

STAND. COM. REP. NO.

491

Honolulu, Hawaii

FEB 12 , 2025

RE: H.B. No. 374
H.D. 1

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

Madame:

Your Committee on Housing, to which was referred H.B. No. 374
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Hawaii Housing Finance and Development Corporation to take into consideration additional preferential factors of project applicants when supplying housing or assistance in obtaining housing;
- (2) Require a certain percentage of available units to be set aside for state or county employees in projects developed or administered by the Hawaii Housing Finance and Development Corporation; and
- (3) Require the Hawaii Housing Finance and Development Corporation to determine the order of preferences and rank applicants, select applicants based on application date, and validate the preference status of applicants.

Your Committee received testimony in support of this measure from two members of the Kaua'i County Council and Hawai'i State Association of Counties. Your Committee received comments on this

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measure from the Department of the Attorney General and Hawaii Housing Finance and Development Corporation.

Your Committee finds that the existing housing preference criteria employed by the Hawaii Housing Finance and Development Corporation have been instrumental in addressing housing needs across the State. However, as the State's communities evolve, it becomes imperative to reassess and enhance these criteria to ensure they align with the diverse and changing needs of residents. This measure is intended to broaden the existing housing preference criteria, thereby creating a more comprehensive framework that accounts for various elements influencing housing needs.

However, your Committee has heard the concerns raised in testimony by the Department of the Attorney General that certain provisions in this measure appear to impose a durational residency requirement that may be subject to challenge as a violation of the right to travel protected by the United States Constitution.

Accordingly, your Committee has amended this measure by:

- (1) Deleting language that would have required the Hawaii Housing Finance and Development Corporation to take into consideration whether an applicant is a returning resident that left for academic reasons and returned to the State within two years;
- (2) Deleting language that would have required an unspecified percent of available units developed by Hawaii Housing Finance and Development Corporation to be set aside for state or county employees;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 374, as amended herein, and recommends that it pass Second Reading



in the form attached hereto as H.B. No. 374, H.D. 1, and be referred to your Committee on Finance.

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

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LUKE A. EVSLIN, Chair



