

STAND. COM. REP. NO.

210

Honolulu, Hawaii

FEB 06

, 2025

RE: H.B. No. 741

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. 741
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to exempt certain projects
funded by the Affordable Homeownership Revolving Fund from
prevailing wages provisions.

Your Committee received testimony in support of this measure
from the Hawaii Housing Finance and Development Corporation;
Hawaii Habitat for Humanity Association; Hawai'i Community Lending;
and Maui Chamber of Commerce.

Your Committee finds that the high cost of construction
labor, driven by prevailing wage requirements, has become a
significant barrier to the development of affordable housing in
the State, particularly for smaller-scale projects. These added
costs often discourage developers from pursuing affordable housing
projects, slowing efforts to address the critical housing
shortage. This measure will alleviate this burden by exempting
certain small-scale projects funded through the Affordable
Homeownership Revolving Fund from prevailing wages requirements.
This narrowly-tailored exemption will help nonprofit developers

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maximize the impact of this limited funding and produce more affordable homeownership opportunities for Hawaii residents.

Your Committee has amended this measure by:

- (1) Inserting a purpose section;
- (2) Clarifying that an affordable housing project financed by a certified nonprofit community development financial institution utilizing less than \$1,500,000 of monies from the Affordable Homeownership Revolving Fund are exempt from prevailing wages provisions;
- (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. 741, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 741, H.D. 1, and be referred to your Committee on Labor.

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

LAC

LUKE A. EVSLIN, Chair



