

Honolulu, Hawaii

**FEB 27 2025**RE: S.B. No. 38  
S.D. 2

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

Sir:

Your Committee on Judiciary, to which was referred S.B.  
No. 38, S.D. 1, 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 or imposing conditions 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, Kalihi Palama Neighborhood Board No. 15, Grassroot Institute of Hawaii, and Maui Chamber of Commerce.

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, Hawaii's Thousand Friends, LIMBY Hawai'i, HI Good Neighbor, one member of the Maui County Council, and five individuals.

Your Committee finds that the State's acute housing shortage is often exacerbated by state and county housing regulations. Your Committee further finds that modifications or conditions imposed by a county can dramatically inflate the cost of a housing development. Additionally, research done at the University of



Hawai'i estimated that regulations comprise fifty-eight percent of new condominium construction costs. By reducing the restriction power of county legislative bodies over state-approved affordable housing projects, this measure will significantly decrease overall project development costs.

Accordingly, your Committee has amended this measure by inserting an effective date of April 23, 2057, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 38, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 38, S.D. 2.

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



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KARL RHOADS, Chair



