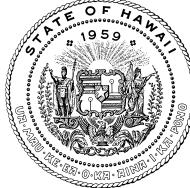


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Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING AND SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

February 03, 2026 at 9:31 a.m.
State Capitol, Room 229

In consideration of
SENATE BILL 2197
RELATED TO HOUSING.

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

HHFDC **supports** Senate Bill 2197, which replaces the fixed five-year period for rent-to-own agreements with an option period established by HHFDC.

This bill aligns with the State's strategy to expand housing opportunities by creating a more flexible and accessible path to homeownership. The current statute locks participants into a rigid five-year timeline to exercise their purchase option. While well-intentioned, this approach does not reflect the real-world financial challenges faced by Hawaii residents. This bill introduces an option period, providing HHFDC the flexibility to tailor timelines based on market conditions, program goals, and participant needs.

This bill would provide the following benefits:

1. **Financial Feasibility.** HHFDC will endeavor to keep the rental term as short as possible to provide the quickest path to home ownership and enable state funds to revolve to fund additional projects.
2. **Project Flexibility.** The timeframe in which units can transition from rental-tenure to ownership is influenced by many factors, such as construction costs, interest rates, household income, rental rates, and holding costs. Providing HHFDC the ability

to establish project-specific option periods allows the program to adjust to changing circumstances.

3. Improved Program Accessibility. By removing the rigid five-year requirement, more families can participate in rent-to-own programs without fear of losing their opportunity due to timing constraints.
4. Stability and Predictability. The sales price remains fixed during the option period, giving participants confidence and security as they plan for homeownership.
5. Alignment with Housing Goals. This flexibility supports HHFDC's mission to increase affordable housing opportunities while adapting to evolving economic conditions.

Thank you for the opportunity to testify.