

STATE OF HAWAII OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

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Statement of **MARY ALICE EVANS, Director**

before the
HOUSE COMMITTEE ON HOUSING
Wednesday, February 4, 2026, 9:00 AM
State Capitol, Conference Room 430

in consideration of
HB 1718
RELATING TO HOUSING.

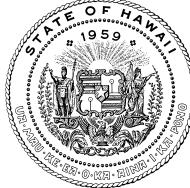
Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing, the Office of Planning and Sustainable Development (OPSD) **supports** HB1718, which repeals the sunset provision in Act 45, SLH 2024, related to the counties' authorization to develop, construct, finance, refinance, or otherwise provide mixed-use developments. This will help with achieving the Governor's housing strategy and production goals.

OPSD supports HB1718 as it allows the counties to support housing projects, especially in transit-oriented development areas where housing is needed most. As the State is in a housing crisis, these financing options are crucial for housing development throughout the islands. Act 45 allows the counties to provide another source of financing for developers to tap into to increase our housing stock.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR

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DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

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Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 04, 2026 at 9:00 a.m.
State Capitol, Room 430

In consideration of
HOUSE BILL 1718
RELATING TO HOUSING.

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC **supports** House Bill 1718, which repeals the sunset provision in Act 45, Session Laws of Hawaii 2024.

This measure makes permanent the authority of the counties to develop, construct, finance, refinance, or otherwise provide mixed-use developments, including low- and moderate-income housing projects, and issue county bonds for these purposes.

This bill ensures that counties retain critical tools to address Hawaii's housing crisis. By removing the sunset date, counties can continue to facilitate housing development and provide financing options that complement state efforts and private sector initiatives. This authority is particularly important for advancing housing in transit-oriented development areas, where demand is high, and land use efficiency is essential.

This bill is a practical and necessary step to maintain momentum in addressing Hawaii's housing needs. By making Act 45 permanent, we empower counties to continue supporting housing development and financing solutions that benefit our communities.

Thank you for the opportunity to testify.

**DEPARTMENT OF HOUSING AND LAND MANAGEMENT
KA 'OIHANA HO'OLĀLĀ KŪKULU HALE A ME KA HO'OKELE 'ĀINA
CITY AND COUNTY OF HONOLULU**

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February 2, 2026

The Honorable Luke A. Esvlin, Chair
and Members of the Committee on Housing
Hawai'i House of Representatives
415 South Beretania Street
Honolulu, Hawai'i 96813

**SUBJECT: Support for House Bill 1718
Relating to Housing**

Dear Chair Esvlin and Committee Members:

The Department of Housing and Land Management (DHLM) **strongly supports** removing the June 30, 2028, sunset date in Act 45 (2024).

Act 45 was an important step toward addressing Hawai'i's housing challenges. The Act empowered counties to issue bonds for mixed-use developments, allowing the City and County of Honolulu ("City") to combine housing with other essential community uses such as education, retail, and government services. However, the inclusion of a four-year sunset effectively prevents the City from using this tool for any real-world projects.

Large-scale mixed-use developments cannot be planned, financed, and completed within such a narrow window. These projects require extensive time for site acquisition, due diligence, community engagement, solicitation and selection of qualified development partners, negotiation of lease and regulatory agreements, securing financing, and ultimately issuing and expending bond proceeds. A financing authority that expires midstream is, for all practical purposes, unusable.

Without repeal of the sunset, the City will be unable to complete the planned redevelopment of Iwilei Center, a 3.95-acre parcel adjacent to the future Kūwili Skyline Station, acquired to advance transit-oriented development (TOD) along the rail corridor. In July 2025, the City selected a development partner to lead a master planning effort for the broader Kūwili Station area—an effort that includes robust community engagement, improving multi-modal access to transit, and aligning infrastructure investments to support future housing, flood mitigation, and broader development in the area. The City has since selected a preferred negotiating partner for Iwilei Center,

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and Members of the Committee on Housing
February 2, 2026
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expected to deliver hundreds of housing units integrated with commercial, educational, and civic spaces. The project will serve as the anchor for the greater Kūwili Station TOD Area, envisioned in the City's adopted Downtown Neighborhood TOD Plan.

The authority granted under Act 45 is vital to advancing this and other TOD projects. Yet a sunset provision injects unnecessary uncertainty into the development process, deterring private partners, complicating financing, and jeopardizing the timely delivery of affordable housing along the rail line. The sunset serves no practical purpose—the Legislature retains the power to revisit or refine this authority in the future if experience with early projects suggests it is warranted.

We respectfully urge the Legislature to remove the sunset provision in Act 45 (2024) and provide the stability needed for the City and County of Honolulu to swiftly move forward in creating vibrant, transit-oriented, mixed-use communities that deliver the affordable housing our residents need.

Thank you for the opportunity to provide testimony. If you have any questions, please feel free to contact me or Gavin Thornton, Director of Housing Policy, at (808) 768-4277.

Sincerely,



Kevin D. Auger
Director



Housing Hawai'i's Future

PO Box 3043

Honolulu, HI 96802-3043

February 4, 2026

TO: Chair Evslin and Members of the House Committee on Housing
RE: HB 1718, Relating to Housing

Dear Chair Evslin 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 urge the House Committee on Housing to advance House Bill 1718.

By repealing Act 45, SLH 2024, the State of Hawai'i will empower counties with the power to facilitate, finance, and issue bonds for affordable and mixed-use developments. As evidenced by the emergence of entities like the City and County of Honolulu's Department of Housing and Land Management (DHLM), this measure aligns with county-based housing efforts across Hawai'i, where local governments are well-positioned to respond to community-specific housing needs.

The counties must be partners in addressing Hawai'i's chronic housing shortage. This approach can accelerate the production of both rental and owner-occupied housing options for residents by leveraging county resources and partnerships, reducing bureaucratic delays, and tailoring solutions to local conditions.

Developers, financiers, and local agencies are more likely to commit resources to complex projects when there is clarity and stability in the regulatory framework. The ability to issue bonds gives counties a valuable tool for assembling the financing needed for projects that might otherwise stall due to funding gaps.

Let's advance House Bill 1718.

Thank you,



Lee Wang
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