

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

SENATE COMMITTEE ON HOUSING

January 30, 2025 at 1:10 p.m.
State Capitol, Room 225

In consideration of
S.B. 490
RELATING TO HOUSING

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **supports** SB 490, which establishes the Kamaaina Homes Program under the Hawaii Housing Finance and Development Corporation (HHFDC) to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers. We are in full support of the program's goal of creating an inventory of homes for local residents.

HHFDC has a few considerations:

We would like to include properties held in a revocable living trust in the definition of "Eligible homeowner or homebuyer."

The amount to be paid to the property owner for the deed restriction needs to be determined. Would it be a fixed amount for all properties, a percentage of tax-assessed value, or would it be based on an appraisal or other means? This could be addressed in administrative rules, but it would be helpful to know what the legislative intent is.

The requirement that the deed restriction be in the first position (page 6, lines 15-16) may not be possible in planned communities where Conditions, Covenants, and Restrictions typically have first position.

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:
S.B. NO. 490, RELATING TO HOUSING.

BEFORE THE:
SENATE COMMITTEE ON HOUSING

DATE: Thursday, January 30, 2025 **TIME:** 1:10 p.m.

LOCATION: State Capitol, Room 225 and Videoconference

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

Chair Chang and Members of the Committee:

The Department of the Attorney General offers the following comments.

This bill authorizes the counties to purchase deed restrictions from eligible homeowners or home buyers using funds from the Dwelling Unit Revolving Fund. These deed restrictions would require that the property be occupied by at least one owner-occupant or tenant that meets certain qualifications, including individuals who:

- (1) Retired at the age of sixty-five or older and worked an average of thirty hours or more per week at a qualified business¹ within the county for ten consecutive years immediately before retirement; or
- (2) Have a disability and worked an average of thirty hours or more per week at a qualified business within the State for five consecutive years immediately before the determination of disability.

Page 8, line 19, to page 9, line 10.

These provisions appear to be durational residency requirements that may be challenged as violating the right to travel protected by the United States Constitution.

¹ A qualified business is defined, in part, as a "corporation, partnership, sole proprietorship, trust or foundation, or any other individual or organization carrying on a business," that: "(1) has a physical presence within the State; and . . . (4) is generally recognized as an operating business within the community."

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 v. Roe*, 526 U.S. 489 (1999), 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.

Similarly, this bill may burden the right to travel by requiring people to have lived and worked here for five or ten years before a qualifying event (retirement or disability). These requirements do not appear to promote a compelling governmental interest, particularly if the owner-occupant or tenant intends to become a permanent resident of Hawai’i after the qualifying event. Therefore, we recommend that the Committee amend this bill to remove the duration requirements on page 9, lines 3 and 8-10, of the bill.

Thank you for the opportunity to testify on this bill.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 490, Relating to Housing.

BEFORE THE:

Senate Committee on Housing

DATE: Thursday, January 30, 2025

TIME: 1:10 p.m.

LOCATION: State Capitol, Room 225

Chair Chang, Vice-Chair Hashimoto, and Members of the Committee:

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 490 for your consideration.

S.B. 490 establishes a new "Kaamaina Homes Program" to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or buyers who limit occupancy to owner-occupants or resident tenants that live and work in the State. The purpose is to secure a dedicated housing supply for locals.

Section 2 of the bill, on page 10, line 1, adds new section 201H-E(b), HRS, establishing a chapter 247 conveyance tax exemption for property sold for which a county purchases a deed restriction pursuant to the Kamaaina Homes Program.

Section 5 of the bill, on page 24, line 4, amends section 247-3, HRS, by adding a conveyance tax exemption for any document or instrument conveying real property that contains a county owned deed restriction pursuant to the Kaamaina Homes Program.

This measure is effective upon its approval.

Regarding the proposed changes in Section 5 of the bill, DOTAX requests that Section 5 become effective as of January 1, 2026 so DOTAX can adopt form and instruction changes necessary for the implementation of the new conveyance tax exemption.

Thank you for the opportunity to provide comments on this measure.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for SB490 – Relating to Housing
Senate Committee on Housing
Thursday, January 30, 2025 at 1:10PM Conf. Rm. 225 and via Videoconference

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

Mahalo for the opportunity to testify in **strong support of SB490**, which would establish the “Kama’aina Homes Program” which would provide funding to counties to purchase voluntary deed restrictions to preserve our existing housing stock for residents.

This legislation is thoughtful and based on successful models like the “Vail InDEED” program in Colorado which is a nationally recognized model being duplicated in many jurisdictions across the country¹. The program has been successful in housing Vail’s workforce and has been an efficient use of tax payer money—in 2020 it was reported that the InDEED program acquired 153 units costing \$10.5M through the voluntary deed restriction program in comparison to when the town purchased a 288 unit apartment for \$200M².

Under current market conditions, Hawaii’s soaring housing costs—now with median home prices exceeding \$900,000³—have made homeownership unattainable for many local families. According to UHERO’s “Hawaii Housing Factbook 2024,” only 20% of residents can afford to purchase a home in the current market⁴. This program tackles this pressing issue by creating a dedicated stock of housing units exclusively reserved for local residents, effectively establishing a “locals-only” housing market.

Hawaii Appleseed would also request the committee consider the following factors when it comes to implementation and prioritization of distributing funds:

Focus on Outer Islands with Infrastructure Constraints: Prioritize funding allocation to outer islands where infrastructure limitations—such as insufficient roads, water systems, or sewage capacity—restrict the ability to construct new housing. This ensures the program directly addresses regions where traditional housing solutions face significant barriers.

Allocate Funds Based on Housing Affordability Challenges: Recognize that counties like Kauai and Maui experience the highest housing costs relative to local wages. Directing more funds to these areas helps address the affordability gap and ensures local residents have access to stable housing options.

