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Statement of DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

January 29, 2025 at 9:15 a.m.
State Capitol, Room 430

In consideration of
H.B. 1317
RELATING TO WORKFORCE HOUSING.

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC **supports** HB 1317, establishes the Workforce Housing Regulatory Sandbox Program within the Hawai'i Housing Finance and Development Corporation (HHFDC) and establishes an Advisory Council within the Workforce Housing Regulatory Sandbox Program to advise on environmental and cultural practices within specific developments. It also requires annual reports to the Legislature, appropriates funds, and repeals 6/30/2030.

There are systemic barriers that impede the production of affordable housing development in Hawaii. Addressing these barriers will require a comprehensive and coordinated approach that integrates stakeholder collaboration, regulatory reforms, infrastructure investments, and enhanced financing mechanisms.

HHFDC supports the regulatory sandbox that allows developers to test innovative housing solutions under relaxed permitting and regulatory requirements that could accelerate the creation of workforce housing while addressing broader housing shortages in the State.

HHFDC supports the \$5 million appropriation to seed the new program. HHFDC requests one full-time equivalent (1.0 FTE) position to help with the administration of the new program.

Thank you for the opportunity to testify on this bill.



**Testimony to the House Committee on Housing
Representative Luke A. Evslin, Chair
Representative Tyson K. Miyake, Vice Chair
Wednesday, January 29, at 9:15AM
Conference Room 430 & Videoconference**

RE: HB1317 Relating to Workforce Housing

Aloha e Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber strongly supports House Bill 1317 (HB1317), which aims to establish a regulatory sandbox for workforce housing development.

HB1317 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.

The current housing crisis in Hawaii disproportionately affects our working families. Supporting initiatives like HB1317 is essential to strengthening Hawaii's economy, retaining local talent, and sustaining a vibrant business environment and local communities. As such, advancing permitting and regulatory procedures is necessary to accelerate the development of affordable workforce housing. It is also crucial to address the housing crisis with solutions that respect Hawai'i's cultural values and environmental priorities.

A regulatory sandbox is a framework that allows enterprises to develop new products, services, or models in a controlled environment under regulatory supervision. The proposed regulatory sandbox would create a controlled environment where developers can test innovative approaches to workforce housing with reduced regulatory barriers. This approach can expedite permitting and enhance coordination between agencies, supporting The Chamber's commitment to adopting technologies and processes that improve efficiency and economic sustainability.

The Chamber of Commerce Hawaii, as the state's leading business advocacy organization, is dedicated to improving Hawaii's economy and securing its 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, creating 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 HB1317. Thank you for the opportunity to testify.