

STAND. COM. REP. NO. 2406

Honolulu, Hawaii

FEB 19 2025

RE: S.B. No. 3285
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 S.B. No. 3285 entitled:

"A BILL FOR AN ACT RELATING TO WORKFORCE HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Workforce Housing Regulatory Sandbox Program within the Hawaii Housing Finance and Development Corporation;
- (2) Establish an advisory council within the Workforce Housing Regulatory Sandbox Program to advise on environmental and cultural practices within specific developments;
- (3) Establish a position;
- (4) Require annual reports to the Legislature; and
- (5) Appropriate funds.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation, Hawaii Community Development Authority, Office of Planning and



Sustainable Development, Chamber of Commerce Hawaii, Maui Chamber of Commerce, and Housing Hawai'i's Future.

Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that the State faces an urgent housing shortage. A 2024 Hawaii Housing Planning Study projected that the State needs approximately 64,490 new housing units by the end of 2027. Much of this needed housing is workforce housing for teachers, health care professionals, first responders, and service industry employees. However, many of these workers struggle to find housing near their workplaces, leading to longer commute times and increased traffic congestion. New approaches to housing production are necessary to address this issue.

This measure introduces an innovative regulatory sandbox that promotes flexibility in existing regulations, thereby allowing developers to test new approaches to housing development. Specifically, this regulatory sandbox program will accelerate housing production by reducing bureaucratic delays and permitting inefficiencies, while encouraging innovation in design, construction, and sustainability practices. At the same time, this measure's structured approach to regulatory flexibility and temporary nature maintains environmental, cultural, and public safeguards.

Your Committee has amended this measure by:

- (1) Inserting language authorizing the Hawaii Housing Finance and Development Corporation to waive or modify state approval processes;
- (2) Inserting a blank appropriation amount;
- (3) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains an unspecified appropriation amount. Should your Committee on



Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it consider inserting an appropriation amount of \$5,000,000 for the establishment and operation, including administrative costs and support for approved projects, of the Workforce Housing Regulatory Sandbox Program and for the establishment of one full-time equivalent (1.0 FTE) position.

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. 3285, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3285, S.D. 1, and be referred to your Committee on Ways and Means.

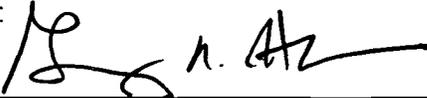
Respectfully submitted on
behalf of the members of the
Committee on Housing,


STANLEY CHANG, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Housing
HOU

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|--|---------------------|-----------|-----|---------|
| Bill / Resolution No.:* | Committee Referral: | Date: | | |
| SB 3285 | HOU, WAM | 2/10/2026 | | |
| <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 | | | | / |
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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 File with Committee Report Committee Drafting Agency | | | | |

*Only one measure per Record of Votes