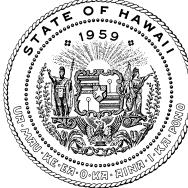


JOSH GREEN, M.D.  
GOVERNOR

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

HONOLULU, HAWAII 96813

FAX: (808) 587-0600

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 1740**

### RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

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

HHFDC **supports** House Bill 1740, which removes the prohibition against qualified residents for HHFDC-approved projects holding a majority interest in land and removes the requirement that qualified residents demonstrate financial viability or ability to pay rent. Also, amends exemptions from statutes, ordinances, charter provisions, and rules for certain housing projects developed by the Corporation that satisfy certain conditions.

This bill addresses critical issues in Hawaii's housing market by ensuring that homes developed with public support remain available for local residents in perpetuity. The bill recognizes that time-limited affordability restrictions often lead to units being sold or rented without regard for local residency, undermining the long-term goals of housing programs. By requiring perpetual deed restrictions, this bill helps preserve housing for future generations and prevents speculative investment and transient use that drive up costs and reduce availability for Hawaii residents.

This bill is an important step toward addressing Hawaii's housing challenges and improving the viability of affordable housing projects. HHFDC supports this bill on the following basis:

1. Facilitates Project Financing and Construction. Allowing up to 20% of the units to be sold to non-owner occupants will help developers achieve sales targets more quickly, enabling them to secure financing and start construction sooner. This flexibility is critical for moving projects forward and delivering housing to the community without unnecessary delays.

2. Provides Flexibility for Affordable Buyers. Permitting households to rent their units after one year of owner occupancy makes affordable units a more attractive option for buyers.
3. Ensures Long-Term Housing for Local Residents. The requirement that any rental must have a minimum lease term of one year ensures that these units will not be used for short-term rentals. This provision preserves community stability and guarantees that projects provide long-term housing for Hawaii residents rather than transient accommodations.

Thank you for the opportunity to testify.



Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice  
**Support for HB1740 – Relating to the Hawaii Housing Finance and Development Corporation**

House Committee on Housing

Wednesday, February 4, 2026 at 9:00AM Conf. Rm. 430 and via Videoconference

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Aloha Chair Evslin, Vice Chair Miyake, and members of the committee;

Mahalo for the opportunity to testify in **strong support of HB 1740**, relating to the Hawai‘i Housing Finance and Development Corporation (HHFDC). HB 1740 adjusts the definition of qualified resident in HHFDC programs and adds strong, permanent local-residency rules for certain 201H projects.

HRS Chapter 201H is one of the State’s strongest tools for addressing Hawaii’s housing shortage. To keep pace with need, Hawaii must add at least 64,000 units by 2027<sup>1</sup>--a level of demand we are currently not on track to meet. HB 1740 strengthens 201H by ensuring that homes built under this program serve local residents for the full life of the building. By requiring that at least 80% of units in certain 201H projects be initially sold to qualified residents, establishing a perpetual deed restriction tied to Hawaii domicil, mandating a minimum one year rental term, and limiting all subsequent resale to qualified residents. HB 1740 ensures that housing created through 201H entitlements remain in local hands.

HB 1740 also modernizes the “qualified resident” definition so that program eligibility is grounded in residency and owner-occupancy, rather than duplicative income underwriting and rigid ownership-based criteria that can unintentionally restrict mobility. Removing these outdated financial and ownership screens, giving local households greater flexibility to move, grow, or downsize over time without creating an undo penalty on the resident. This flexibility increases the likelihood that units remain actively occupied by local families. It is more important to keep housing in local hands over the long term than to rely on time-limited income restrictions that are administratively complex, slow production, and can unintentionally discourage homeownership.

HB 1740 can align 201H projects with the goals of preserving housing opportunities for Hawai‘i residents over generations by tying units to local occupancy and responsible long-term use, while providing a more workable framework that can support the scale of building we need to meet demand.

