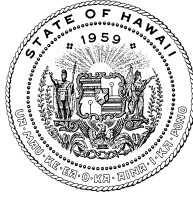


JOSH GREEN, M.D.
GOVERNOR

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

March 18, 2026 at 9:00 a.m.

State Capitol, Room 430

In consideration of

SENATE BILL 2424 SENATE DRAFT 1

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

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

HHFDC **supports with comments** Senate Bill 2424 Senate Draft 1, which strengthens and improves the mechanisms that ensure publicly assisted housing remains available to Hawai'i residents in perpetuity.

This bill removes unnecessary financial screening and property-ownership restrictions from the definition of "qualified resident," enabling households to move up the housing ladder. This bill also eases the requirements for the Section 201H-38 "alternative pathway" to encourage the development of housing for local households.

This bill recognizes that duplicative income and underwriting reviews delay affordable housing delivery and that ownership-based eligibility restrictions can unintentionally limit mobility for local households. By removing these barriers, the bill streamlines participation and allows families to transition more naturally through the housing market.

At the same time, this bill expands the long-term protections introduced in the original bill by strengthening perpetual deed restriction requirements. This bill maintains the mandate that any subsequent-sale must be to a qualified resident and that rentals must carry a minimum lease term of one year, ensuring units are protected from short-term or transient use.

This bill incentivizes the development of workforce housing for local families under the Section 201H-38 alternative pathway by allowing units to be rented after a one-year owner-occupancy period, subject to a perpetual deed restriction. This improves the marketability of units and project feasibility while ensuring that deed-restricted units serve as active homes for residents rather than becoming dormant or speculative holdings.

These changes reinforce the bill's intent to ensure that homes developed with public support are occupied by local households. Additionally, this bill continues to provide practical flexibility for achieving project financing and absorption. Allowing up to 20 percent of units to be sold outside the owner-occupant requirement supports developers in reaching financing thresholds sooner, enabling earlier construction starts. Likewise, permitting buyers to rent out their unit after one year of ownership makes affordable homeownership a more attractive and viable option.

However, we are concerned that the SD1 version of this bill exempts all Section 201H-38 projects from the 10-year buyback and owner-occupancy restrictions set forth in sections 201H-47 and 201H-49. As currently proposed, any affordable unit approved under Section 201H-38 could be sold at market value immediately after it is purchased. We believe that the exemption from Section 201H-49 should only be applicable to projects approved under the process set forth in 201H-38(a)(2). We suggest that Section 201H-38(a)(2)(D) be amended as follows:

- (D) **Notwithstanding the ten-year owner-occupancy requirement in section 201H-49, ensure that** not less than eighty per cent of the units in the housing project are sold to qualified residents and shall remain owner-occupied for a minimum of one-year following the initial sale of the unit; provided that upon sale, each unit in the project shall be subject to a perpetual deed restriction requiring that:...

Thank you for the opportunity to testify.

TO: HOUSE COMMITTEE ON HOUSING
The Honorable Luke A. Evslin, Chair
The Honorable Tyson K. Miyake, Vice Chair, and
Members of the Committee

FROM: Elise Inouye, Director of Policy and Public Affairs

RE: Testimony in Support for SB 2424 SD 1, Relating to the Hawai'i Housing
Finance and Development Corporation

DATE: Wednesday, March 18, 2026 at 9:00 am

LOCATION: Conference Room 430

The Hawai'i Community Foundation (HCF) **supports SB 2424 SD 1**, which would help preserve housing for local residents and incentivize the development of housing for working families in Hawai'i. Housing is a priority area within HCF's CHANGE Framework to make Hawai'i more affordable for families and individuals, and advances goals that are part of the CHANGE Community-Centered Economy sector.

Per UHERO, Hawai'i has some of the highest costs of housing in the country with our home prices being the highest in the nation¹ and our median rents being the second highest in the nation.² The unmet demand for affordable housing is at a critical level, which has contributed to a record outmigration of local residents. This reality is punctuated by the fact that more Hawaiians now live outside Hawai'i than within Hawai'i.

Additionally, ALICE (Asset Limited, Income Constrained, Employed) families pay a large portion of income on housing and are challenged to fulfill a dream of homeownership because of the current housing market. Hawai'i's high cost of living and limited housing options mean that homeownership is a challenge for working families and residents, including essential members of our workforce such as first responders, health care workers, and teachers.