¹ <https://www.huduser.gov/portal/casestudies/study-081121.html>

² <https://www.vaildaily.com/news/vail-indeed-program-earns-national-recognition-for-innovation/>

³ <https://www.locationshawaii.com/learn/market-reports/hawaii-statewide-real-estate-report/>

⁴ <https://uhero.hawaii.edu/wp-content/uploads/2024/05/HawaiiHousingFactbook2024.pdf>



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for SB490 – Relating to Housing
Senate Committee on Housing
Thursday, January 30, 2025 at 1:10PM Conf. Rm. 225 and via Videoconference

Leverage Existing County Programs: Give priority to counties that already have deed restriction programs or similar initiatives in place. These counties have the administrative capacity and expertise to deploy funds quickly and effectively, maximizing the program's impact.

Build a Strong Pilot Program in the Outer Islands: Establish a pilot program in an outer island county, such as Kauai or the Big Island, to demonstrate the program's effectiveness in addressing affordability and housing shortages. Success in these areas could serve as a model for statewide implementation.

Ensure Equitable Distribution of Funds: Avoid distributing funds solely based on population size. Instead, consider factors like local wages, housing costs, and the number of essential workers in need of housing. This approach ensures smaller, more rural counties receive adequate resources to address their unique challenges.

Prioritizing monies for the Kamaaina Homes Program towards counties with significant infrastructure constraints is important as lagging infrastructure capacity is one of the major barriers to construction of new housing⁵. To make this program most impactful it would be wise that the preservation of current housing stock is prioritized for counties which have significant infrastructure limitations preventing new construction as well as low wages in comparison to housing costs.

Mahalo for the opportunity to testify on this measure.

Sincerely,

Arjuna Heim
Director of Housing Policy

⁵ <https://dbedt.hawaii.gov/hhfdc/files/2022/12/Act-305-Report-to-the-Legislature-FINAL-2022-12-12.pdf>



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

January 30, 2025

Senate Committee on Housing
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for SB 490 - RELATING TO HOUSING

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of SB 490** which would establish the Kama'āina Homes Program, funding and allowing counties to purchase voluntary deed restrictions from eligible homeowners and homebuyers.

We believe in fixing incentives, and this includes creating innovative and targeted incentives. Hawai'i homebuyers continue to struggle to compete with non-Hawai'i buyers both because of lack of funds and a non-dedicated housing stock. This innovative incentive will let counties purchase **voluntary** deed restrictions that require the owner-occupant and/or renters be recently retired from or be a full time employee of a Hawai'i business, with appropriate protections for those experiencing involuntary unemployment or disability. In the long-term, more homes volunteer for the deed restriction, creating a stock of homes dedicated to those who work and live in Hawai'i.

This alone will neither solve the housing crisis, nor increase housing supply, however, it is a long range approach to incentivize homebuyers and homeowners to dedicate their home to local working families of tomorrow.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing



Hawai'i YIMBY

Honolulu, HI 96814

hawaiiyimby.org

info@hawaiiyimby.org

shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Damien Waikoloa

Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega

Chapter Lead, Hawai'i YIMBY





OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Brad Nicolai
Mike Pietsch
Sunshine Topping

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
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Page 1 of 2

Committee: Senate Committee on Housing
Bill Number: SB 490, Relating to Housing
Hearing Date and Time: January 30, 2025, 01:10pm (Room 225)
Re: Testimony of Holomua Collaborative – Support

Aloha Chair Chang, Vice Chair Hashimoto, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of SB 490, Relating to Housing. This bill would establish and fund the Kama'āina Homes Program.

Hawai'i remains in a housing crisis. Skyrocketing home prices leave many local families struggling to secure safe, attainable places to live. The median home price in Hawai'i now exceeds \$800,000—an impossible amount for most residents. As a result, many local families are being forced to leave in search of affordable living options elsewhere. Between July 2022 and July 2023 alone, an average of twelve people left Hawai'i *every day*.¹ More Native Hawaiians now live outside Hawai'i than within it. This is a loss of our culture, traditions, and the essence of what makes Hawai'i home.

In October 2024, a survey² gathering information about the day-to-day financial experience of local workers was released and it suggests this growing crisis has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive “no,” while sixty-nine percent said “yes” or “unsure.” And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawai'i. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

The high cost of living and limited attainable housing options have led many people in our local workforce – teachers, firefighters, health care workers, and more - to consider relocating to the continent, further deepening our state's labor shortages and eroding the quality of life for all residents.

The Kama'āina Homes Program is an income-blind, voluntary initiative, based on programs successfully deployed in other jurisdictions. It would create a dedicated housing supply for local residents by empowering the Counties to purchase perpetual deed restrictions on properties that require occupants to live and work in Hawai'i.

In the face of our state's ongoing housing crisis, this program represents a critical investment in the future of Hawai'i—both in terms of our economy and our

¹ U.S. Census Bureau, Population Division Estimates, released on March 14, 2024; and calculations by the Hawai'i State Department of Business, Economic Development & Tourism, Hawai'i State Data Center.
https://files.hawaii.gov/dbedt/census/popestimate/2023/county-pop/2023_daily_est_counties.pdf

² <https://holomuacollective.org/survey/>

cultural heritage. This program would ensure housing is reserved for local families for generations. And it would help reverse the trend of families and workers leaving Hawai'i by providing them with the opportunity to live in their communities long term.

A program with similar principles, Vail InDEED³, offers an inspiring example. Launched in 2018, Vail, Colorado, created a voluntary program that allowed the town to purchase deed restrictions on homes, ensuring they were only available to local residents. This program has reduced the pressure on the housing market and improved the overall stability of the community. Not only has it fostered a supportive environment for local families, but it has also strengthened the community by ensuring that the people who work in Vail can *afford* to live there, too.

We do respectfully request one amendment. As written, Page 5, line 20 – page 6, line 3, of the current HB 739 draft appears to require the counties to apply to the Hawai'i Housing Finance & Development Corporation (HHFDC) for funding each time they purchase a single deed restriction under this program. Requiring a county to apply for funding each time it successfully negotiates for the purchase of a deed restriction could delay a timely purchase or even prevent an eligible homeowner or homebuyer from choosing to participate in the program. Accordingly, we respectfully request that the bill be amended to provide each county an annual lump sum, as determined by HHFDC, for the county to use when purchasing deed restrictions through the program.

