

Honolulu, Hawaii

FEB 09 , 2026

RE: H.B. No. 1740
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 1740 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Remove certain financial and ownership-based qualifications for purchasers of a unit in a Hawaii Housing Finance and Development Corporation-approved project; and
- (2) Amend exemptions from statutes, ordinances, charter provisions, and rules for certain housing projects developed by the Corporation that satisfy certain conditions, including requirements related to employment, owner-occupancy, and deed restrictions.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Hawai'i Appleseed Center for Law & Economic Justice; Holomua Collaborative; Hawai'i YIMBY; Housing Hawai'i's Future; Kobayashi Group; aio Family of Companies; AARP Hawaii; and five individuals.



Your Committee finds that Hawaii's shortage of resident-occupied housing is worsened when publicly-assisted units later leave the local housing inventory or become investment properties, weakening long-term affordability and reducing opportunities for local families. Your Committee further finds that duplicative financial screening by the Hawaii Housing Finance and Development Corporation and restrictive ownership rules have unintentionally impeded resident mobility, created administrative burdens, and discouraged efficient transitions as households grow or change. This measure will align housing projects developed under the Hawaii Housing Finance and Development Corporation with the goals of preserving housing opportunities for Hawaii residents by tying units to local occupancy and responsible long-term use.

Your Committee has amended this measure by:

- (1) Clarifying that the second pathway for a housing project to seek exemption from all laws and rules has to meet certain existing conditions, except for any requirements that impose income requirements for a housing project;
- (2) Clarifying that a unit is subject to a perpetual deed upon the initial sale and that the unit is to be occupied at all times by a person domiciled in the State, except under certain circumstances;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 1740, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1740, H.D. 1, and be referred to your Committee on Water & Land.



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

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LUKE A. EVSLIN, Chair



