

STAND. COM. REP. NO. 6

Honolulu, Hawaii

FEB 03 2025

RE: S.B. No. 38
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. 38
entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to prohibit the
legislative body of a county from making modifications to housing
development proposals that would increase the cost of the project.

Your Committee received testimony in support of this measure
from the Hawaii Housing Finance and Development Corporation,
Grassroot Institute of Hawaii, NAIOP Hawaii, Maui Chamber of
Commerce, Housing Hawai'i's Future, 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
twelve individuals.

Your Committee finds that county land-use rules are a key
driver of Hawaii's housing shortage. Housing regulations in the
State are the strictest in the country, and when paired with
increasing costs to build, finance, and insure affordable housing
developments, these developments become less feasible due to area
median income restrictions. Furthermore, affordable housing
projects may initially appear financially feasible and meet county



and state requirements, but when these projects go before a county council for final approval, new conditions may be added that frequently lead to increased costs, making the project no longer financially viable. As a result, less housing gets developed, contributing to the housing shortage. This measure is therefore intended to eliminate unnecessary risks and uncertainties for overall project budgets and prevent delays for well-scrutinized developments.

Your Committee has amended this measure by:

- (1) Clarifying that a county legislative body shall not make any modifications or impose any conditions to a housing project that would increase the cost of the project; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 38, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 38, S.D. 1, and be referred to your Committee on Judiciary.

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 38	Committee Referral: HOU, JDC	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				✓
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**