A key feature of the Kama'āina Homes Program is the lack of restriction the program places on how the moneys received by an eligible homeowner or homebuyer can be used. A significant portion of money exchanged in return for a deed restrictions in Vail was used by first time homebuyers, as it provided a sum of money for down payments to families that would otherwise never be able to save for a down payment. Flexibility in how the money can be used—whether for a down payment, tuition, healthcare, or some other important need—is a key draw for many prospective participants.

The Kama'āina Homes Program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It's an opportunity to ensure that our islands remain vibrant, diverse, and a place where local working families can afford to stay.

I urge you to support the Kama'āina Homes Program for the sake of Hawai'i's future, and for the generations of local families who will benefit from the stability, security, and opportunity this program offers.

Sincerely,



Joshua Wisch
President & Executive Director

³ See <https://www.vail.gov/government/departments/housing/vailindeed>



HAWAI'I COMMUNITY FOUNDATION

Testimony in Support of SB490, Relating to Housing

From: Micah Kāne, Chief Executive Officer & President - Hawai'i Community Foundation

Re: Support for the Kama'āina Homes Program

The Hawai'i Community Foundation (HCF) supports SB 490, which establishes the Kama'āina Homes Program. Housing is a priority area within HCF's CHANGE Framework under the "C" sector of Community-Centered Economy. Per UHERO, "median housing costs in Hawaii are more than 2.7 times the national level"¹ and median rents are the highest in the country.² ALICE families are more vulnerable because of our current housing market.

The demand for attainable local housing currently enveloping Hawai'i is at crisis levels. Too many people who do not live or work in Hawai'i are owning and driving up the costs of our housing market, which contributes to a record outmigration of local residents. The agony of this dynamic is punctuated by the fact that more Hawaiians now live out of Hawai'i than in Hawai'i.

While efforts to address the housing crisis have shown progress, it is evident that the current perspectives and efforts need to be expanded, and new creative solutions must be adopted. Hyper prioritization of major off-site infrastructure improvements that can effectuate housing, broad-based collaboration and regulatory reform are more critical now than ever.

We support the creation of the Kama'āina Homes Program because it represents a new and creative solution. Selling a deed restriction can create a variety of meaningful impacts on our community. A deed restriction sold is a promise to the community that another home is available for a working family in perpetuity. A deed restriction sold is an opportunity for a new homebuyer to have the down payment for their first home. It can also help an existing homeowner to fund necessary repairs to their aging home or replace the cesspool on their property. A deed restriction sold is an opportunity for the government to make an investment in our future and preserve our local culture.

Kama'āina want to stay in Hawai'i and SB 490 can open that door and provide that hope. There is universal agreement that locals need more places to call home. Homes must be affordable so residents will be free from the pressure of leaving the island. SB 490 is an innovative solution that contributes to more housing for our community, and HCF is happy to support it.

¹ [UHERO 2023 Hawaii Housing Factbook](#) at page 1.

² [UHERO 2024 Hawaii Housing Factbook](#) at page 6.



TITLE GUARANTY
HAWAII

January 30, 2025

Testimony in support of SB490, Relating to Housing

Aloha Chair Chang, Vice Chair Hashimoto, and Committee Members,

We write in support of SB 490, Relating to Housing, which would establish the Kama'aina Homes Program to place voluntary deed restrictions on homes that will be dedicated for local working residents.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'aina family since 1896 and we are proud to employ over 250 residents who work in our branches across the state. As an organization that has worked for over a century to help connect local families with housing, we see firsthand the economic shift that is preventing local families from achieving the dream of homeownership.

The Kama'aina Homes Program is an innovative proposal to create a new pool of residential real estate that is restricted to local residents. This will enable locals to get into Hawaii's tight housing market by restricting housing stock for local families and promoting a local workforce. This program is offering property sellers and buyers incentives in exchange for voluntarily placing a deed restriction on their property that restricts the types of future buyers and/or tenants to Hawai'i residents. The proposal accomplishes this by tying the voluntary deed restriction to residency and work requirements. It enables locals to compete with mainland buyers when buying a home and it also encourage property owners to rent to locals long term instead of leaving homes vacant.

SB490 is an original solution that invests in our community and in culture, and I hope that you support this effort to keep local residents in Hawai'i.

Sincerely,

Mike B. Pietsch
President and Chief Operating Officer
Title Guaranty of Hawai'i



Title and Escrow is our business. Hawaii is our home.



Statement of
Meli James and Brittany Heyd
Cofounders
Mana Up

SB490, Relating to Housing

Aloha Chair Chang, Vice Chair Hashimoto, and committee members,

We support SB490, which establishes the Kamaʻāina Homes Program to provide voluntary deed restrictions to willing eligible homeowners and homebuyers who agree to limit the use of their property for local working occupants.

Mana Up is a statewide initiative that helps provide entrepreneurs in Hawaiʻi with the resources and tools to grow their business and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawaiʻi. To keep these types of entrepreneurs in Hawaiʻi and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford.

We repeatedly hear from our entrepreneurs about the difficulty they have in finding attainable housing that provides them the safety and security necessary to focus on their business and family. Local entrepreneurs want to create and expand their business in Hawaiʻi, but far too often feel that opportunities for housing and business are better on the continent.

Creating a dedicated housing stock for our local workforce will help our families have security as they navigate the difficult economic conditions that face the State. The Kamaʻāina Homes Program incentivizes local homeowners and buyers to voluntarily be a part of the solution to create a permanent dedicated housing stock for local families. Housing is a challenge for everyone, and by coming together, we can find shared solutions that help all the people of Hawaiʻi.

Sincerely,

Meli James | Cofounder, Mana Up
Brittany Heyd | Cofounder, Mana Up



**Testimony to
Senate Committee on Housing
January 30, 2025
1:10 PM
Conference Room 225 & VIA videoconference
Hawaii State Capitol
SB 490**

Aloha Chair Chang, Vice Chair Hashimoto, and members of the Committee,

We write in support of SB 490. This bill will increase our housing supply for local working families in Hawai'i.