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<sup>1</sup> <https://www.wardresearch.com/2024-hawaii-housing-planning-study>



# holomua

COLLABORATIVE

## OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

## OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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Josh Wisch  
*President & Executive Director*

827 Fort Street Mall, 2<sup>nd</sup> Floor  
Honolulu, Hawai'i 96813

+1 (808) 542-4089  
[info@holomuacollaborative.org](mailto:info@holomuacollaborative.org)

[HolomuaCollaborative.org](http://HolomuaCollaborative.org)

Page 1 of 2

**Committee:****House Committee on Housing****Bill Number:****HB1740, Relating to the Hawai'i Housing Finance and Development Corporation****Hearing Date and Time: February 4, 9:00am, Room 423****Re:****Testimony of Holomua Collaborative – Support**

Aloha Chair Eyslin, Vice Chair Miyake, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of HB 1740, Relating to the Hawai'i Housing Finance and Development Corporation. This bill would incentivize the development of housing dedicated for local families.

Hawai'i remains in a severe housing crisis. Skyrocketing home prices leave many local families struggling to secure safe, attainable places to live. The median single family home price in Hawai'i now exceeds \$1,000,000, while the median for a condominium is nearly \$650,000, creating an impossible barrier for most residents. As a result, many local families are being forced to leave in search of more affordable options elsewhere. Between July 2024 and July 2025, an average of 11 people left Hawai'i *each day*.<sup>1</sup> More Native Hawaiians now live outside Hawai'i than within it, representing a staggering loss of our culture, traditions, and the very essence of what makes Hawai'i home.

In October 2025, a survey<sup>2</sup> on the day-to-day financial experience of local workers suggested that this crisis continues to reach alarming levels. When nearly 3,200 local workers were asked if they might need to move to a less expensive state, only 25 percent answered a definitive “no”, which is a decrease from 31 percent in 2024. Meanwhile, 75 percent said “yes” or were “unsure”, representing an increase from 69 percent in 2024. Additionally, more than half of respondents cited housing costs as the primary driver of their high cost of living. Each local worker and family we lose to the continent contributes to the erosion of our economy, our culture, and our community.

The high cost of living and limited housing options have led essential members of our workforce, including teachers, firefighters, and health care workers, to consider relocating. This exodus deepens our state’s labor shortages and diminishes the quality of life for all residents.

<sup>1</sup> U.S. Census Bureau, Population Division Estimates, released January 2026; and calculations by the Hawai'i State Department of Business, Economic Development & Tourism, Hawai'i State Data Center.

[https://files.hawaii.gov/dbedt/census/popestimate/2025/state-pop/2025\\_daily\\_est\\_state.pdf](https://files.hawaii.gov/dbedt/census/popestimate/2025/state-pop/2025_daily_est_state.pdf)

<sup>2</sup> 2025 Hawai'i Affordability Survey - <https://holomuacollective.org/survey-25/#3>



Hawai'i is facing a critical housing shortage, particularly for residents who are seeking a permanent home for their families rather than trying to acquire real estate for investment or speculative purposes. Existing regulatory barriers often slow down the production of the additional housing units that are so urgently needed, and this slowed production directly translates into increased home prices. As a means of building at a lower cost and in a faster time frame, Section 201H-38 offers variances and waivers to statutes, ordinances, and codes for developers looking to build housing projects that meet certain criteria.

This bill would create a new option to incentivize the development of housing dedicated to local residents in perpetuity. Specifically, this bill allows for variances and waivers for projects that sell 80 percent of all units to local residents who agree to live in the unit for at least one year and are domiciled in Hawai'i. After that initial year and into perpetuity, the unit must be occupied by an owner occupant or a renter with a long-term lease. This approach prioritizes housing for local workers and prevents homes from being lost to speculative investment or short-term rentals.

Additionally, this bill removes the prohibition on holding a majority interest in land from the definition of qualified residents eligible to purchase HHFDC financed housing units. A significant hurdle to attainable homeownership is the lack of housing mobility, or the ability to climb the "housing ladder." A healthy market requires inventory turnover: a resident should be able to sell a studio to move into a larger condo as their family grows and eventually move into a single-family home. Current restrictions in HHFDC programs make it difficult for owners of these units to move up the ladder. This bill will help homebuyers move up by allowing those who have previously owned an HHFDC unit to transition to another HHFDC property that better fits their current needs.

HB 1740 is an investment in our future. This program provides the opportunity to scale the development of local only housing that will keep families in Hawai'i. This measure is an opportunity to ensure that our islands remain vibrant, diverse, and a place where local working families can afford to stay.

