

STAND. COM. REP. NO.

3199

Honolulu, Hawaii

MAR 25 2026

RE: H.B. No. 1741
H.D. 2

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

Sir:

Your Committees on Energy and Intergovernmental Affairs and Housing, to which was referred H.B. No. 1741, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Deem a county inclusionary mandate as a form of development exaction and treat the mandate as a housing affordability impact fee, with certain exemptions;
- (2) Prohibit a county from adopting, amending, or enforcing an inclusionary mandate or inclusionary mandates for residential or mixed-use development, under certain circumstances;
- (3) Establish additional requirements for a needs assessment study for a county-imposed inclusionary mandate; and
- (4) Establish a criterion that allows luxury residential projects or projects that receive certain discretionary value increases to be subject to inclusionary mandates.

Your Committees received testimony in support of this measure from the Housing Hawai'i's Future, Hawaii Appleseed Center for Law



and Economic Justice, Hawai'i YIMBY, Grassroot Institute of Hawaii, Avalon Development Company, and one individual.

Your Committees received testimony in opposition to this measure from Locals In My Backyard Hawai'i and UNITE HERE! Local 5.

Your Committees received comments on this measure from the Office of Hawaiian Affairs and Aloha Independent Living Hawaii.

Your Committees find that research shows that inclusionary zoning can help produce income-restricted units, but only when requirements and incentives are balanced correctly. When mandates are set without clear data on feasibility or market impacts, they can suppress new construction, raise prices, or shift development toward fewer and more expensive homes and ultimately make affordability worse, not better. This measure responds to this challenge by requiring counties to rely on studies before imposing or enforcing inclusionary mandates, thereby ensuring that affordable housing policies do not result in a net loss of housing stock.

As affirmed by the records of votes of the members of your Committees on Energy and Intergovernmental Affairs and Housing that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1741, H.D. 2, and recommend that it pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Energy and
Intergovernmental Affairs and
Housing,



STANLEY CHANG, Chair



GLENN WAKAI, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

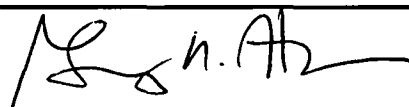
Record of Votes
Committee on Energy and Intergovernmental Affairs
EIG

Bill / Resolution No.:* HB17A1, HD2	Committee Referral: EIG/HOU, WAM	Date: 3/19/26		
<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 checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
CHANG, Stanley (VC)	✓			
DECOITE, Lynn			✓	
RICHARDS, III, Herbert M. "Tim"		✓		
FEVELLA, Kurt		✓	✓	
TOTAL	2	1	2	
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

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1741 , HD2	E19 / HOU , WAN	03/19 / 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 checked="" type="checkbox"/> Pass, unamended 2312 <input 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	3	0	2	0
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