Established in 1904, Hawai'i Gas serves over 70,000 customers on all islands through its utility pipeline infrastructure and propane business, all of whom depend on the company for sustainable, reliable, and affordable gas for water heating, cooking, drying, and other commercial and industrial applications. The company employs some 350 professionals, over 75% of whom are under collective bargaining.

The stability of our local workforce is directly tied to the ability of local families to live and work in Hawai'i. Housing instability has a direct impact on the workforce's ability to remain in the state and to continue supporting the essential infrastructure that allows businesses like ours to thrive and serve the public.

Our company relies on a dedicated workforce of technicians, engineers, and support staff who ensure that the gas services we provide are safe, reliable, and accessible to all residents. However, the rising cost of housing makes it increasingly difficult for these essential workers to remain in the state. The Kama'āina Homes Program offers a meaningful solution by ensuring that local families can secure housing in their communities, thereby providing a stable and skilled workforce that is essential to industries like ours.

SB 490 addresses long-term workforce sustainability, ensuring that employees who work in critical infrastructure sectors like energy can stay in Hawai'i and continue their work without the constant threat of displacement. It is a smart, forward-thinking solution that will benefit all sectors of our economy.

We urge you to support SB 490, as it represents an investment in Hawaii's workforce, infrastructure, and long-term prosperity.

Thank you for the opportunity to testify.



BUILDBETTER.LIVEBETTER.®

January 30, 2025

| | |
|-------------------------------|--|
| Committee: | Senate Committee on Housing |
| Bill Number: | SB490, Relating to Housing |
| Hearing Date and Time: | January 30, 2025, 1:10pm |
| Re: | Testimony of HPM Building Supply in Support |

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members:

I would like to submit this testimony in support of SB490, Relating to Housing. The purpose of SB490 is to create a dedicated local housing market through the establishment of the Kama'āina Homes Program.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawai'i and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

A significant portion of our workforce consists of skilled tradespeople like carpenters, electricians, and plumbers, all of whom are integral to the construction process. However, as housing prices rise and rental prices soar, these workers are forced to leave the state in search of more affordable living situations. The result is a shortage of skilled labor in the construction sector, leading to delays and higher costs for homeowners and developers alike. The Kama'āina Homes Program offers a solution to this by ensuring that local workers have a place to live in the same communities where they work.

SB490's approach—creating deed-restricted housing dedicated to local working residents—will help stabilize the housing market by giving local workers a fighting chance in a competitive market in which wealthier non-residents often have an advantage. With more local residents able to afford homes and stay in the state we will have a stronger, more sustainable construction industry that benefits everyone, from homeowners to contractors and beyond.

I ask for your support of SB490, as it provides the foundation for a more robust, locally employed, and efficient building industry that will meet the needs of Hawaii's growing population.

Sincerely,

Jason Fujimoto
Chairman & CEO



(808) 966-5466 • FAX (808) 966-7564
16-166 MELEKAHIWA STREET • KEAAU, HAWAII 96749

HPMHAWAII.COM





Testimony in Support of SB 490, Relating to Housing

Aloha Chair Chang, Vice Chair Hashimoto, and members of the Committee,

We write in strong support of SB 490 which will establish the Kama'āina Homes Program allowing interested homeowners and homebuyers to voluntarily sell a deed restriction on their property that limit the occupancy of the property to our local workforce.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawai'i is at our core, and through our products and services, we work hard to make Hawai'i a better place for future generations.

Hawai'i is in the midst of a housing crisis. Our employees are our greatest asset, and we want to ensure that they have access to quality and attainable housing. This program is a good first step at establishing a housing market that is dedicated to local working families rather than out-of-state purchasers.

Mahalo for the opportunity to submit testimony in support of SB 490.

A handwritten signature in black ink that reads 'Brandon H. Kurisu'.

Brandon Kurisu
aio Family of Companies



TORI RICHARD

January 30, 2025

Aloha Chair Chang, Vice Chair Hashimoto and members of the Committee,

We write in support SB 490 and the creation of the Kama'āina Homes Program.

Tori Richard has manufactured in Honolulu for nearly 70 years, and we continue to proudly do so today. As a long-time medium-sized Hawai'i employer, we recognize the challenge high housing costs pose to everyone working to make ends meet in Hawai'i.

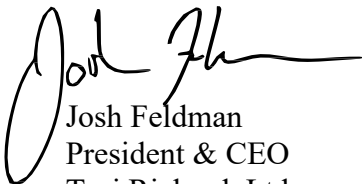
Our business is deeply committed to supporting Hawaii's local workforce, but the growing housing crisis makes it increasingly difficult for our employees to remain in the islands. Attainable housing is key to keeping talented, creative people in Hawai'i, and this bill offers a much-needed solution to that challenge.

Many of our employees are struggling to find attainable places to live. As their employer, I see firsthand the impact this has on their lives. When workers are forced to move away or leave the state altogether, it hurts our ability to operate and expand. The Kama'āina Homes Program ensures that local workers, like those in the fashion, manufacturing, and retail industries, have a place to call home. This stability will allow them to continue contributing to Hawai'i's vibrant economy and support local businesses.

Moreover, as a company that takes pride in being part of the local community, we understand the importance of preserving Hawaii's unique cultural identity. The housing crisis threatens that identity, as local residents are pushed out by non-resident investors and wealthy buyers. SB 490 will help reverse this trend by providing a steady supply of attainable homes dedicated to local residents, ensuring that our workforce and community remain strong and diverse.

I urge you to support SB 490, as it is essential to the future of our business and the local economy. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Feldman", with a stylized flourish extending to the right.

Josh Feldman
President & CEO
Tori Richard, Ltd.

1891 NORTH KING STREET
HONOLULU, HAWAII 96819



LIMBYHawaii.org

Aloha e Senators, Chair, Vice Chair:

Our comments on SB490/HB739

We are testifying on behalf of Locals In My Backyard (LIMBY) Hawai‘i. LIMBY Hawai‘i is a hui of concerned kama‘āina and kānaka advocating for solutions to our state’s housing crisis.

