

Honolulu, Hawaii

FEB 05 2025

RE: S.B. No. 27
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Housing, to which was referred S.B. No. 27
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to exempt state-
financed housing developments from the requirement to obtain
approval from the applicable county council.

Your Committee received testimony in support of this measure
from the Hawaii Appleseed Center for Law and Economic Justice,
Housing Hawai'i's Future, Maui Chamber of Commerce, and one
individual.

Your Committee received testimony in opposition to this
measure from the Department of Planning and Permitting of the City
and County of Honolulu, Lāhainā Strong, HI Good Neighbor, and
sixteen individuals.

Your Committee received comments on this measure from the
Hawaii Housing Finance and Development Corporation.

Your Committee finds that state financing is essential to the
development of housing for low-income individuals and families.
Presently, the Hawaii Housing Finance and Development Corporation
(HHFDC) requires developers to undergo rigorous reviews for



proposed housing developments. Mandating additional approval from a county legislative body introduces duplicate layers of bureaucracy, significantly increasing costs and delays for the development. As the State has a critical housing shortage, providing certain exemptions for housing developments that have received financing from the State and have been reviewed by HHFDC will alleviate certain barriers to promote, rather than hinder, the development of housing.

Your Committee notes that developers who receive state financing or financing commitments from the State to build housing classified as "affordable" are required to complete an extensive process to receive approval pursuant to section 201H-38, Hawaii Revised Statutes. Your Committee further notes testimony asserting that this measure would "skew" the approval process so that even a small amount of state funding would allow a developer to bypass the county approval process. However, HHFDC does not provide nominal financing for projects and typically, state financing constitutes a majority of a project's costs. Therefore, this measure expedites the process for certain developments while promoting operational efficiency for housing developments that receive financing from the State.

Your Committee has amended this measure by clarifying that projects that have received a financing commitment from the State shall be exempt from approval by the legislative body of the county in which the housing project is to be situated.

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 S.B. No. 27, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 27, S.D. 1, and be referred to your Committee on Ways and Means.

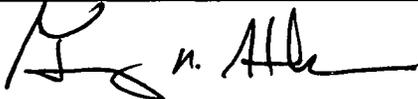
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

| | | | | |
|--|--|-------------------------|----------|----------|
| Bill / Resolution No.:* SB 27 | Committee Referral: HOU, WAM | Date: 1-28-25 | | |
| <input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____ | | | | |
| The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313 | | | | |
| Members | Aye | Aye (WR) | Nay | Excused |
| CHANG, Stanley (C) | ✓ | | | |
| HASHIMOTO, Troy N. (VC) | ✓ | | | |
| AQUINO, Henry J.C. | ✓ | | | |
| KANUHA, Dru Mamo | ✓ | | | |
| FEVELLA, Kurt | | | | ✓ |
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| TOTAL | 4 | 0 | 0 | 1 |
| Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted | | | | |
| Chair's or Designee's Signature:  | | | | |
| Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy | | | | |

***Only one measure per Record of Votes**