

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300

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Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 27, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

HOUSE BILL 1715 HOUSE DRAFT 1 RELATING TO AFFORDABLE HOUSING.

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports** House Bill 1715 House Draft 1, which authorizes HHFDC to designate certain for-sale housing as permanently affordable.

Current affordability restrictions on government-assisted for-sale housing expire after ten years, allowing units to be sold at market rates. This undermines the creation of an inventory of homes that are affordable to local residents. Without permanent affordability measures, Hawaii could lose affordable housing stock every decade, perpetuating scarcity and rising costs. This bill offers a sustainable solution to preserve affordable housing while enabling homebuyers to gain equity and move up the housing ladder.

Key provisions of the bill include:

1. **Permanent Affordability.** The bill authorizes HHFDC to designate certain for-sale units as permanently affordable, ensuring long-term stability for working families. Over time, this measure will create a stock of housing units that are permanently affordable for local households.
2. **Equity Building.** Price appreciation will be tied to an index to allow homeowners to build equity while maintaining affordability for future buyers.
3. **Community Protection.** Units must be owner-occupied, which will reduce speculation in units, contribute towards more stable neighborhoods, and ensure that the home will be a primary residence.

4. Qualified Resident definition. The bill deletes the provision that HHFDC must financially qualify homebuyers as this is a task that is more efficiently undertaken by lenders. The bill also deletes the provisions that buyers of HHFDC-supported projects must be first-time homebuyers. This is to enable buyers of HHFDC-supported units to “move up” the housing ladder into another HHFDC-supported unit when they desire.

Thank you for the opportunity to testify.



OFFICE OF HAWAIIAN AFFAIRS

‘Ōlelo Hō‘ike ‘Aha Kau Kānāwai

TESTIMONY IN SUPPORT OF HOUSE BILL 1715 HD1

RELATING TO AFFORDABLE HOUSING

Ke Kōmike Hale o ka ‘Oihana ‘Imi Kālā
(House Committee on Finance)

Ke Kapitala ‘o Hawai‘i
(Hawai‘i State Capitol)

Pepeluali 27th, 2026

2:00pm

Lumi 308

Aloha e Chair Todd, Vice Chair Takenouchi , and Members of the Committee on Finance:

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB1715 HD1** which authorizes the Hawai‘i Housing Finance and Development Corporation (HHFDC) to designate certain government-assisted for-sale housing units as permanently affordable, while clarifying the applicability of existing resale restrictions.

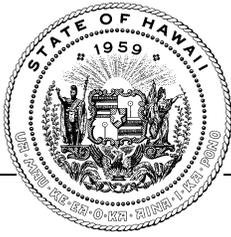
OHA’s mandate includes advocacy to improve the well-being of Native Hawaiians. Housing stability and access to homeownership are foundational determinants of economic security and health outcomes for Native Hawaiian families. Hawai‘i’s housing crisis continues to disproportionately impact Native Hawaiians, who experience higher rates of housing cost burden, overcrowding, displacement, and homelessness. At the same time, Native Hawaiian households remain underrepresented among fee-simple homeowners. For Native Hawaiian communities, housing stability is also closely tied to maintaining family networks, cultural connections, and intergenerational resilience. Policies that reduce barriers to housing access therefore produce benefits that extend far beyond individual households and strengthen community stability statewide.

Under current law, affordable housing units that are for sale and developed with public assistance, may convert to market-rate housing after ten years. **This expiration model allows publicly subsidized units to exit the affordable inventory, undermining the State’s investment and limiting long-term access for local families.** This measure preserves affordable housing units long term by allowing the Hawai‘i Housing Finance

and Development Corporation to designate for-sale units as permanently affordable. Permanent affordability models are particularly important for first-generation Native Hawaiian homeowners. Structured appreciation allows families to build equity while preserving access for future buyers, creating stability instead of scarcity. In a housing market increasingly driven by global capital and speculative investment, this measure represents a commitment to local residents and to the long term stability of Hawai'i's communities.

OHA respectfully urges the Committee to **PASS** HB1715 and continue advancing housing policies that reduce Native Hawaiian disparities and protect generational access to homeownership.

Mahalo for the opportunity to testify.



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON FINANCE
Friday, February 27, 2026
2:00 PM
State Capitol, Conference Room 308

in consideration of
HB 1715, HD 1
RELATING TO AFFORDABLE HOUSING.

