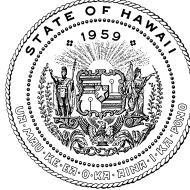


JOSH GREEN, M.D.  
GOVERNOR

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

#### **SENATE COMMITTEE ON HOUSING**

January 27, 2026 at 1:00 p.m.  
State Capitol, Room 225

In consideration of  
**SENATE BILL 2062**

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

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **supports** Senate Bill 2062, which establishes the Dwelling Unit Revolving Fund (DURF) Equity Program (DEP) as a permanent program under HHFDC.

Many local families, especially those in the “gap group” earning between 80% and 140% of the area median income, struggle to purchase homes despite being mortgage-ready. DEP directly addresses this challenge by allowing HHFDC to invest equity in for-sale units, reducing out-of-pocket costs for buyers and making homeownership attainable for more Hawaii residents. DEP advances the State’s comprehensive approach to solving Hawaii’s housing crisis and provides numerous benefits:

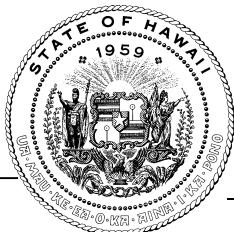
1. Under the pilot program, HHFDC approved equity purchases for seven projects, including Kuilei Place, The Park at Keeaumoku, Lima Ola Workforce Housing Development, Kaulu by Gentry Housing Development, Flats at Sky Ala Moana, Modea, and Kahuina. Presently, a total of 83 units are participating in DEP with about \$2.4 million of the authorized \$10 million remaining for future use. HHFDC anticipates that the remaining funds will be allocated in 2026.
2. Making DEP permanent will also enable HHFDC to pair the program with DURF loans. This will enable us to contribute to the construction financing stack by investing equity in projects to aid project feasibility and allow projects to move forward. DEP complements other HHFDC initiatives like the Hale Kamaaina Mortgage and Down Payment Assistance programs, forming a comprehensive strategy to support first-time homebuyers.

3. This innovative approach creates a revolving, sustainable model. As homes are resold, HHFDC recaptures its equity share, replenishing DURF for future projects.

We suggest adding this language to clarify the intent of Section 201H-B(b)(e) bill:

(e) A buyer shall repay to the corporation the corporation's purchased equity and equity percentage share of the net appreciation in the property, if any, in the buyer's unit upon the earliest of any of the following occurrences:

Thank you for the opportunity to testify.



# STATE OF HAWA'I OFFICE OF PLANNING & SUSTAINABLE DEVELOPMENT

235 South Beretania Street, 6th Floor, Honolulu, Hawai'i 96813  
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MARY ALICE EVANS  
DIRECTOR

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Statement of  
**MARY ALICE EVANS, Director**

before the  
**SENATE COMMITTEE ON HOUSING**

Tuesday, January 27, 2026  
1:00 PM  
State Capitol, Conference Room 225

in consideration of  
**SB 2062**  
**RELATING TO HOUSING.**

Chair Chang, Vice Chair Hashimoto, and Members of the Senate Committee on Housing.

The Office of Planning and Sustainable Development (OPSD) **supports** SB2062 which makes the Dwelling Unit Revolving Fund (DURF) Equity Pilot Program permanent to address the high unmet demand of for-sale units by state residents.

OPSD believes that by reducing the price of a unit that eligible buyers can purchase it will help those that are just short of purchasing their first house or need that price reduction to upgrade from their current housing situation. These types of assistance may be necessary for our State that is burdened with high cost of living.

Thank you for the opportunity to testify on this measure.



**LATE**

January 27, 2026

Senator Stanley Chang, Chair  
Senator Troy N. Hashimoto, Vice Chair  
Senate Committee on Housing

**Support of SB 2062 RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION (“HHFDC”) (Establishes the Dwelling Unit Revolving Fund [“DURF”] Equity Program as a permanent program to be administered by the HHFDC. Authorizes HHFDC to purchase equity in for-sale housing development projects for qualified residents of the State using DURF money to lower the initial purchase price. Establishes equity repayment requirements. Effective 6/29/2050.)**

**Tuesday, January 27, 2026, 1:00 p.m.  
State Capitol, Conference Room 225 & Videoconference**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF’s mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth, housing, and renewable energy, while safeguarding Hawaii’s significant natural, cultural, and agricultural resources, and public health and safety.