SB 2424 SD 1 would help incentivize the development of housing dedicated to local residents in perpetuity. It prioritizes housing for Hawai'i's workforce and aims to help local homebuyers transition to other Hawai'i Housing Finance and Development Corporation

¹ [UHERO 2025 Hawai'i Housing Factbook](#) – page 2.

² [UHERO 2025 Hawai'i Housing Factbook](#) – page 6.

(HHFDC) properties as their lives progress and their families grow. Hawai'i residents need more places to call home that do not strain their household budgets to the maximum. **We respectfully urge you to advance SB 2424 SD 1** to expand access to housing for local residents and working families in Hawai'i.



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.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Brad Nicolai
Mike Pietsch
Sunshine Topping

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

827 Fort Street Mall, 2nd Floor
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HolomuaCollaborative.org

Page 1 of 2

Committee: House Committee on Housing
Bill Number: SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation
Hearing Date and Time: March 18, 2026, 9:00am, Room 430
Re: Testimony of Holomua Collaborative – Support

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

Mahalo for the opportunity to submit testimony **in support** of SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation. This bill would incentivize the development of housing dedicated to 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 condominium price is nearly \$650,000, creating an unaffordable 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*.¹ 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 survey² of local workers' day-to-day financial experience indicated that the crisis continues to reach alarming levels. When nearly 3,200 local workers were asked whether they might need to move to a less expensive state, only 25 percent answered “no” definitively, down 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.

¹ 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

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

Hawai'i is facing a critical housing shortage, particularly for residents seeking a permanent home for their families rather than acquiring real estate for investment or speculation. Existing regulatory barriers often slow the production of urgently needed additional housing units, and that slowdown directly translates into higher home prices. To enable lower-cost, faster construction, Section 201H-38 provides variances and waivers from statutes, ordinances, and codes for developers seeking to build housing projects that meet specified 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.

SB2424 SD1 is an investment in our future. This program provides an opportunity to scale the development of local-only housing and 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 SB2424 SD1.

Sincerely,

Matthew Prellberg
Policy & Communications Director



TITLE GUARANTY
HAWAII

March 18, 2026

**Testimony in support of SB2424 SD1, Relating to the Hawai'i Housing Finance and
Development Corporation**

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

We write in support of SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation, which would offer an additional option for developers to utilize the waivers and variances available through section 201H-38, Hawai'i Revised Statutes, to build housing dedicated in perpetuity for local resident occupancy.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'āina family since 1896, and we are proud to employ over 250 residents across our branches statewide. As an organization that has worked for over a century to connect local families with housing, we see firsthand the economic shift preventing them from achieving the dream of homeownership.

This bill will enable locals to get into Hawai'i's tight housing market by creating a restricted housing stock for local families. Incentivizing developers to dedicate housing units at the point of development for resident occupancy sends a signal to the public that the Legislature values both meeting the necessary housing demands currently facing the state and prioritizing local families who would prefer to stay in Hawai'i than move to the continent.

SB2424 SD1 is an original solution that invests in our community and culture, and I hope you will support this effort to keep local residents in Hawai'i.

Sincerely,

Mike B. Pietsch
President and Chief Operating Officer
Title Guaranty of Hawai'i





BUILDBETTER.LIVEBETTER.®

March 18, 2026

Committee: House Committee on Housing
Bill Number: SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation
Hearing Date and Time: March 18, 2026, 9:00am
Re: Testimony of HPM Building Supply in Support

Dear Chair Evslin, Vice Chair Miyake, and Committee Members:

I would like to submit this testimony in support of SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation. This bill would help create a housing market dedicated to local working families in Hawai'i by encouraging the development of new housing that is preserved for Hawai'i residents.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry, operating since 1921. With 18 locations across Hawai'i and Washington State, HPM offers a range of services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

A significant portion of the workforce that HPM serves is comprised of skilled tradespeople, including carpenters, electricians, and plumbers, who are integral to the construction process. However, as housing and rental prices rise, these workers are forced to leave the state in search of more affordable housing. The result is a shortage of skilled labor in the construction sector, leading to delays and higher costs for homeowners and developers alike. This bill would address this by ensuring that local families have safe, secure housing in the same communities where they work.

SB2424 SD1's approach of incentivizing the development of deed-restricted housing for local residents will help stabilize the housing market by giving local workers a better chance in a competitive market where wealthier non-residents often have an advantage. With more local residents able to afford homes and stay in the state, we will have a stronger, more sustainable construction industry that benefits everyone, from homeowners to contractors and beyond.

