

STAND. COM. REP. NO. **3329**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 1732
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B. No. 1732, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish the Kamaaina Homes Program within the Hawaii Housing Finance and Development Corporation to provide funding to the counties to purchase voluntary deed restrictions from eligible homebuyers.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Kaua'i County Housing Agency; one member of the Hawai'i County Council; Aloha United Way; AARP Hawaii; Tradewind Group; Hawai'i Community Foundation; Hawai'i YIMBY; Kapolei Chamber of Commerce; Housing Hawai'i's Future; Chamber of Commerce Hawaii; Hawaii Appleseed Center for Law & Economic Justice; Title Guaranty Hawaii; HPM Building Supply; Mana Up; aio Hawaii; Tori Richard, Ltd.; Holomua Collaborative; and twenty-one individuals.

Your Committee received testimony in opposition to this measure from LIMBY Hawai'i.



Your Committee received comments on this measure from the Department of Taxation, Hawai'i Association of REALTORS, and Tax Foundation of Hawaii.

Your Committee finds that the State continues to face a severe housing shortage, especially for local residents and working families. For many of these families, rising housing costs constitute an insurmountable barrier to securing a safe, attainable place to live. To address these rising costs and lack of available housing, this measure establishes an income-blind, voluntary initiative based on successful programs in other jurisdictions to secure an inventory of housing to be available exclusively for local residents working in certain professions experiencing a labor shortage. Specifically, by empowering counties to purchase perpetual deed restrictions on properties that require occupants to live and work in the State, this measure will help create a dedicated housing supply for local residents and working families.

Your Committee notes that, while this measure is the result of substantial effort and planning, it remains a work in progress. First, in its current form, this measure would not necessarily facilitate the creation of new housing, leaving the insufficient number of available units in the State unaddressed. Second, most housing in the State is already occupied by full-time residents, and the neighborhoods that are not already occupied by full-time residents, such as Wailea or Ko Olina, were often purpose-built for vacation use. Consequently, the homes that participate in the program may not be those likely to be purchased by non-residents, in which case residents may simply collect a windfall in exchange for deed restrictions. Third, if the program operates in the manner its proponents intend, the State will not recover the costs incurred by the program. Instead, the program will cost the State and counties substantial amounts of money, while covering only a small fraction of housing. The result will be a program that requires decades of appropriations for deed restrictions on housing that would have been occupied by full-time residents anyway. These issues demonstrate the significant differences between Vail, a town of under five thousand residents that is smaller than even the smallest county in the State and relies on just a single industry, and Hawaii, which has a substantially larger population and a diversity of industries. Finally, this measure may be unnecessary, as deed restriction programs in Maui



County and Kauai County are already moving forward without the incentives of this measure. Your Committee therefore requests that these concerns be examined further as this measure moves through the legislative process.

Your Committee has amended this measure by:

- (1) Renaming the Kamaaina Homes Program to the Kamaaina Homes Pilot Program and requiring the Hawaii Housing Finance and Development Corporation to designate a single county in which the program will be established;
- (2) Replacing the Dwelling Unit Revolving Fund with the Rental Housing Revolving Fund as the source of funding for the Kamaaina Homes Pilot Program;
- (3) Requiring the county in which the program is established to provide funding of no less than three dollars for every one dollar distributed by the Hawaii Housing Finance and Development Corporation;
- (4) Reducing the maximum annual amount allocatable by the Hawaii Housing Finance and Development Corporation to \$2,000,000;
- (5) Authorizing eligible homebuyers to use the funds provided by the county for the acquisition of deed restrictions on existing homes already occupied by eligible owners or tenants;
- (6) Requiring that any subsequent homebuyer of a home with a deed restriction meet certain requirements;
- (7) Requiring annual reports to the Legislature on the pilot program;
- (8) Inserting legislative findings and amending section 1 to reflect its amended purpose; and
- (9) 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 H.B. No. 1732, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1732, H.D. 2, 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.:*	Committee Referral:	Date:		
HB 1732, HD 2	HOU, WAM	03/24/2026		
<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)	✓			
ELEFANTE, Brandon J.C.	✓			
RHOADS, Karl	✓			
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 File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes