

STAND. COM. REP. NO.

1065

Honolulu, Hawaii

FEB 28, 2025

RE: H.B. No. 1325
H.D. 3

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1325, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require developers of affordable housing projects under the Hawaii Housing Finance and Development Corporation to assist certain tenants who are subject to displacement or eviction by the proposed project by:
 - (A) Granting those tenants the right of first refusal of a comparable unit in the housing project at an affordable rate or establishing a fund to provide relocation benefits and offer assistance;
 - (B) Providing information, either directly or through a contracted service, on how to obtain assistance and exercise the right of first refusal; and
 - (C) Establishing procedures to track and maintain communication with those tenants; and
- (2) Establish consequences for a developer's noncompliance.

2025-2371 HB1325 HD3 HSCR HMSO



Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Tagnawa; Democratic Party of Hawai'i; Hawaii Appleseed Center for Law & Economic Justice; LIMBY Hawai'i; Save Medicaid Hawaii; Lāhainā Strong; Chamber of Commerce Hawaii; Susannah Wesley Community Center; Adult Friends for Youth; Maui Tenants and Workers Association; Parents and Children Together; Medical-Legal Partnership for Children in Hawai'i; Hawai'i YIMBY; Kokua Kalihi Valley Comprehensive Family Services; and numerous individuals.

Your Committee finds that addressing the housing shortage requires the redevelopment of existing homes. However, when an existing residential structure is being redeveloped, the current residents should be treated fairly and equitably, and allowed the opportunity to return to their community. The lack of a standardized process to address the displacement of current residents cultivates mistrust of housing efforts. This measure establishes a standardized process to transition current residents displaced by an affordable housing project.

Your Committee has amended this measure by:

- (1) Clarifying that upon completion of the proposed housing project, developers must offer and implement the right of first refusal to displaced or evicted tenants if that option is chosen by the developer;
- (2) Deleting language that would have specified that tenants are considered relocated only when they have moved into the new project; and
- (3) 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1325, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1325, H.D. 3.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