LURF appreciates the opportunity to express its **strong support for SB 2062**. LURF members include homebuilders, architecture, engineering, and legal professionals that have collectively helped to build the most affordable housing units in the State of Hawaii and continue to work collaboratively with state and county housing agencies to build more homes for Hawaii.

**SB 2062.** The purpose of this measure is to codify the DURF Equity Pilot Program established pursuant to Act 92, Session Laws of Hawaii 2023, as a permanent program in the Hawaii Revised Statutes; authorizes the HHFDC to purchase equity in for-sale housing development projects for qualified residents of the State using DURF moneys to lower the initial purchasing price; and establishes equity repayment requirements.

**LURF's Position.** LURF understands that the DURF Equity Pilot Program is successfully being used by several new projects, whereby HHFDC invests equity into units to lower the price paid by homebuyers, and that HHFDC desires to make this program permanent as it has been well received by homebuyers and developers. LURF also understands that if the program is made permanent, HHFDC could also couple it with DURF loans so state funds can be a part of the capital stack to finance construction of projects.

For the above reasons, LURF **strongly supports SB 2062**, and respectfully urges your favorable consideration of the bill.

Thank you for the opportunity to provide comments in support of this measure.



Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice  
**Support for SB2062 – Relating to the Hawaii Housing Finance and Development Corporation**

Senate Committee on Housing

Tuesday, January 27, 2026 at 1:00PM Conf. Rm. 225 and via Videoconference

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Aloha Chair Chang, Vice Chair Hashimoto, and members of the committee;

Mahalo for the opportunity to testify in **strong support of SB 2062**, Relating to the Hawai‘i Housing Finance and Development Corporation. SB 2062 would establish the Dwelling Unit Revolving Fund (DURF) Equity Program as a permanent program administered by HHFDC.

Under current law, DURF is a flexible fund that helps get housing built, largely by providing loans and infrastructure financing. In recent years, HHFDC launched a Dwelling Unit Revolving Fund Equity Pilot Program to test a more direct approach: instead of only financing projects from the developer side, the state can use DURF dollars to buy an equity share in individual units and lower the purchase price for qualified Hawai‘i residents.

In this pilot, HHFDC works with specific for-sale projects to designate a set number of “starter” units for resident households. State equity—often on the order of about \$100,000 per unit—is invested into those homes.<sup>1</sup> That investment directly reduces the amount the individual buyer has to borrow, making a brand-new condo attainable for a resident who would otherwise fall short on price, down payment, or debt-to-income ratio.

Buyers in these units must meet HHFDC requirements: they must be Hawai‘i residents, qualify under HHFDC’s income and asset limits, and not own other real property. In some projects, a portion of the reserved units is targeted to workers in shortage professions such as teachers, nurses, and first responders.<sup>2</sup> This is not a broad subsidy to the market—it is a targeted investment that shows up as a lower price for the local household signing the mortgage.

SB 2062 simply takes that working pilot and writes it into statute as a permanent program. It confirms that HHFDC may use DURF to take an equity interest in designated units, and it requires that those units be sold to qualified residents under HHFDC’s rules. It does not create a new fund or change who qualifies; it gives HHFDC clear, ongoing authority to keep using equity investments to help individual residents buy into new housing.

For Hawai‘i Appleseed, this is exactly the kind of tool we should be scaling: public dollars going straight to reduce the cost of a specific home for a specific local family, in new projects that

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<sup>1</sup>

<https://dbedt.hawaii.gov/hhfdc/for-homebuyers-the-dwelling-unit-revolving-fund-equity-pilot-dep-program/>

<sup>2</sup> <https://www.kuileiplace.com/dep/>



# HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice  
**Support for SB2062 – Relating to the Hawaii Housing Finance and Development Corporation**

Senate Committee on Housing

Tuesday, January 27, 2026 at 1:00PM Conf. Rm. 225 and via Videoconference

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would otherwise be out of reach. We respectfully urge the Committee to pass SB 2062 so the DURF Equity Program can move from temporary pilot to a stable, permanent way for the state to help Hawai‘i residents become homeowners in our newest housing.



