

STAND. COM. REP. NO.

136

Honolulu, Hawaii

FEB 04 , 2025

RE: H.B. No. 1325
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. 1325 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to require developers developing affordable housing projects under the Hawaii Housing Development and Finance Corporation completed with state or federal funds that result in the eviction or displacement of tenants in existing rental properties to:

- (1) Grant certain persons displaced or evicted by the proposed affordable housing project the right of first refusal of a comparable unit in the housing project at an affordable rate;
- (2) Establish a fund to provide relocation benefits to displaced or evicted tenants;
- (3) Provide information, either directly or through a contracted service, on how to obtain assistance and exercise the right of first refusal; and
- (4) Establish procedures to maintain communication with displaced and evicted tenants.

2025-1188 HB1325 HD1 HSCR HMSO



Your Committee received testimony in support of this measure from Tagnawa; Hawai'i Workers Center; Hawai'i YIMBY; Hawaii Appleseed Center for Law & Economic Justice; Medical-Legal Partnership for Children in Hawai'i; and numerous individuals. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation and one individual.

Your Committee finds that efforts to increase affordable housing production have inadvertently led to the displacement of vulnerable tenants, disrupting their social networks and economic stability. Your Committee further finds that residential instability resulting from displacement is linked to negative health and social outcomes, particularly for children and youth. Your Committee believes that it is imperative to balance the development of affordable housing with measures to protect displaced and evicted tenants to ensure their continued access to stable, affordable housing.

Your Committee has amended this measure by:

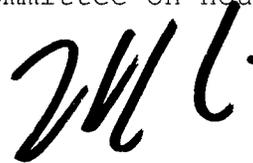
- (1) Requiring a developer of a proposed housing project to either offer the displaced or evicted tenant the right of first refusal for a comparable unit in the proposed housing project or establish a fund and create a relocation program to provide relocation benefits;
- (2) Specifying that if a developer chooses to provide relocation benefits, a displaced or evicted tenant may choose to receive either three separate payments with each payment equal to no less than one month's rent in a comparable unit or a lump sum equal to no less than three months' rent;
- (3) Clarifying communication requirements between developers and displaced or evicted tenants;
- (4) Clarifying that federal regulations for federal programs for affordable housing that offer greater tenant relocation payment and assistance control;
- (5) Changing the effective date to July 1, 3000, to encourage further discussion; and



- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1325, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1325, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



LUKE A. EVSLIN, Chair



