

STAND. COM. REP. NO.

693

Honolulu, Hawaii

FEB 14 , 2025

RE: H.B. No. 739
H.D. 2

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. 739, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to establish and fund the Kamaaina Homes Program as an investment in the future of Hawaii and keep local working families in the State by securing a dedicated housing supply specifically for locals.

Your Committee received testimony in support of this measure from the Department of Transportation; Office of Hawaiian Affairs; Hawaii Housing Finance and Development Corporation; Kaua'i County Housing Agency; AARP Hawai'i; Hawai'i YIMBY; Hawaii Appleseed Center for Law & Economic Justice; Housing Hawai'i's Future; Hawai'i Children's Action Network Speaks!; Council for Native Hawaiian Advancement; Holomua Collaborative; Hawai'i Community Foundation; Title Guaranty of Hawai'i; HPM Building Supply; Hawai'i Gas; Mana Up; Tori Richard, Ltd.; aio Family of Companies; Sunshine Topping; Hawai'i State Youth Commission; Maui Chamber of Commerce; Aloha United Way and the ALICE Initiative; Chamber of Commerce Hawaii; Techmana LLC; Kobayashi Group; and numerous individuals. Your Committee received comments on this measure from the Department of Taxation; Tax Foundation of Hawaii; and Hawai'i Association of REALTORS.

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Your Committee finds that the average price of a home in the State has now surpassed \$800,000. Since 1984, existing home prices have increased by one hundred fifty-five percent, while the median household income has risen only twenty-four percent.

Your Committee further finds that voluntary deed restrictions have proven effective in preventing speculative real estate practices that drive up housing costs. This measure strengthens the stability of a community by allowing residents to place voluntary deed restrictions to provide secure housing for residents.

Your Committee has amended this measure by:

- (1) Amending its purpose section;
- (2) Clarifying the eligible occupants of a property with a deed restriction in place under the Kamaaina Homes Program;
- (3) Clarifying available remedies if a property with a deed restriction is sold and has been occupied in a noncompliant manner;
- (4) Specifying that any financial remedy owed or collected is deposited into the Dwelling Unit Revolving Fund;
- (5) Clarifying the exemption from conveyance taxes; 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 Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 739, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 739, H.D. 2.



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



DAVID A. TARNAS, Chair

