Mahalo for the opportunity to submit testimony in support of this bill.

Mahalo,

A handwritten signature in black ink, appearing to read "Jenn Kagiwada".

Jenn Kagiwada

Testimony in Support of HB739 HD1 – Kama‘āina Homes Program

Aloha Chair [Chair's Last Name], Vice Chair [Vice Chair's Last Name], and Members of the Committee,

My name is Kerry Lum, and I am a 34-year Hawai‘i resident. My husband and I both live on the windward side of O‘ahu, work full-time, and we have raised our two daughters here in Hawai‘i. While we are proud of the opportunities ahead of them, we are deeply concerned about whether, after college, they will ever be able to return home to build their lives here.

The reality is that Hawai‘i’s housing market has become so expensive that even families like ours, who have worked hard and done everything “right,” struggle to see a future where our children can afford to live and work in the place they call home. With median home prices exceeding \$1.1 million on O‘ahu, homeownership is simply out of reach for most young adults starting their careers. Without real solutions, our children and so many others will be forced to remain on the continent, further contributing to the heartbreaking outmigration of local families.

This is why I support HB739 HD1, which would establish the Kama‘āina Homes Program. This program would help ensure that local working families have access to attainable housing by creating a stock of homes specifically dedicated to Hawai‘i residents. Modeled after the successful “Vail InDEED” program in Colorado, it would allow counties to purchase voluntary deed restrictions to keep homes for local owner-occupants and resident tenants, preserving housing for the people who live and work in our communities.

As a parent, I want my children to have the opportunity to return to Hawai‘i, to contribute to our economy, and to raise their own families here. But for that to happen, we need to take action now to address our housing crisis. Essential workers like teachers, healthcare providers, and first responders are already being priced out, making it harder to maintain the workforce that keeps our communities running. This bill provides a meaningful, voluntary solution that does not require new development but instead makes use of existing housing to ensure it remains attainable for local families.

The time to act is now. If we truly want to keep Hawai‘i’s future generations here, we must invest in housing policies that prioritize local residents. I urge you to pass HB739 HD1 to give families like mine hope that our children will be able to return home and afford a future in Hawai‘i.

Mahalo for your time and consideration.

Kerry Lum

HB-739-HD-2

Submitted on: 2/24/2025 3:26:18 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Josh Levinson	Individual	Support	Written Testimony Only

Comments:

February 25, 2025

Support for HB739 HD2 – Relating to Housing

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Josh Levinson, and I am testifying in support of HB739 HD2 and the establishment of the Kama‘āina Homes Program.

Hawai‘i’s housing crisis has made it nearly impossible for local families to secure attainable housing, forcing many to leave the islands. Unlike on the continent, where people can move to more affordable regions within the same state, the high cost of housing in Hawai‘i leaves residents with no option but to leave the state entirely. This displacement separates families, erodes our culture, and turns Hawai‘i into a place that only the wealthiest residents and non-residents can afford to call home.

The Kama‘āina Homes Program is a bold and innovative approach to preserving housing for local residents. By empowering counties to purchase voluntary and perpetual deed restrictions, this program ensures that homes remain accessible to local working families. It provides a critical tool to prevent housing from being lost to non-resident buyers and short-term vacation rentals, strengthening the fabric of our communities.

This program is an investment in Hawai‘i’s future. By helping local families stay here, we can build stronger communities, reduce out-migration, and create a more sustainable economy. I urge the legislature to pass HB739 HD2 and to continue exploring innovative solutions to Hawai‘i’s housing crisis.

Mahalo for the opportunity to testify.

Sincerely,

Josh Levinson
jplevinson@gmail.com

HB-739-HD-2

Submitted on: 2/24/2025 4:30:27 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Doris Matsunaga	Save Medicaid Hawaii	Support	Written Testimony Only

Comments:

Save Medicaid Hawaii supports HB739 HD2

HB-739-HD-2

Submitted on: 2/24/2025 11:29:48 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cardenas Pintor	Individual	Support	Written Testimony Only

Comments:

Aloha,

I support this bill.

Mahalo nui,

Cardenas (Cards) Pintor