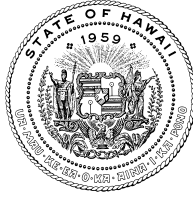


JOSH GREEN, M.D.
GOVERNOR

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

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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 2070

RELATING TO HOUSING.

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

HHFDC **supports** Senate Bill 2070, which authorizes HHFDC to designate certain for-sale housing as permanently affordable.

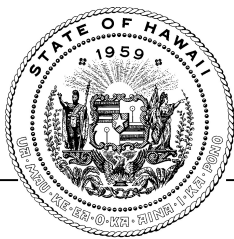
Current affordability restrictions on government-assisted for-sale housing expire after ten years, allowing units to be sold at market rates. This undermines the creation of an inventory of homes that are affordable to local residents. Without permanent affordability measures, Hawaii could lose affordable 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. Flexibility and Compliance. HHFDC retains authority to adopt rules and waive restrictions when necessary to align with federal requirements.
5. 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.



**STATE OF HAWAI'I
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
SENATE COMMITTEE ON HOUSING

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

in consideration of
SB 2070
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 with comments** SB2070 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 supports permanently affordable units that may be purchased by eligible buyers. OPSD believes that some of the tenants purchasing these affordable units may eventually need to purchase a larger sized unit in the future. These residents will be priced out from market rate units if they're reselling their affordable units that are restricted by a resale price formula or index established by the corporation. Existing tenants living in smaller units (studios or one bedroom) should be allowed to purchase a larger unit at another affordable housing project if they choose to sell their existing unit and they meet the criteria as an eligible buyer.

Thank you for the opportunity to testify on this measure.

STANFORD CARR DEVELOPMENT, LLC

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 2070, Relating to Housing
Hearing: January 27, 2026, at 1:00 PM, Conference Room 225

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

Stanford Carr Development writes in support of Senate Bill 2070, which seeks to expand affordable homeownership opportunities in Hawai'i by authorizing the Hawai'i Housing Finance and Development Corporation (HHFDC) to designate certain for-sale housing units as permanently affordable. We commend the Legislature for its continued focus on addressing Hawai'i's housing crisis and for recognizing that access to homeownership is a critical pathway to long-term stability for Hawai'i residents.

At the same time, we respectfully recommend that the Legislature consider approaches that balance long-term affordability with homeowner equity, including providing HHFDC the managerial latitude, through administrative rules, to tie homeowner gains and resale pricing to a long-term average of market appreciation.

With thoughtful ties to the average market appreciation and compounded annually, this measure can promote affordability while still supporting sustainable homeownership and economic stability for Hawai'i residents.

Thank you for the opportunity to submit testimony and for your continued commitment to addressing Hawai'i's housing challenges.

Sincerely,



Stanford S. Carr



Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support for SB2070 – Relating to Housing
Senate Committee on Housing
Tuesday, January 27, 2026 at 1:00PM Conf. Rm. 225 and via Videoconference

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

Mahalo for the opportunity to testify in **strong support of SB 2070**, which would authorize the Hawai‘i Housing Finance and Development Corporation (HHFDC) to create a Permanent Affordable For-Sale Housing Program for certain projects developed under 201H. SB 2070 would build on one of the most important tools we already have to address our housing crisis: the 201H fast-track statute, which can exempt qualifying projects from county zoning and other ordinances and has enabled mixed-income projects that put homes within reach for local working residents who would otherwise be shut out.

201H is especially important because it is one of the only ways to cut through layers of discretionary county zoning and development rules that tend to make housing more expensive and less accessible to everyone.¹ Those rules limit height, density, and where homes can be built, and they slow down approvals in a way that raises costs across the board. The impact is felt most severely by low-income households, but it is now also being borne by higher-income workers such as teachers, nurses, doctors, and firefighters, who still struggle to afford a typical home.²

Today, most HHFDC for-sale units are subject to a 10-year buyback and shared appreciation restriction and may be sold to anyone at market prices after the restriction period ends. In a housing market where the typical home costs far more than what most local workers can afford—and where a significant share of purchases are made in cash or by buyers with far greater access to capital—this means that homes produced under 201H and other HHFDC programs only give working residents an edge for a limited window of time. After that, the advantage shifts back to buyers with more money and more leverage.

When counties layer strict limits on where and how homes can be built, it becomes nearly impossible to deliver new housing that is accessible to working residents. 201H has shown that, when those local zoning and development barriers are lifted, we can deliver mixed-income condo projects with meaningful set-asides for local households in places where conventional zoning would largely keep workers out. SB 2070 is about making sure that, when a project finally does get through that 201H process, the homes created for local residents do not slip back into the highest-bidder market after 10 years, but instead remain tied to local households for the life of the building.

¹ <https://hnlidoc.ehawaii.gov/hnlidoc/document-download?id=25777>

² <https://uhero.hawaii.edu/wp-content/uploads/2025/05/HawaiiHousingFactbook2025.pdf>

LATE



HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice

Support for SB2070 – Relating to Housing

Senate Committee on Housing

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

SB 2070 is a critical step toward building a lasting supply of homes that remain accessible to working residents. It allows HHFDC to record deed restrictions and adopt rules that keep these homes reserved for qualified local buyers at every resale, while still allowing families to build some equity. Instead of a one-time lottery where a handful of working families get a shot at ownership and then the door closes, SB 2070 keeps the door open for the next family, and the next. A worker who wants to buy a home 5, 10, or 30 years from now would still find homes in these projects set aside for local residents, at prices designed around what working households can actually pay—not just what the global market will bear.³

This approach is squarely in line with Hawai‘i Appleseed’s longstanding advocacy for shared-equity homeownership and non-speculative housing models, alongside zoning reform and renter protections. We have warned that inclusionary zoning alone is a “band-aid” that cannot cure the systemic issues of underlying county zoning restriction; SB 2070 builds a durable stock of homes that keep giving local working residents a real advantage in the market, rather than watching those advantages fall away after a decade. By pairing HHFDC’s existing 201H and financing tools with permanent protections for local buyers, the Legislature can convert 201H for-sale homes into lasting public assets that serve working families again and again.

We respectfully urge the Committee to pass SB 2070 and work with HHFDC to stand up this program at a scale that matters—so that over time it creates a true secondary market of homes reserved for Hawai‘i residents, with prices and eligibility designed around local workers. In doing so, SB 2070 can help build a robust “locals-only” homeownership track: deed-restricted homes reserved for qualified residents, protected from speculative use, and available to the next working family who wants to put down roots here 5, 10, or 30 years from now.

³ <https://www.tghawaii.com/wp-content/uploads/Buyer-Stats-Oahu-Q3-2025.pdf>

January 27, 2026

TO: Chair Chang and Members of the Senate Housing Committee
RE: SB 2070, Relating to Housing

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 2070.

The Permanently Affordable For-Sale Housing Program is a promising mechanism for creating a market of home opportunities for Hawai'i's residents. We need more pathways for homebuilders to expand housing opportunities for 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.

We are grateful for your careful consideration of Senate Bill 2060.

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>