I ask for your support of SB2424 SD1, as it provides the foundation for a more robust, locally employed, and efficient building industry that will meet the needs of Hawaii's growing population.

Sincerely,

Jason Fujimoto
Chairman & CEO



(808) 966-5466 • FAX (808) 966-7564
16-166 MELEKAHIWA STREET • KEAAU, HAWAII 96749

HPMHAWAII.COM





Statement of
Meli James and Brittany Heyd
Cofounders
Mana Up

SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation

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

We support SB2424 SD1, which incentivizes the development of housing dedicated to local workers in perpetuity.

Mana Up is a statewide initiative that provides entrepreneurs in Hawai'i with the resources and tools to grow their businesses and scale globally. As these entrepreneurs continue to grow, they also contribute to the expansion of our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship, providing a better future for generations to come here in Hawai'i. To keep these entrepreneurs in Hawai'i and expand our entrepreneurial ecosystem, they need attainable housing.

We repeatedly hear from our entrepreneurs about the difficulty they face in finding attainable housing that provides the safety and security they need to focus on their businesses and families. Local entrepreneurs want to create and expand their business in Hawai'i, but far too often feel that opportunities for housing and business are better on the continent.

The 201H program incentivizes developers to build attainable housing, and establishing an additional pathway to develop a permanent, dedicated housing stock for local families will help them feel secure as they navigate the difficult economic conditions facing the State. Housing is a challenge for everyone, and by coming together, we can find shared solutions that help all the people of Hawai'i.

Sincerely,

Meli James | Cofounder, Mana Up
Brittany Heyd | Cofounder, Mana Up



Testimony in Support of SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation

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

We write in strong support of SB 2424 SD1, 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 SB 2424 SD1.

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

Brandon Kurisu
aio Family of Companies



TORI RICHARD

March 18, 2026

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

We write in support of SB 2424 SD1.

Tori Richard has manufactured in Honolulu for over 70 years, and we continue to proudly do so today. As a long-time medium-sized Hawai'i employer, we recognize the challenge high housing costs pose to everyone working to make ends meet in Hawai'i.

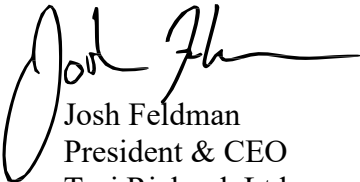
Our business is deeply committed to supporting Hawai'i's local workforce, and the growing housing crisis makes it increasingly difficult for our employees to remain in the islands. Attainable housing dedicated to local families is key to keeping talented, creative people in Hawai'i, and this bill offers a much-needed solution to that challenge.

Many of our employees are struggling to find attainable housing. As their employer, I see firsthand the impact this has on their lives. When workers are forced to move away or leave the state altogether, it hurts our ability to operate and expand. By incentivizing developers to build housing units for resident occupancy, we can ensure that local workers, such as those in the fashion, manufacturing, and retail industries, have a place to call home. This stability will allow them to continue contributing to Hawai'i's vibrant economy and support local businesses.

Moreover, as a company that takes pride in being part of the local community, we understand the importance of preserving Hawai'i's unique cultural identity. The housing crisis threatens that identity, as local residents are pushed out by non-resident investors and wealthy buyers. SB 2424 SD1 will help reverse this trend by providing a steady supply of affordable homes for local residents, ensuring our workforce and community remain strong and diverse.

I urge you to support SB 2424 SD1, as it is essential to the future of our business and the local economy. Thank you for your consideration.

Sincerely,



Josh Feldman
President & CEO
Tori Richard, Ltd.

1891 NORTH KING STREET
HONOLULU, HAWAII 96819



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

March 18, 2026

House Committee on Housing
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for SB 2424 SD1 - 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 SB 2424 SD1**, 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 the state's 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. These restrictions require occupants to



Hawai'i YIMBY
Honolulu, HI 96814
hawaiiyimby.org
info@hawaiiyimby.org

be domiciled in the state, limits rentals to long-term leases, and ensure that future sales are made only to 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, SB 2424 SD1 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





**Church
of the
Crossroads**
United Church of Christ



TESTIMONY IN SUPPORT OF SB2424, AS AMENDED

House Committee on Housing

March 18, 2026 at 9:00 am.

The Church of the Crossroads was founded in 1923 as Hawaii's first intentionally multiethnic church. We are a Just Peace Church that actively works toward social, economic, and ecological justice in the care of God's whole creation.

