STAND. COM. REP. NO. 2147

Honolulu, Hawaii

FEB 11 2026

RE: S.B. No. 2342
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. 2342 entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to:

(1) Establish a working group to revise the Hawaii Housing Finance and Development Corporation's Qualified Allocation Plan and propose revisions to the prioritization of the Rental Housing Revolving Fund and the terms of the loans made from the Rental Housing Revolving Fund;

(2) Require the working group to report to the Legislature;

(3) Appropriate funds for the working group;

(4) Require the Hawaii Housing Finance and Development Corporation to make certain revisions to the 2026 Qualified Allocation Plan; and

(5) Prohibit the Hawaii Housing Finance and Development Corporation from allocating Low-Income Housing Tax Credits or moneys from the Rental Housing Revolving Fund

to projects without a perpetual affordability commitment.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority.

Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that the Hawaii Housing Finance and Development Corporation's Qualified Allocation Plan establishes the criteria for the Corporation to evaluate and allocate Low-Income Housing Tax Credits. These criteria should be designed to support the State's housing goals and ensure that projects help meet housing demand. Crucially, the Low-Income Housing Tax Credits allocated through the Qualified Allocation Plan amount to a redistribution of tax revenue to developers in exchange for the development of housing for low-income residents.

Your Committee further finds that the current criteria contained in the Qualified Allocation Plan are insufficient to address the State's housing needs. Specifically, the current criteria emphasize readiness and income targeting. The State's housing needs would be better met through criteria that prioritize developer commitments to perpetual affordability, effective use of financial surpluses, and demonstrated early repayment to the Rental Housing Revolving Fund. This measure would strengthen alignment between housing financing programs and long-term public objectives.

Your Committee notes that this measure 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 $75,000 for a consultant and meeting facilitator for the working group established by this measure.

Your Committee has amended this measure by:

(1) Clarifying certain findings regarding the interest rate for a typical Rental Housing Revolving Fund loan and the amount of general fund appropriations received by the Rental Housing Revolving Fund over the past decade;

(2) Inserting language to require the working group to comply with any and all federal requirements; and

(3) 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 S.B. No. 2342, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2342, 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,

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:
SB 2342	HOU, WAM	2/3/2026

☐ The Committee is reconsidering its previous decision on this measure.

If so, then the previous decision was to: _____

The Recommendation is:

☐ Pass, unamended 2312 ☑ Pass, with amendments 2311 ☐ Hold 2310 ☐ 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: ☑ Adopted ☐ Not Adopted

Chair's or Designee's Signature: [signature]

Distribution: Original — File with Committee Report; Yellow — Committee; Pink — Drafting Agency

*Only one measure per Record of Votes

Revised: 01/02/26