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

The Office of Planning and Sustainable Development (OPSD) **supports** HB1715, HD 1, which authorizes Hawai'i Housing Finance and Development Corporation (HHFDC) to designate certain for-sale units as permanently affordable housing if developed or assisted by the corporation.

OPSD believes that this bill is taking the right approach in keeping units permanently affordable. Currently HHFDC's units are subject to a 10-year buyback and shared appreciation which can keep units affordable for 10-years, after which it can be sold at market rate which prices out future income eligible buyers. By having permanently affordable housing units, it allows individuals and families to stay in Hawaii and build equity. This measure aligns with the Governor's housing strategy and production goal of housing more residents.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543

February 27, 2026

The Honorable Representative Chris Todd, Chair
House Committee on Finance
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Chair Todd and Committee Members:

SUBJECT: HB1715 HD1, Relating to Affordable Housing

The Hawai'i State Council on Developmental Disabilities is in **SUPPORT of HB1715 HD1**, which authorizes the Hawaii Housing Finance and Development Corporation to designate certain for-sale units as permanently affordable housing, subject to certain restrictions, clarifies that certain resale and occupancy restrictions apply only to projects developed prior to a certain date, and amends the definition of "qualified resident" for the purposes of Hawaii Housing Finance and Development Corporation housing development programs.

Preserving long-term affordability in for-sale housing may expand and stabilize housing options for people with disabilities whose incomes fall within eligible ranges. Many people with intellectual and developmental disabilities are working, living independently or with family, and seeking pathways to stable homeownership, yet are disproportionately impacted when affordability restrictions expire and units transition to market rates.

The Council recognizes that long-term affordability is essential to continuity, community integration, and self-determination. By strengthening resale and occupancy protections and preserving the public investment in assisted housing, HB1715 helps prevent the loss of affordable units over time and supports a more stable housing market overall. While this measure does not address accessibility or services directly, it represents a necessary system-level strategy to ensure housing opportunities remain available to current and future residents.

Thank you for the opportunity to submit testimony **supporting HB1715 HD1**.

Sincerely,

Daintry Bartoldus
Executive Administrator



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

Date February 24, 2026

The Honorable Chris Todd, Chair
The Honorable Jenna Takenouchi, Vice Chair
Members of the House Committee on Finance

Hearing Date: February 27, 2026
Hearing Time: 2:00 PM
Hearing Place: Hawaii State Capitol, Conference Room 308

Re: HB1715 (Finance)

I am Bryan Anderson, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH provides comments for HB1715.

The Mortgage Bankers Association of Hawaii (MBAH) supports the commendable goal of addressing our state's housing shortage and preserving long-term affordability. However, we have significant concerns regarding the current draft of this bill. Specifically, the lack of clarity surrounding foreclosure procedures, the undefined "program agreement" mentioned in the bill, and the permanent restriction on resale value introduce severe uncertainty for homeowners and lenders. If enacted as written, this bill may result in unintended consequences that actively harm the low-to-moderate-income buyers it intends to help.

1. Vagueness of Foreclosure Protections and Extinguishment

The buyers of affordable housing units in the Hawaii have available to them low-to-moderate income mortgage loan programs such as HomeReady and Home Possible made available by the Government Sponsored Entities ("GSEs"), which are Fannie Mae and Freddie Mac. These loan programs provide some of the most affordable and flexible financing options. When the originating lender calculates the loan-to-value ("LTV") ratio

and how much mortgage insurance, if any, is required, the value per GSE rules may be based on the unrestricted market resale price if the resale restrictions will be expunged at time of foreclosure. This means that the calculated LTV is lower than the LTV calculated based on the actual affordable sales price.

For example, if the requested loan amount is \$400,000, the affordable purchase price is \$425,000, and the market price of the unit is \$500,000, the LTV for these special programs may be calculated at 80% ($=\$400,000 / \$500,000$) if the unit may be resold at the market value by the lender in the event of foreclosure. In this case, no mortgage insurance would be required.

If the lender may NOT resell the unit at market price in the event of foreclosure, the LTV must be calculated at 94.2% ($\sim \$400,000 / \$425,000$), and mortgage insurance must be obtained and paid by the borrower each month.

The bill does not address specific mechanisms for the extinguishment of restrictions upon foreclosure. Without clear, statutory language, this creates a "cloud on title" that could discourage lenders who would be unwilling to issue mortgage for units where the right to foreclose at market value is unclear or suppressed by permanent state restrictions.