I urge you to support HB 1740.

Sincerely,

Matthew Prellberg  
Policy & Communications Director



**Hawai'i YIMBY**

Honolulu, HI 96814

[hawaiiyimby.org](http://hawaiiyimby.org)

[info@hawaiiyimby.org](mailto:info@hawaiiyimby.org)

February 4, 2026

House Committee on Housing

Hawai'i State Capitol

Honolulu, HI 96813

**RE: SUPPORT for HB 1740 - RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 1740**, which updates key policies governing Hawaii Housing Finance and Development Corporation approved housing projects to better serve local residents while preserving long-term public benefit.

This bill makes important changes to the definition of a qualified resident. By removing duplicative financial screening and ownership-based restrictions, these changes recognize that lenders and landlords already perform appropriate underwriting and that residents should be allowed to move through the housing market as their needs change. These updates reduce unnecessary barriers for local households and provide residents with greater flexibility as their family size, employment, or financial situation evolves, without weakening residency requirements.

The bill also modernizes owner-occupancy requirements. Instead of permanent owner-occupancy mandates, the bill requires owner-occupancy for a limited initial period and then allows homes to be rented on a long-term basis. This change reflects real-world housing needs, such as job relocations or growing families, while still maintaining strong protections against transient use.

Critically, the bill pairs this added flexibility with permanent deed restrictions that ensure homes continue to serve local Hawai'i residents over time. These restrictions require



**Hawai'i YIMBY**

Honolulu, HI 96814

[hawaiiyimby.org](http://hawaiiyimby.org)

[info@hawaiiyimby.org](mailto:info@hawaiiyimby.org)

occupants to be domiciled in the state, limit rentals to long-term leases, and ensure that future sales are made only to qualified residents. This approach shifts the focus from rigid ownership rules to **what matters most: who lives in the home and who benefits from it.**

By balancing resident flexibility with strong, permanent protections for local use, HB 1740 strengthens the long-term value of publicly supported housing and helps ensure these homes remain a resource for Hawai'i's residents for generations to come.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,

Damien Waikoloa

Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega

Chapter Lead, Hawai'i YIMBY

Huey Kwik

Chapter Lead, Hawai'i YIMBY





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 1740, Relating to the Hawai'i Housing Finance and Development Corporation

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 strongly support House Bill 1740.**

This measure expands the scope of attainable housing options available to residents while simultaneously removing prohibitions that discriminate against residents.

When offering housing options to residents, the State of Hawai'i should not discriminate against residents based on their financial circumstances. The over-regulation of individual residents and their lives is not conducive to a friendly and inviting housing environment. A young person or family who owns a small studio apartment and wants to move up the housing ladder should not be penalized.

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.

Our objective with existing housing programs is to provide more housing options to residents, not more barriers.

**We are grateful for your careful consideration of House Bill 1740.**

Thank you,



Lee Wang  
Executive Director  
Housing Hawai'i's Future  
[lee@hawaiisfuture.org](mailto:lee@hawaiisfuture.org)



Perry Arrasmith  
Director of Policy  
Housing Hawai'i's Future  
[perry@hawaiisfuture.org](mailto:perry@hawaiisfuture.org)

February 2, 2026

TO: Chair Evslin, Vice Chair Miyake, and House Committee on Housing  
RE: HB1740, Relating to the Hawai‘i Housing Finance and Development Corporation

Dear Chair Evslin, Vice Chair Miyake, and Members of the Committee,

The Kobayashi Group is a local, family-based real estate and investment firm with a commitment to building housing and commercial projects that serve Hawai‘i’s communities. We respectfully urge the House Committee on Housing to advance House Bill 1740.

HB1740 protects housing for Hawai‘i residents while reducing regulative barriers. This measure removes the prohibition against qualified residents for Hawai‘i Housing Finance and Development Corporation-approved projects holding a majority interest in land and removes the requirement that qualified residents demonstrate financial viability or ability to pay rent. This bill also amends 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.

For developers, these changes in regulation help projects move forward more timely and efficiently. This means more housing for the people of Hawai‘i. The changes proposed in this bill streamline regulatory processes while still supporting local residency and housing stability. HB1740 balances regulation efficiency with long-term residency requirements.