We are concerned that NIMBYism has driven up costs and driven our friends and families out by opposing all development. We are equally concerned that the apparent answer to this, YIMBYism, insists that anything resembling true affordability is impossible and promotes building housing for overseas investors as if that was a meaningful solution. ***We won’t solve our housing woes without building more, but we won’t solve them by simply building more.***

The true solution is to create a housing market for locals: one that houses locals first, is tied to local wages, and is managed in trust. We detail real solutions to our housing woes on our website and through our newsletter.

The future for kama‘āina and kānaka will be LIMBY or Las Vegas.

Deed restricted affordability purchased by the counties are a viable mechanism for perpetually affordable housing for local families and workers.

We offer comments and amendments. The bill contains a fairly hands off approach that may limit its impact. To better leverage this bill’s potential and the public’s investment in these units, the bill should be amended to:

- allow counties to define qualified businesses and maintain a list of approved businesses
- require that participants in this scheme pre-register with the county and that such registration be subject to residency and annual renewal and that eligibility be at least partially based on time spent on this list
- rental rates should be restricted to 100% of AMI
- resale limits tied to local incomes
- more stringent penalties for violation of the deeded restriction

These will limit abuse of the program and better direct it towards the local working class. Funds will doubtless be limited for this program. It is therefore critical that those funds go towards long suffering locals. These amendments will achieve that.

Pre-registration side steps the otherwise very loose requirements for “residency”. As it stands, there is little more required to be a resident than to have an address here: which can be accomplished before one even arrives in Hawai‘i.

Annual renewal with a seniority criteria gives our keiki an advantage as they could register at 18, attend college, return home, and begin saving for a home all while moving up to the front of the line. When they have savings, they would then be first in line above someone who had just arrived with the funds to purchase a home.

We believe the program outlined here is best understood as a way for local families to put down permanent roots. It should not be a rental program—indeed the ability to rent the property would seem to contradict some of the other requirements of this bill.

To that end, if the property is going to be rented, there should be a cap on how much rent could be charged as a percentage of local incomes: rents should not exceed 100% of AMI. This would ensure that the property would continue to pay it forward as lower rents would enable local families to save for an eventual home of their own.

This would also account for the fact that local incomes are skewed higher by those working multiple jobs and as remote work has exploded.

Resale limits that tie this property to local income increases are similarly necessary. This is a public investment in property and we should exercise that option to the fullest extent. It should not be seen as a vehicle for private profit born on the backs of locals leaving and investors buying in.

Finally our housing crisis is dire. We should not tolerate abuse of this program and the penalties for abuse of public funds sorely needed for affordable housing should be more stringent.

Me ka ha’aha’a
Makana Hicks-Goo,
Organizer on behalf of LIMBY Hawai‘i



January 30, 2025

The Honorable Stanley Chang, Chair

Senate Committee on Housing

State Capitol, Conference Room 225 & Videoconference

RE: Senate Bill 490, Relating to Housing

HEARING: Thursday, January 30, 2025, at 1:10 p.m.

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments** on Senate Bill 490, which establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

Hawai'i REALTORS® supports the creation of more workforce housing for Hawaii residents. We do however have concerns that the deed restrictions contained in this measure are in perpetuity. Having deed restrictions on a property in perpetuity can be problematic especially in land use planning, as communities can change and uses for a property may need to change as well over time. The Committee may want to consider instead that the deed restriction be amortized over 10 years.

It is also important to note that homeowners can currently choose to sell their property to Hawaii residents. We need to understand the challenges Hawaii residents face in purchasing a home in Hawaii.

Mahalo for the opportunity to provide testimony on this measure.

SB-490

Submitted on: 1/27/2025 7:46:06 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Tracey Erker | Individual | Support | Written Testimony Only |

Comments:

We have never owned a home- we hope to own a home in Hawai'i some day. We need more creative solutions.

My husband and I both work for local companies. We would 100% be interested in participating in this program if it was offered. This would provide us an opportunity to own a home here so we can stay.

What happens if we continue to do what we have always done? Nothing changes. Let's create a pathway for local working families like ours to participate in a market that we can potentially afford.

SB-490

Submitted on: 1/27/2025 10:32:46 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------|--------------|--------------------|------------------------|
| Douglass Adams | Individual | Support | Written Testimony Only |

Comments:

Chair Chang, Vice Chair Hashimoto, and Members of the Senate Committee on Housing:

Thank you for the opportunity to offer testimony in strong support of SB490, which establishes the Kama'aina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

This innovative program would create a dedicated housing stock for local working families by empowering the counties to purchase voluntary and perpetual deed restrictions from homeowners and homebuyers. The restrictions would come with a requirement that both owner-occupants and renters of record work locally. This prevents homes from being lost to non-resident buyers or short-term vacation rentals.

This program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It's an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people.

I encourage the Committee to move this measure to the Committee on Ways and Means with a favorable recommendation for eventual passage by the Senate.

very respectfully

Douglass Adams

Hilo, Hawai'i

SB-490

Submitted on: 1/28/2025 8:05:50 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-----------------|--------------|--------------------|---------------------------|
| Bridgette Dodge | Individual | Support | Written Testimony Only |

Comments:

This program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It's an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people. I am in support of this bill.

SB-490

Submitted on: 1/28/2025 11:49:03 AM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|-----------------|--------------|--------------------|------------------------|
| Michelle Condry | Individual | Support | Written Testimony Only |

Comments:

Testimony in Support of SB490

I am writing to express my strong support for SB490, which aims to keep kama'aina in the islands.

This legislation is crucial for our community because it will help address the issue of providing affordable housing to local working families. I believe that implementing this bill will lead to more locals being able to stay in the islands helping to preserve the culture that makes Hawai'i such an incredible place to live. It will also incentivize people to take local jobs helping to grow Hawai'i's economy. Additionally, people can still rent out their homes and make rental income.