2. The Ambiguity of "The Program Agreement"

The bill refers to a "program agreement" regarding the waiver or extinguishment of restrictions, but this agreement is entirely undefined in the statute.

- **Lack of Transparency:** We do not know what terms, penalties, or waivers will be included in these agreements. A bill with such permanent consequences for homeownership requires absolute statutory transparency.
- **Administrative Overreach:** Stakeholders cannot accurately evaluate the bill's impact without knowing the Hawaii Housing Finance and Development Corporation's (HHFDC) specific criteria for "waiving or extinguishing" these restrictions.

3. Negative Outcomes of Restricted Resale Value

Transitioning from the current 10-year affordability restriction to a permanent restriction creates a fundamental shift in equity, effectively establishing a two-tiered system of homeownership in Hawaii.

Under current 10-year restriction programs, homeowners who remain in their homes for a decade or more can generate wealth and build equity, eventually allowing them to move up to a non-affordable, market-rate property. By making restrictions permanent, borrowers under this bill will miss out on standard wealth generation. They will be effectively trapped in the affordable housing system, unable to build sufficient equity to afford a down payment on a market-rate home. For many, this will force them to remain in their starter homes indefinitely or return to the rental market if their family size outgrows the property.

Conclusion

While MBAH appreciates the legislature's intent to keep housing affordable, permanent restrictions without clear foreclosure protections and defined program agreements will chill mortgage lending and strip local families of their ability to build generational wealth. We respectfully request that the Committee address these ambiguities before moving this measure forward.

Thank you for the opportunity to present this testimony.

Bryan Anderson

Bryan Anderson
Mortgage Bankers Association of Hawaii

February 27, 2026

The Honorable Chris Todd, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

RE: House Bill 1715, HD1, Relating to Affordable Housing

HEARING: Friday, February 27, 2026, at 2:00 p.m.

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments** on House Bill 1715, HD1, which Authorizes HHFDC to designate certain for-sale units as permanently affordable housing, subject to certain restrictions. Clarifies that certain resale and occupancy restrictions apply only to projects developed prior to a certain date. Amends the definition of "qualified resident" for the purposes of HHFDC housing development programs. Effective 7/1/3000.

HAR supports the goal of expanding affordable homeownership opportunities for Hawaii residents. However, it is also important to balance long-term affordability with the ability for homeowners to build equity. Homeowners who purchase these affordable units may eventually need to move, for instance to start a family or move closer to work. As such, without the opportunity to build sufficient equity, these homeowners may ultimately be priced out of purchasing another home in the future.

The movement of homeowners up the property ladder is an essential process in a healthy housing market as the unit they vacate allows another person the chance at homeownership. Artificial restrictions on a homeowner's ability to build equity stifles this process and prevents people from moving on to other homes that better fit their needs as they move through different milestones in their lives.

Mahalo for the opportunity to provide testimony on this measure.



TESTIMONY IN STRONG SUPPORT OF HB1715 HD1, RELATING TO AFFORDABLE HOUSING

HOUSE COMMITTEE ON FINANCE

February 27, 2026

To the Honorable Chair and Members of the Committee:

The Democratic Party of Hawai'i strongly supports **HB1715 HD1**. This measure advances Hawai'i's responsibility to address the housing crisis by **preserving long-term affordability** in place of the current rules that allow units to be sold at market rate after 10 years.

Hawai'i must ensure a stable supply of long term affordable housing. Today, affordability restrictions on many government-assisted for-sale units **expire after ten years**, allowing homes constructed by public resources to be resold at market rates and weakening Hawai'i's ability to maintain an affordable housing stock over time.

HB1715 HD1 supports policies that create a more sustainable and self-sufficient Hawai'i by authorizing the Hawaii Housing Finance and Development Corporation to designate certain for-sale units as **permanently affordable**. This will help ensure a stable supply of affordable units for Hawai'i residents in perpetuity.

Mahalo nui loa for the opportunity to testify in strong support of HB1715 HD1. Should you have any questions or require further information, please contact the Democratic Party of Hawai'i at legislation@hawaiidemocrats.org.



www.AlohaILHawaii.org

Feb 24, 2026

MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

EXECUTIVE DIRECTOR

Roxanne U. Bolden

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The Honorable Chris Todd, Chair
House Committee on Finance
The Thirty-Third Legislature
State Capitol
State of Hawaii
Honolulu, Hawaii 96813

SUBJECT: HB1715 HD1, Related to Affordable Housing

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) respectfully submits testimony in **support of HB1715 HD1 with recommendations.**

HB1715 HD1 authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to designate certain for-sale housing units as permanently affordable housing, subject to resale restrictions and affordability indexing. The Legislature correctly recognizes that current affordability restrictions may expire after ten years, allowing units developed with public assistance to be sold at market rates and thereby undermining the State's investment in housing subsidies.

