

Honolulu, Hawaii

FEB 12 2025

RE: S.B. No. 1200
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B.
No. 1200 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Workforce Housing Regulatory Sandbox Program within the Hawaii Housing Finance and Development Corporation;
- (2) Establish an Advisory Council within the Workforce Housing Regulatory Sandbox Program to advise on environmental and cultural practices within specific developments;
- (3) Require annual reports to the Legislature.;
- (4) Appropriate funds; and
- (5) Repeal the Program on June 30, 2030.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Chamber of Commerce Hawaii, Grassroot Institute of Hawaii, and two individuals.



Your Committee finds that workforce housing offers residents housing units that are situated near places of employment or dedicated to certain professions. As the cost of living in the State remains prohibitive for many residents, providing developers with additional opportunities to develop workforce housing can alleviate financial burdens on residents seeking to remain in the State. Therefore, this measure allows developers to test innovative housing solutions with relaxed permitting requirements while maintaining environmental and cultural integrity.

Your Committee notes that HHFDC has a limited ability to dictate county permitting, fee, and zoning processes that are required to commence housing development projects classified as affordable. Additionally, the exemption process authorized pursuant to section 201H-38, Hawaii Revised Statutes, is a successful, heavily utilized program with well-established requirements that achieve many of the goals of this measure.

Your Committee has amended this measure by:

- (1) Amending the composition of the advisory council to include:
 - (A) One representative from the Hawaii Public Housing Authority;
 - (B) One representative from the Hawaii Community Development Authority;
 - (C) One representative from the Office of Planning and Sustainable Development; and
 - (D) One representative from each county;
- (2) Inserting language requiring the Hawaii Housing Finance and Development Corporation to establish one full-time equivalent (1.0 FTE) position to assist with the Workforce Housing Regulatory Sandbox Program; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1200, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1200, S.D. 1, and be referred to your Committee on Ways and Means.

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


STANLEY CHANG, Chair