Moreover, SB490 aligns with our shared values of keeping local families in the islands vs forcing them to the continent. With the challenges we currently face, it is essential that we take proactive steps to provide affordable housing for locals, especially for those who may not qualify for other government programs.

I encourage all legislators to support this important measure and ensure that our community can thrive. Thank you for considering my testimony.

Sincerely,

Michelle Condry

SB-490

Submitted on: 1/28/2025 4:35:53 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Sadie Green | Individual | Support | Written Testimony Only |

Comments:

Sadie Green
Haiku, HI
January 28, 2025

Committee on Housing
Hawai‘i State Legislature
State Capitol
415 S. Beretania St.
Honolulu, HI 96813

Subject: Testimony in Support of SB 490 – Kama‘āina Homes Program

Dear Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

I write in strong support of SB 490, which seeks to establish the Kama‘āina Homes Program to provide funding for counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers. This bill is a vital step toward addressing Hawai‘i’s housing crisis by ensuring local families and essential workers have access to attainable housing.

The housing crisis here on Maui is particularly severe. As of February 2024, the median price for a single-family home on the island was \$1,250,760—far beyond the reach of most local residents. The devastating fires of 2023 only worsened this crisis, displacing families and further straining an already limited housing stock. Maui has the highest disparity between wages and home prices in the nation, with median home costs at 14.7 times the median household income. In 2019, only about 10% of working families on Maui who wished to purchase a single-family home were financially qualified to do so, according to the Hawai‘i Housing Finance and Development Corporation—and the situation has only worsened. The inability to secure mortgages or save for down payments, combined with housing instability and financial stress, is forcing many local families to leave the island in search of affordable living conditions.

This ongoing housing instability is driving an alarming rate of outmigration, particularly among Hawaiians, threatening cultural heritage and community cohesion. SB 490 directly addresses this issue by giving local families a pathway to stable, affordable homeownership, enabling them to remain in their communities and preserve Maui’s unique identity.

We cannot simply build our way out of this crisis. As long as homes remain on the open market, external buyers with greater financial resources will continue to outbid local families, exacerbating affordability issues. Programs like the proposed Kama‘āina Homes Program provide a viable solution by creating a stock of housing protected from speculative investment. This approach mirrors successful initiatives like Vail InDEED in Colorado, which has effectively preserved housing for local residents through voluntary deed restrictions.

By prioritizing the use of existing housing stock rather than relying solely on new construction, this program also aligns with responsible resource management. Water shortages remain a significant concern on Maui, and focusing on existing homes is a more sustainable approach to addressing both housing and environmental challenges.

SB 490 is an innovative and equitable policy solution. By providing financial incentives for homeowners to place voluntary deed restrictions on their properties, the Kama‘āina Homes Program will ensure long-term affordability and stability for local families—particularly essential workers such as teachers, healthcare providers, and first responders. This program is an investment in Hawai‘i’s future, addressing systemic inequalities and prioritizing housing for residents over speculative investors.

I strongly urge the committee to pass SB 490 and take this critical step toward resolving Hawai‘i’s housing crisis. Thank you for your time and consideration.

Sincerely,
Sadie Green

SB-490

Submitted on: 1/28/2025 7:41:17 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|---------------------------|
| Celia Suzuki | Individual | Support | Written Testimony Only |

Comments:

I am in full support of this bill. Thank you.

SB-490

Submitted on: 1/29/2025 7:50:59 AM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Josh Levinson | Individual | Support | Written Testimony Only |

Comments:

Committee: Senate Committee on Housing

Bill Number: SB 490, Relating to Housing

Hearing Date and Time: 1/30/25 1:10P (CR 225)

Re: Testimony in Support

Aloha Chair Chang, Vice Chair Hashimoto, and members of the committee,

Mahalo for the opportunity to submit testimony in support of SB 490, Relating to Housing. I strongly support the principle of creating and maintaining a dedicated pool of housing for local residents and families. The high cost of housing has already forced too many local families to leave Hawai‘i, and without meaningful intervention, we risk becoming a place where only the wealthiest individuals—both residents and non-residents—can afford to own or rent a home. Unlike on the continent, where people can move to a more affordable city or region while staying in their home state, Hawai‘i’s geographic isolation means that unaffordable housing anywhere in the state effectively means leaving the state altogether.

I appreciate the intent behind the Kama‘āina Homes Program and encourage the legislature to continue exploring this bill and the viability of similar initiatives. While implementation challenges exist, the concept of incentivizing local homeownership and preserving housing for future generations is worth pursuing. We must find ways to ensure that Hawai‘i remains a home for the people who have built their lives here, not just those who can afford to buy in.

Mahalo for your time and consideration.

Sincerely,

Josh Levinson

SB-490

Submitted on: 1/29/2025 11:13:41 AM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|----------------|--------------|--------------------|------------------------|
| Jamie Yamagata | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair Chang, Vice Chair Hashimoto and Members of the Committee,

I am writing in strong support of SB490 which seeks to establish the Kama‘āina Homes Program to create a dedicated housing supply for local residents. As a lifelong resident of Hawai‘i, I have witnessed firsthand how our housing market has become increasingly out of reach for local families, forcing many of my friends to leave the islands in search of affordability elsewhere.

In 2021, my husband and I were in the market to purchase our first home together. We were financially prepared, pre-approved and ready to make offers. However, time and time again, we lost out to buyers offering \$50,000 to \$100,000 over asking price—often with all-cash offers. The experience was devastating. We were not looking for luxury, just a modest home with two bathrooms and a reasonable commute so we could continue raising our children in the place we call home. It became clear that many of the buyers we were competing against were not in the same boat as us—a local family simply trying to put down roots.

The reality is, if our circumstances had allowed us to move to the mainland for a more affordable community, we likely would have. And while we have done everything possible to make it work here, I worry about what the future holds for our children. If the housing market continues on this trajectory, I do not see how they—or their generation—will be able to afford to stay in Hawai‘i.

The Kama‘āina Homes Program is a necessary step toward addressing this crisis. Similar programs have been successfully implemented in other tourism-dependent communities on the mainland, ensuring that local residents are prioritized and have a real chance at homeownership. There is no reason we cannot do the same here in Hawai‘i.

