

STAND. COM. REP. NO.

141

Honolulu, Hawaii

FEB 04 , 2025

RE: H.B. No. 1298
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. 1298 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Hawaii Housing Finance and Development Corporation to establish a Government Employee Housing Revolving Fund Program and Government Employee Ninety-Nine Year Leasehold Rent-to-Own Program; and
- (2) Establish the Government Employee Housing Revolving Fund.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; United Public Workers, AFSCME Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO. Your Committee received comments on this measure from the Department of Budget and Finance and Tax Foundation of Hawaii.

Your Committee finds that there is a critical need to attract and retain State and County employees. Your Committee further finds that rising costs of housing has become a significant

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barrier to workforce stability, forcing many residents to leave the State in search of more affordable housing opportunities. Your Committee believes that providing affordable housing opportunities on state owned land, particularly in transit-oriented development areas, will enhance the quality of life of government employees, attract qualified candidates, and support the State's broader goals of sustainable growth.

Your Committee has amended this measure by:

- (1) Clarifying that the Government Employee Housing Revolving Fund (Revolving Fund) shall be used to provide interim and permanent loans and grants;
- (2) Specifying that sixty percent of available units funded with monies from the Revolving Fund, rather than all, shall be for persons and families with incomes at or below one hundred forty percent of the area median income;
- (3) Specifying that state departments and agencies, instead of nonprofit organizations, are eligible applicants for funding under the Government Employee Housing Revolving Fund Program;
- (4) Authorizing, rather than requiring, the Hawaii Housing Finance and Development Corporation to credit a portion of rent toward the purchase of a unit under the Government Employee Ninety-Nine Year Lease hold Rent-to-Own Program;
- (5) Exempting, rather than subjecting, design and development contracts for residential condominium units within a transit-oriented development site and construction contracts from the State Procurement Code;
- (6) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that in its testimony, the Hawaii Housing Finance and Development Corporation requested \$450,000 out



of the Dwelling Unit Revolving Fund for the establishment of two full time equivalent (2.00 FTE) to administer the programs established by this measure.

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. 1298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1298, H.D. 1, and be referred to your Committee on Labor.

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

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LUKE A. EVSLIN, Chair



