STAND. COM. REP. NO. 2716

Honolulu, Hawaii

FEB 25 2026

RE: S.B. No. 2342
S.D. 2

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

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2342, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose and intent of this measure is to promote sustainable affordable housing in the State.

More specifically, this measure:

(1) Establishes a working group to:

(A) Revise the Hawaii Housing Finance and Development Corporation's Qualified Allocation Plan; and

(B) Propose revisions to the prioritization of the Rental Housing Revolving Fund and the terms of loans made from the Rental Housing Revolving Fund;

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

(3) Appropriates funds for the working group;

(4) Requires the Hawaii Housing Finance and Development Corporation to revise the 2026 Qualified Allocation Plan to:

(A) Require perpetual affordability and prioritize projects that are government-owned, for which applicants are obligated to reinvest financial surpluses to produce more housing, and that entail shorter loan terms; and

(B) Deprioritize readiness and financially unsustainable income targeting categories; and

(5) Prohibits the Hawaii Housing Finance and Development Corporation from allocating low-income housing tax credits or Rental Housing Revolving Fund moneys to projects without a perpetual affordability commitment.

Your Committee received written comments in support of this measure from the Hawaii Public Housing Authority, Office of Hawaiian Affairs, and Department of Housing and Land Management of the City and County of Honolulu.

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

Your Committee finds that the Qualified Allocation Plan, which is developed and administered by the Hawaii Housing Finance and Development Corporation, establishes the framework and criteria for the allocation of federal and state low-income housing tax credits to support affordable housing development statewide. Your Committee also finds that the current plan places considerable emphasis on project readiness and income targeting, which may not adequately address the State's affordable housing needs. Your Committee believes that refining the Qualified Allocation Plan to prioritize perpetual affordability requirements and government-led developments, and incentivize early loan repayment, will help ensure that public resources are used effectively to support sustainable affordable housing in the State.

Your Committee has amended this measure by clarifying that the Hawaii Housing Finance and Development Corporation shall amend the 2026 Qualified Allocation Plan to increase the number of points awarded for government-owned projects located within the

transient-oriented development infrastructure improvement program areas, established under section 206E-243, Hawaii Revised Statutes.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2342, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2342, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,
Committee on Ways and Means,

DONOVAN M. DELA CRUZ, Chair

The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
SB2342 SD1	HOU, WAM	02/19/2026

☐ 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
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.				X
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"				X
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	11	0	0	2

Recommendation: ☒ Adopted ☐ Not Adopted

Chair's or Designee's Signature:

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

*Only one measure per Record of Votes

Revised: 01/02/26