I urge you to pass this bill and take action to protect the future of local families. Mahalo for your time and consideration.

Sincerely,

Jamie Yamagata and Nolan Hong

LATE

SB-490

Submitted on: 1/29/2025 3:53:37 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Joy Barua | Individual | Support | Written Testimony Only |

Comments:

Aloha Honorable Chair Evslin, Vice Chair Miyake, and members of the committee:

I fully support SB490 to establish and fund the Kama‘āina Homes Program. I also support the amendments as proposed by Holomua Collaborative in its testimony.

Hawaii’s housing crisis continues to spiral, impacting our island families and communities. I hold in high regard, the efforts of our policymakers and legislators to address the issue in collaboration with multi-sector stakeholders.

The Kama‘āina Homes Program is an innovative effort that is grounded on tried-and-true practice – an income-blind, voluntary initiative, based on programs successfully deployed in other jurisdictions. It would create a dedicated housing supply for local residents by empowering the Counties to purchase perpetual deed restrictions on properties that require occupants to live and work in Hawai‘i.

The Program is an investment in our future focused on keeping local families at home and creating stronger communities, reducing out-migration, and building a more sustainable economy. It is an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people.

I urge you to support the Kama‘āina Homes Program.

Mahalo nui loa,

Joy Barua

Committee: Senate Committee on Housing
Bill Number: SB 490, RELATING TO HOUSING
Hearing Date & Time: January 30, 2025 at 1:10pm
Re: Testimony of Malia Wisch **in Support of SB490**

LATE

Aloha Chair Chang, Vice Chair Hashimoto, and members of the Senate Committee on Housing:

My name is Malia Wisch and I am a partner and creative director of the local branding and design agency Wall to Wall Studios. I am a third-generation Kailua resident and graduate of Hawaii's public schools.

I am testifying in support of SB490, which establishes the Kama'āina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

I went to college and got my first job on the mainland. **I moved home in 2002 knowing I would take a big hit in my paycheck.** I knew if I stayed on the mainland I would adjust to a different standard of living which would make it even harder, if not impossible, to move home.

Over twenty years later, I am a local employer who struggles to hire locally and who has lost 3 employees – 2 of whom are native Hawaiian – to the mainland in the past few years. These are talented workers, and none of them wanted to leave. They made up a significant percentage of our staff. They simply couldn't justify the sacrifice to be able to afford housing in Hawai'i anymore.

I had given up hope that there would be a constitutional way to give local working people a leg up in the insane local housing market, where we cannot compete with remote worker salaries or military housing allowances.

The idea proposed in this bill is exciting and gives me new hope. It is a model that's been successfully tested in communities with similar challenges and it makes use of *existing* housing. Maybe Hawai'i *can* find and adopt creative solutions to keep our local talent working here at home, where they want to be.

Our design business benefits from a nuanced understanding of local customs, language, humor and symbolism. More importantly, *all of us* enjoy the richness of this shared culture. We will lose it if the current mass exodus is not curtailed.

Mahalo nui loa for considering my testimony in support of this important legislation.

Sara Malia Wisch
Partner and Creative Director
Wall to Wall Studios
1128 Nuuanu Ave #203, Honolulu, HI 96817
malia@walltowall.com

January 30, 2025

TO: Chair Chang and members of the Senate Housing Committee
RE: SB 490 RELATING TO HOUSING.

Dear Chair Chang and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support the establishment of the Kamaaina Homes Program through SB 490.

The Kamaaina Homes Program is modeled on a similar program in Vail, Colorado. Like many of Hawai'i's communities, Vail is heavily reliant on tourism. Furthermore, tourism has adversely impacted their locality's supply of affordable housing. The housing shortage leads to a workforce shortage. As HHF concluded in our sixth policy brief, the Vail InDEED model is uniquely tailored to Hawai'i's housing constraints.¹

Deed restrictions can preserve the residential housing supply. By purchasing deed restrictions from homeowners, county governments can ensure deed-restricted homes remain permanently affordable for residents.

Under this program, residents who work at least thirty hours per week in the community, or who meet another set condition, are eligible to live in these deed-restricted homes. This program will foster a new, permanent affordable housing market for working residents.

We are grateful for your careful consideration of SB 490.

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org

¹ Housing Hawai'i's Future. "Policy Brief #6: Deed Restrictions in Maui County." 2024.
<https://www.hawaiisfuture.org/resources/policy-brief-mau-deed-restrictions>.

SB-490

Submitted on: 1/29/2025 9:15:55 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

LATE

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Ben Trevino | Individual | Support | Written Testimony Only |

Comments:

Aloha Chair Chang, Vice Chair Hashimoto, and members of the committee:

Mahalo for the opportunity to submit testimony in support of HB739, Relating to Housing. This bill would establish and fund the Kama‘āina Homes Program.

I am in full support of this bill and its intent to secure housing for our Kama‘aina residents. Every single member of the legislative body is close to their constituents, not to mention residents themselves, and consequently very familiar with the nature of housing challenges facing our working families.

One of the messages that our residents receive when the cost of housing is so high is: **There is no place for you here.** The Kama‘āina Homes Program is an opportunity for us to send different messages: **You are part of this community. Your presence in Hawai‘i matters. You belong.**

I urge you to support the Kama‘āina Homes Program and let our people know how important they are.

Sincerely,

Ben Trevino

SB-490

Submitted on: 1/30/2025 12:14:10 AM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|--------------|--------------|--------------------|------------------------|
| Ian Ross | Individual | Support | Written Testimony Only |

Comments:

LATE

Aloha Chair Stanley Chang and Vice Chair Troy Hashimoto,

I am submitting testimony in strong support of Senate Bill 490. Like many residents, I've struggled with the rising cost of housing. Hawaii's housing crisis goes beyond the issue of high prices alone, it's also about the slow erosion of our communities. Year after year, we see more and more families leaving the state, not because they want to, but because they can't afford to stay. According to the Census, from July 2020 to July 2024, Hawaii's net migration loss was approximately 20,000 people. I believe this bill is a step toward addressing this urgent challenge: keeping our residents in Hawaii. This is a deeply concerning trend, especially when so many of those leaving are young professionals, essential workers, and Native Hawaiians who have called these islands home for countless generations.