For individuals with disabilities, housing stability is foundational to employment, health management, and community integration. Since AILH's founding in 2009, more than one in eight service requests have involved housing-related assistance. More recent data reflecting the past three reporting periods (October 2022 to September 2025) show that approximately 13% of requested services were housing-related, making it the second most requested service category after Transportation. These figures do not include Information and Referral services, which frequently involve housing-related guidance and resource navigation but are categorized separately in reporting.

This sustained and recent demand underscores the structural nature of housing instability among individuals with disabilities and highlights the importance of preserving long-term affordability in publicly assisted units.



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From a fiscal perspective, preserving long-term affordability protects public investment and reduces downstream expenditures associated with homelessness, institutionalization, emergency housing interventions, and prolonged service coordination. Permanently affordable ownership models can stabilize communities while still allowing for structured equity-building through resale price formulas.

AILH respectfully offers the following recommendations to strengthen implementation:

First, HHFDC should ensure that permanently affordable units include accessible and adaptable design features consistent with state and federal accessibility standards. Accessible units should remain accessible across resale transactions, and deed restrictions should preserve accessibility features rather than allow their removal.

Second, resale price formulas should account for accessibility modifications made by homeowners with disabilities. Modifications such as ramps, roll-in showers, widened doorways, or adaptive equipment installations often represent significant personal investment. Valuation methods should avoid discouraging necessary accessibility improvements.

Third, rulemaking under chapter 91 should include stakeholder engagement with disability-led organizations to ensure that eligibility criteria, resale restrictions, and enforcement mechanisms do not unintentionally disadvantage individuals with disabilities who may have complex income structures, public benefits, or disability-related expenses.

Finally, given that housing demand among individuals with disabilities continues to exceed supply, AILH encourages the Legislature to consider how permanently affordable designation authority can be paired with strategies to increase production of accessible for-sale housing statewide.

HB1715 HD1 represents a structural step toward preserving affordability across generations while protecting public subsidy investments. With thoughtful implementation that incorporates accessibility and disability equity considerations, it can strengthen long-term housing stability for Hawaii residents.

AILH respectfully urges passage with the above recommendations.



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Jennifer Hartssock

Thank you for the opportunity to testify.

Aloha,

Roxanne Bolden
Executive Director

February 27, 2026

TO: Chair Todd and Members of the House Committee on Finance
RE: HB 1715 HD1, Relating to Affordable Housing

Dear Chair Todd and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support House Bill 1715 HD1. This measure will ensure that public investments in housing continue to benefit future generations of residents. The inclusion of resale and occupancy restrictions for designated projects is a proven strategy to preserve resident attainability over time, preventing speculative resale and displacement. Amending the definition of "qualified resident" also has the potential to better align eligibility with the needs of local households. The result will be a ladder of options for various residents.

Within just the area median income (AMI range of 60-140%, Hawai'i suffers from a shortage of 14,118 single- and multi-family units.¹ Regardless of one's income, Hawai'i has a broader shortage of 29,987 owner-occupied units.

Hawai'i presently enjoys the lowest rate of homeownership in the United States among young adults, specifically those under the age of 35. We need to expand homeownership opportunities for our young residents, especially those members of our workforce who want to stay in Hawai'i for decades to come.

Please advance House Bill 1715 HD1.

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org

¹ This figure is based on the HHPS study that projects statewide housing demand through 2027. The report can be found here: <https://www.wardresearch.com/2024-hawaii-housing-planning-study>

HB-1715-HD-1

Submitted on: 2/26/2026 10:02:54 AM

Testimony for FIN on 2/27/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jackie Keefe	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

My name is Jackie Keefe, and I am in **strong support of HB1715 HD1**, which authorizes HHFDC to designate certain for-sale units as permanently affordable housing, subject to certain restrictions. Clarifies that certain resale and occupancy restrictions apply only to projects developed prior to a certain date. Amends the definition of "qualified resident" for the purposes of HHFDC housing development programs.

Please pass HB1715 HD1 to take a step towards equity for our disability community.

Mahalo for the opportunity to testify.

Jackie Keefe, Lahaina