For these reasons, The Kobayashi Group respectfully supports HB1740 and urges the Committee to move the bill forward.

Thank you for the opportunity to submit testimony. We are grateful for your consideration of HB1740.

Respectfully,



Alana Kobayashi Pakkala  
CEO + Partner



**Testimony in Support of HB1740, Relating to the Hawai'i Housing Finance and Development Corporation**

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

We write in strong support of HB1740, which will incentivize the development of housing that is dedicated to resident-occupants in perpetuity.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawai'i is at our core, and through our products and services, we work hard to make Hawai'i a better place for future generations.

Hawai'i is in the midst of a housing crisis. Our employees are our greatest asset, and we want to ensure they have access to quality, affordable housing. This program is a good first step toward establishing a housing market dedicated to local working families rather than out-of-state purchasers.

Mahalo for the opportunity to submit testimony in support of HB 1740.

A handwritten signature in black ink that reads "Brandon H. Kurisu".

Brandon Kurisu  
aio Family of Companies





1001 Bishop Street #625 | Honolulu, HI 96813  
866-295-7282 | [aarp.org/hi](http://aarp.org/hi) | [hiaarp@aarp.org](mailto:hiaarp@aarp.org) |  
[Twitter.com/aarpHawai'i](https://Twitter.com/aarpHawai'i) | [facebook.com/aarpHawai'i](https://facebook.com/aarpHawai'i)

The Thirty-Third State Legislature  
House Committee on Housing  
Wednesday, February 4, 2026  
Conference Room 430  
9:00 a.m.

LATE

TO: The Honorable Luke A. Eyslin, Chair  
FROM: Keali'i S. López, State Director  
RE: Support for H.B. 1740 Relating to The Hawai'i Housing Finance and Development Corporation

Aloha Chair Eyslin and Members of the Committee:

I am Keali'i Lopez, State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan, social impact organization dedicated to empowering people fifty and older to choose how they live as they age. We advocate for the issues that matter most to older adults and their families: health and financial security, and personal fulfillment. On behalf of our 135,000 members in Hawai'i, thank you for the opportunity to testify on H.B. 1740.

**AARP supports H.B. 1740** which establishes **perpetual deed restrictions** that require any resale to be made to a *qualified resident*, require **Hawai'i domicile** for occupants, and ensure any rental is for a **minimum one-year term**. It also revises the definition of "qualified resident" by striking certain land-ownership prohibitions and retaining core requirements. Additionally, it requires that at least **80% of units** in certain projects be initially sold to qualified residents and owner-occupied for one year, after which perpetual deed restrictions remain in effect. Among several other meaningful provisions.

AARP's housing policy emphasizes the importance of **preserving housing for long term residents and preventing displacement**. The perpetual deed-restriction framework helps ensure publicly enabled homes remain available to Hawai'i residents, supporting long-term community stability. **H.B. 1740 reduces unnecessary development and buyer costs** by removing duplicative income/ability-to-pay screening and preventing cost-increasing conditions, which helps reduce soft costs that are typically passed on to consumers. It also **expands stable rental options** by allowing deed-restricted units to be **rented long-term** after an initial owner-occupancy period. This should expand housing options for older adults who downsize or shift to renting.

February 4, 2026

H.B. 1740 AARP Testimony – Support

Page2

Ensuring a supply of affordable housing can attract and retain a diverse workforce, support local businesses, and contribute to the overall economic health of Hawai'i. This is especially important to prevent young working families from leaving Hawai'i due to housing instability. Who will care for our aging parents and grandparents if our sons, daughters, and grandchildren leave Hawai'i because of limited housing options?

H.B. 1740 is a step in the right direction. We ask that the Committee on Housing pass H.B. 1740.

Mahalo for the opportunity to testify in support of H.B. 1740.

**HB-1740**

Submitted on: 2/2/2026 4:18:00 PM  
Testimony for HSG on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

**Comments:**

Please support a pathway to a locals only housing market. This bill keeps homes built under 201H in local hands permanently; it modernizes the definition of "qualified resident" so eligibility is based on residency and owner-occupancy, giving local households flexibility to move, grow, or downsize without losing access to housing; and it prioritizes long term occupancy over short-term income restrictions. The interstate commerce clause of the U.S. constitution prevents us from banning non residents from buying and selling houses in Hawai‘i, but it doesn't prevent this kind of workaround to creating a locals-only housing market in which working families can compete for decent housing.

