

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 HOUSING

February 07, 2025 at 9:00 a.m.
State Capitol, Room 430

In consideration of
H.B. 374
RELATING TO HOUSING.

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

HHFDC has comments on HB 374, which requires the Hawai'i Housing Finance and Development Corporation (HHFDC) to consider as a preference under chapter 201H, HRS, the proximity between the housing location and the applicant's place of employment; whether the applicant is a state or county employee; and whether the applicant is a returning resident that left the State to attend a university, college, or trade school and has graduated within the past two years. It also requires, for any project developed or administered by the HHFDC under chapter 201, HRS, HHFDC to set aside as a matter of preference an undetermined per cent of available units for state or county employees, when feasible. HHFDC is required to determine the order of preferences and rank applicants accordingly, select applicants based on application date within the pool of similarly ranked applicants, and validate the preference status of applicants before occupancy of a unit. Lastly, HHFDC is authorized to adopt rules to establish additional eligibility criteria.

We offer the following comments:

While we support the concept of residents living nearby their workplace to reduce transportation costs, it is a reality that residents may change jobs several times over their careers. We therefore question whether proximity between housing location and place of employment should be a criteria.

For-sale affordable housing projects are typically privately financed, and developers rely on pre-sales to raise capital to commence construction. If units are set aside for state or county employees, it should be for only a defined time period so that the units can be offered to other qualifying households and projects don't stall.

Thank you for the opportunity to testify on this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:
H.B. NO. 374, RELATING TO HOUSING.

BEFORE THE:
HOUSE COMMITTEE ON HOUSING

DATE: Friday, February 7, 2025 **TIME:** 9:00 a.m.

LOCATION: State Capitol, Room 430

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Chase Suzumoto, Deputy Attorney General or
Linda L.W. Chow, Deputy Attorney General

Chair Evslin and Members of the Committee:

The Department of the Attorney General offers the following comments.

This bill amends section 201H-31, Hawaii Revised Statutes (HRS) to add additional preferences that the Hawaii Housing Finance and Development Corporation (HHFDC) must consider when administering housing programs under chapter 201H, HRS, and other state laws.

One of these added preferences requires HHFDC to consider “whether the applicant is a returning resident that left the State to attend a university, college, or trade school and has graduated within the past two years[.]” Page 1, line 17, to page 2, line 3. This preference appears to be a durational residency requirement that may be subject to challenge as violating the right to travel protected by the United States Constitution.

In addition to the right to enter and exit another state, the right to travel refers to the right to be treated like other citizens of that state. See *Saenz v. Roe*, 526 U.S. 489, 500 (1999). A state law that burdens this right, “unless shown to be necessary to promote a compelling governmental interest, is unconstitutional.” *Shapiro v. Thompson*, 394 U.S. 618, 634 (1969), *overruled in part on other grounds by Edelman v. Jordan*, 415 U.S. 651 (1974).

Laws distinguishing between new and established residents are strictly scrutinized under an equal protection analysis and frequently invalidated because they impact the fundamental right to travel. For example, in *Saenz*, the United States Supreme Court overturned a California law granting lower welfare benefits to individuals who had resided in the State for less than one year, explaining that the duration of their residence was irrelevant to California residents' need for welfare benefits and the law therefore did not serve a compelling state interest. *Id.* at 507.

This bill may burden the right to travel by requiring HHFDC to favor returning residents over newly arrived residents. To address this constitutional concern, we recommend amending the bill by deleting the returning resident preference on page 1, line 17, to page 2, line 3, of the bill.

Thank you for the opportunity to testify on this bill.

COUNTY COUNCIL

Mel Rapozo, Chair
KipuKai Kualii, Vice Chair
Addison Bulosan
Bernard P. Carvalho, Jr.
Felicia Cowden
Fern Holland
Arryl Kaneshiro



OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk
Lyndon M. Yoshioka, Deputy County Clerk

Telephone: (808) 241-4188
Facsimile: (808) 241-6349
Email: cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 5, 2025

**TESTIMONY OF ADDISON BULOSAN
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
HB 374, RELATING TO HOUSING
House Committee on Housing
Friday, February 7, 2025
9:30 a.m.
Conference Room 430
Via Videoconference**

Dear Chair Evslin and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of HB 374, Relating to Housing. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I wholeheartedly support the intent of HB 374, which would greatly affect the Kaua'i community.

Thank you again for this opportunity to provide testimony in support of HB 374. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

ADDISON BULOSAN
Councilmember, Kaua'i County Council

AAO:mdt

COUNTY COUNCIL

Mel Rapozo, Chair
KipuKai Kualii, Vice Chair
Addison Bulosan
Bernard P. Carvalho, Jr.
Felicia Cowden
Fern Holland
Arryl Kaneshiro



OFFICE OF THE COUNTY CLERK

Jade K. Fountain-Tanigawa, County Clerk
Lyndon M. Yoshioka, Deputy County Clerk

Telephone: (808) 241-4188
Facsimile: (808) 241-6349
Email: cokcouncil@kauai.gov

Council Services Division
4396 Rice Street, Suite 209
Lihu'e, Kaua'i, Hawai'i 96766

February 5, 2025

**TESTIMONY OF FERN HOLLAND
COUNCILMEMBER, KAUAI COUNTY COUNCIL
ON
HB 374, RELATING TO HOUSING
House Committee on Housing
Friday, February 7, 2025
9:30 a.m.
Conference Room 430
Via Videoconference**

Dear Chair Evslin and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of HB 374, Relating to Housing. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I wholeheartedly support the intent of HB 374, as it would help assist in addressing the growing houselessness our Kaua'i community is dealing with and the lack of affordable and workforce housing options.

Thank you again for this opportunity to provide testimony in support of HB 374. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

FERN HOLLAND
Councilmember, Kaua'i County Council

AAO:mn

Hawai'i State Association of Counties (HSAC)
Counties of Kaua'i, Maui, Hawai'i, and City & County of Honolulu
Website: hawaiicounties.org | Email: hsac@hawaiicounties.org



Testimony of the Hawai'i State Association of Counties

H.B. No. 374 - Support

Relating to Housing

Committee on Energy & Environmental Protection

Friday, February 7, 2025, 9 a.m.

The Hawai'i State Association of Counties (HSAC) is a non-profit organization that represents the collective interests of Hawai'i's four counties: Kaua'i County, Maui County, County of Hawai'i, and the City and County of Honolulu. HSAC's membership includes the elected members of each county council, who work collaboratively to advocate for policies and programs that enhance the quality of life for our residents.

HSAC strongly supports House Bill 374, which seeks to modify the housing preference criteria utilized by the Hawai'i Housing Finance and Development Corporation (HHFDC). This bill aims to expand the factors considered when allocating housing resources, thereby promoting a more equitable and effective distribution system.

The current housing preference criteria employed by HHFDC have been instrumental in addressing housing needs across the state. However, as our communities evolve, it becomes imperative to reassess and enhance these criteria to ensure they align with the diverse and changing needs of our residents.

House Bill 374 proposes to broaden the existing housing preference criteria by incorporating additional factors that reflect the current socio-economic landscape. The intent is to create a more comprehensive framework that accounts for various elements influencing housing needs.

Support for the Attorney General's Amendment: we have reviewed the testimony submitted by the Attorney General's office and concur with their proposed amendment to HB 374.

HSAC respectfully requests your favorable consideration of this bill. Thank you for the opportunity to submit testimony, and we are available to answer any questions you may have.