LATE

Housing Hawai'i's Future  
PO Box 3043  
Honolulu, HI 96802-3043

January 27, 2026

TO: Chair Chang and Members of the Senate Housing Committee  
RE: SB 2062, Relating to the Hawai'i Housing Finance and Development Corporation

Dear Chair Chang 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 Senate Committee on Housing to advance Senate Bill 2062.**

This measure will permanently establish the Dwelling Unit Revolving Fund (DURF) Equity Program. The pilot program was established by Act 92, SLH 2023, with the express purpose of providing more homeownership opportunities to qualified residents. An October 2024 investigation by Hawai'i Business Magazine confirms the impact of the earlier pilot program for residents searching for more housing opportunities.<sup>1</sup>

We need to provide more housing opportunities to our workforce. Hawai'i presently enjoys the lowest rate of homeownership among young adults (those under the age of 35) in the entire United States. 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.<sup>2</sup> Programs like the Equity Program can close the gap, one unit at a time.

**We are grateful for your careful consideration of Senate Bill 2062.**

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)

<sup>1</sup> For more information on this report, see <https://tinyurl.com/hd3sfx5n>

<sup>2</sup> 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>

January 26, 2025

The Honorable Stanley Chang, Chair  
The Honorable Troy N. Hashimoto, Vice Chair  
and Members of the Senate Committee on Housing

Subject: Testimony: SB 2062, Relating to the Hawaii Housing Finance and Development Corporation  
Hearing: January 27, 2026, at 1:00 PM, Conference Room 225

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members:

Stanford Carr Development supports SB 2062, which proposes to establish the Dwelling Unit Revolving Fund Equity Pilot Program as a permanent program to be administered by the Hawai‘i Housing Finance and Development Corporation (HHFDC).

Hawai‘i continues to face a severe housing affordability crisis that affects the economic security and quality of life of families across the State. According to the recent *Hawai‘i Housing Factbook* published by the University of Hawai‘i Economic Research Organization (UHERO), fewer than one in four Hawai‘i households currently earn enough to afford a mortgage on a median-priced single-family home. For example, the 2024 median home price of approximately \$950,000 would require a household to earn about 190 % of the median income to meet a standard affordability threshold (no more than 30 % of gross income devoted to mortgage payments).

This stark data point illustrates the structural challenge that SB 2062 seeks to address. The combination of high home prices, elevated interest rates, and insufficient affordable housing supply has pushed homeownership out of reach for the majority of local residents. This reality makes innovative programs, such as the Dwelling Unit Revolving Fund Equity Program, not only relevant but essential to improving access to affordable homeownership.

By authorizing HHFDC to purchase equity in for-sale housing projects using Dwelling Unit Revolving Fund moneys, this measure would lower the initial purchase price for qualified Hawai‘i residents, helping more families enter homeownership without incurring unsustainable debt burdens. Establishing this program as a permanent tool within the State’s housing policy framework provides the long-term certainty needed to encourage development of affordable for-sale units and to strengthen public-private partnerships that make these projects viable.

The Honorable Stanley Chang, Chair  
The Honorable Troy N. Hashimoto, Vice Chair  
and Members of the Senate Committee on Housing  
Page 2

January 27, 2026

The bill's equity share and repayment requirements are structured to ensure that public investment remains sustainable over time — returning value to the revolving fund to support future buyers, while enabling participating residents to build long-term wealth through homeownership.

Hawai‘i's housing crisis demands solutions that both expand access and preserve public resources. This bill strikes that balance, and I strongly urge the Committee to support this measure.

Thank you for the opportunity to submit testimony and for your leadership on this critical issue.

Sincerely,



Stanford S. Carr

**SB-2062**

Submitted on: 1/25/2026 8:07:24 PM  
Testimony for HOU on 1/27/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Angela Young	Testifying for ROAR & CARES	Support	Remotely Via Zoom

Comments:

Support.