**HB-1740**

Submitted on: 2/2/2026 4:51:51 PM  
Testimony for HSG on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
tia pearson	Individual	Support	In Person

Comments:

This bill:

- Keeps homes built under 201H in local hands permanently.
- Modernizes the definition of "qualified resident" so eligibility is based on residency and owner-occupancy, giving local households flexibility to move, grow, or downsize without losing access to housing.
- Prioritizes long term occupancy over short-term income restrictions.

**HB-1740**

Submitted on: 2/2/2026 5:48:54 PM  
Testimony for HSG on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Emma Waters	Individual	Support	Written Testimony Only

**Comments:**

Keeping homes in local hands permanently is so important to the future of Hawaii. Keep local lands in local hands. Mahalo for your support.

**HB-1740**

Submitted on: 2/3/2026 7:56:58 AM  
Testimony for HSG on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Shay Chan Hodges	Individual	Support	Written Testimony Only

Comments:

I support this bill because it:

- Keeps homes built under 201H in local hands permanently.
- Modernizes the definition of "qualified resident" so eligibility is based on residency and owner-occupancy, giving local households flexibility to move, grow, or downsize without losing access to housing.
- Prioritizes long term occupancy over short-term income restrictions.

Mahalo!

**HB-1740**

Submitted on: 2/3/2026 5:35:54 PM  
Testimony for HSG on 2/4/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
KODA DAILY	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committees,

My name is **Asheemo “Koda” Nefertiti Daily**, and I submit this testimony in **strong support of HB1740**.

I am a young local resident of O‘ahu, and I am deeply concerned about the future of Hawai‘i if housing continues to be inaccessible to the very people who make these islands what they are. Housing policy is not just about units and financing—it is about **whether Hawai‘i remains a living home for local and Native Hawaiian families**.

### **There Is No Hawai‘i Without Hawaiians**

If we continue to price local people out of Hawai‘i, especially Native Hawaiian families, we do not preserve paradise—we lose it.

Young people today are growing up watching their families leave the islands, not because they want to, but because they cannot afford to stay. This displacement breaks apart ‘ohana, disrupts education, and severs cultural ties to land, language, and community. Hawai‘i cannot survive as Hawai‘i if the people rooted here for generations are forced out.

There is **no Hawai‘i without Hawaiians**, and housing policy must reflect that reality.

### **Youth, Systems Failure, and Housing Instability**

Many youth experiencing housing instability are not failing individually—the systems around them are failing. Rising rents, stagnant wages, multigenerational households under pressure, and limited affordable housing options leave young people and families with few pathways to stability.

Requirements like rigid financial viability standards or ownership structures often exclude working local families, young adults, and Native Hawaiian households who are doing everything right but still cannot compete in an increasingly speculative housing market.

HB1740 acknowledges these realities and removes barriers that have historically locked local residents out of housing opportunities on their own land.

## **Why HB1740 Matters**

HB1740 is important because it:

- Allows qualified residents to hold a majority interest in HHFDC-approved projects
- Removes unrealistic financial viability requirements that exclude low-income and working families
- Streamlines housing development while maintaining safeguards like owner-occupancy and deed restrictions
- Prioritizes people who live and work in Hawai‘i over outside interests

These changes move housing policy closer to the lived reality of local people.

## **Housing Is Prevention**

Stable housing is one of the strongest protective factors for youth and families. When people have a secure place to live, we reduce homelessness, educational disruption, justice system involvement, and long-term economic instability. Investing in housing upfront prevents far greater social and financial costs later.

## **Conclusion**

HB1740 is not about lowering standards—it is about **correcting a system that has drifted away from serving local people.**

I urge you to pass HB1740 and take a meaningful step toward ensuring Hawai‘i remains a place where local families and future generations can afford to stay, grow, and thrive.

Mahalo for the opportunity to testify.

Respectfully,

**Asheemo “Koda” Nefertiti Daily**