Senate Bill 490 establishes the Kama'āina Homes Program, which presents a pragmatic policy solution. By allowing counties to purchase voluntary deed restrictions on homes, we can create a protected housing pool for residents who live and work in Hawaii. This approach has worked elsewhere. Through their housing authority, the town of Vail, Colorado established the Vail InDEED program, which successfully helped local workers secure housing through a similar program.

Importantly, this program sidesteps the most contentious divide in the housing policy debate, the question of supply and development. We need policies that directly safeguard housing for those who call Hawaii home. This policy may help bridge the divide in the local housing debate and offer a common sense policy that can bring together a broader coalition of stakeholders.

If we want to reverse population decline and give future generations a real chance to stay, work, and thrive in Hawaii, we need bold policies like Senate Bill 490. I applaud the Senate Committee on Housing for hearing this important measure and strongly support it.

Mahalo for your time and consideration.

Ian Ross

Committee: Senate Committee on Housing
Bill Number: SB 490, Relating to Housing
Hearing Date and Time: January 29, 2025, 09:00am (Room 430)

LATE

Aloha Chair Chang, Vice Chair Hashimoto, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of SB490, Relating to Housing. This bill would establish and fund the Kamaʻāina Homes Program.

Hawaiʻi is in the midst of an unprecedented housing crisis, with skyrocketing home prices leaving many local families struggling to secure safe, attainable places to live. Residents need to earn nearly twice the median income to afford a home at the median price. As a result, many local families are being forced to leave the islands in search of affordable living options elsewhere. Between July 2022 and July 2023 alone, an average of twelve people left Hawaiʻi *every day*.¹ And alarmingly, more Native Hawaiians now live outside the state than within it. This loss isn't just in numbers—it's a loss of our culture, traditions, and the very essence of what makes Hawaiʻi home.

In October 2024, a survey² seeking to gather information about the day-to-day financial experience of local workers suggests this growing crisis has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive “no,” while sixty-nine percent said “yes” or “unsure.” And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawaiʻi. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

The high cost of living and limited attainable housing options have led many people in our local workforce – teachers, firefighters, health care workers, and more - to consider relocating to the continent, further deepening our state's labor shortages and eroding the quality of life for all residents.

The Kamaʻāina Homes Program is an income-blind, voluntary initiative that has been successfully deployed in other jurisdictions, which would create a dedicated housing supply for local residents by empowering the Counties to purchase perpetual deed restrictions on properties that require occupants to live and work in Hawaiʻi.

In the face of our state's ongoing housing crisis, this program represents a critical investment in the future of Hawaiʻi—both in terms of our economy and our cultural heritage. This program would ensure that housing is reserved for locals for generations to come. Just as importantly, it would help reverse the trend of families and workers leaving Hawaiʻi by providing them with the opportunity to live in their communities long term.

¹ U.S. Census Bureau, Population Division Estimates, released on March 14, 2024; and calculations by the Hawaiʻi State Department of Business, Economic Development & Tourism, Hawaiʻi State Data Center. https://files.hawaii.gov/dbedt/census/popestimate/2023/county-pop/2023_daily_est_counties.pdf

² <https://holomuacollective.org/survey/>

The Kama‘āina Homes Program is an investment in our future. By keeping local families here, we create stronger communities, reduce out-migration, and build a more sustainable economy. It’s an opportunity to ensure that our islands remain vibrant, diverse, and truly home to those who cherish it most—our people.

I urge you to support the Kama‘āina Homes Program for the sake of Hawai‘i’s future, and for the generations of local families who will benefit from the stability, security, and opportunity this program offers.

Aloha nui,

Billy Pieper



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

LATE

**HEARING BEFORE THE SENATE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225
Thursday, January 30, 2025, 1:10 P.M.**

To The Honorable Senator Stanley Chang, Chair
The Honorable Senator Troy N. Hashimoto, Vice Chair
Members of the committee on Housing

SUPPORT SB490 RELATING TO HOUSING

The Maui Chamber of Commerce **SUPPORTS SB490** which establishes the Kamaaina Homes Program to provide funding to the counties to purchase voluntary deed restrictions from eligible homeowners or homebuyers.

Housing is one of the Maui Chamber's top priorities as we are in a housing crisis. Ensuring the availability of attainable homes and rentals is essential to the well-being of our residents. It is so a vital pillar in our efforts toward workforce stability and economic recovery.

This is another excellent tool in the toolbox for housing.

For these reasons, we **SUPPORT SB490**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-490

Submitted on: 1/28/2025 11:29:16 PM

Testimony for HOU on 1/30/2025 1:10:00 PM

| Submitted By | Organization | Testifier Position | Testify |
|---------------|--------------|--------------------|------------------------|
| Seth Kamemoto | Individual | Comments | Written Testimony Only |

Comments:

I like the idea of building up a pool of homes with restrictions such as these to support a market of resident-only housing stock, but such ownership brings up many questions: How would these covenants work with will/trusts? Could a property be willed to a “non-eligible” heir? Can it be held in trust (e.g. estate transfer trusts where the beneficiary is underage)? If it can be held in trust, how is the “owns no other property with a deed restriction” clause upheld? What are the specific penalties for not following the deed restrictions, and how will it be enforced?

I’m not sure how many of these details need to be statutory and how many can be left for some future administrative rules to handle.

I’m also concerned that well-meaning local residents will fall into edge cases: Does military deployment count as a valid job for the purposes of this bill? What if the bread-winner in a local family needs to relocate temporarily (but more than one year) to take a job (outside Hawaii) to support their family? What if the bread-winner is temporarily injured and on long-term disability, or becomes disabled after working only 4 years and 11.9 months in Hawaii? There are just so many edge cases where satisfying the deed restriction clause might become very difficult, even though these families fall into a category that one might consider “local working families”.