Chair Evslin, Vice Chair Miyake, Members:

Crossroads' **supports** SB2424 SD1 **as amended**. We don't want to lose housing affordability for residents. As the bill's findings state, we must "preserve residential housing for future generations by ensuring that units are sold exclusively to qualified residents."

Current law qualifies residents who will live in their units and own no other property. **They most need affordable homes.** Current property owners are already cared for. Keep current law as is.

We therefore recommend amending SB2424 SD1 as follows.

1. delete words in SECTION 1, Page 2, from paragraph 4, line 14 following "basis," striking:

~~and not be subject to perpetual owner-occupancy requirements following an initial occupancy period, as long as residency and occupancy standards remain enforced and transient use is prohibited.~~

2. restore the deleted passage from Page 3 line 15 to Page 5 line 1:

(5) Meets the following qualifications:

- (A) Is a person who either by the person's self, or together with spouse or household member, does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to the land; and
- (B) Is a person whose spouse or household member does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes or more than a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to the land, except when husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to section 580-71.

Mahalo and aloha, Galen Fox for Church of the Crossroads

March 18, 2026

TO: Chair Evslin and Members of the House Housing Committee
RE: SB 2424 SD1, Relating to the HHFDC

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 Senate Bill 2424 SD1.

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 based on 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 Senate Bill 2424 SD1.

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

TESTIMONY IN SUPPORT OF SB2424, SD1
RELATING TO HOUSING

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

Thank you for the opportunity to provide testimony in strong support of SB2424, SD1.

I submit this testimony as both a member of the community actively engaged in housing development in Hawai‘i and as someone who believes deeply in the importance of expanding housing opportunities for our residents. Hawai‘i continues to face a severe housing shortage across all income levels, particularly for local families who are working hard yet remain priced out of both homeownership and stable rental housing.

SB2424, SD1 represents an important step toward addressing this crisis. While no single measure will solve Hawai‘i’s housing challenges, this bill moves us in the right direction by helping to reduce barriers, improve feasibility, and accelerate the delivery of much-needed housing—particularly for workforce and attainable housing.

From a practical standpoint, one of the greatest challenges in developing housing in Hawai‘i is the combination of high construction costs, regulatory complexity, and extended timelines. These factors directly translate into higher rents and sales prices. Policies that streamline processes, provide clarity, and improve predictability are essential to making projects financially viable—especially for workforce housing serving households who fall between traditional affordable housing programs and market-rate options.

In my experience, even well-intentioned projects that aim to serve local residents can struggle to move forward due to uncertainty and cost escalation. When projects stall or fail to pencil, the result is fewer homes delivered to the market, which further exacerbates the supply-demand imbalance and drives prices higher. SB2424, SD1 helps address these systemic issues by creating a more workable framework for housing development.

Importantly, increasing housing supply is one of the most effective ways to stabilize and ultimately reduce housing costs over time. Research from the [University of Hawai‘i Economic Research Organization](#), as well as national institutions such as the [National Bureau of Economic Research](#) and the [Brookings Institution](#), consistently finds that constrained housing supply is a primary driver of rising housing costs and that expanding supply—particularly in high-cost markets—helps moderate price growth and improve affordability. UHERO’s Hawai‘i Housing Factbook and related policy research further highlight that our state faces a persistent housing shortage driven by regulatory complexity, limited developable land, and high construction costs.

Beyond the economic impacts, the stakes are deeply personal. Housing stability is foundational to strong communities. It affects everything from educational outcomes to workforce retention to overall quality of life. Too many local families are being forced to leave Hawai‘i because they cannot find housing they can afford. This is not just a housing issue—it is a long-term social and economic issue for our state.

SB2424, SD1 helps move us toward a future where more of our residents can live, work, and raise their families in Hawai‘i.

For these reasons, I respectfully urge the Committee to support SB2424, SD1.

Thank you for your consideration.

Respectfully submitted,



Alana Kobayashi Pakkala
Kobayashi Group LLC



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice
Support for SB2424 SD1 – Relating to the Hawaii Housing Finance and Development Corporation

House Committee on Housing
Wednesday, March 18, 2026 at 9:00AM Conf. Rm. 430 and via Videoconference

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

Mahalo for the opportunity to testify in **strong support of SB 2424 SD1**, relating to the Hawai'i Housing Finance and Development Corporation (HHFDC). SB 2424 SD1 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 2027¹--a level of demand we are currently not on track to meet. SB 2424 SD1 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 domicile, mandating a minimum one year rental term, and limiting all subsequent resale to qualified residents. SB 2424 SD1 ensures that housing created through 201H entitlements remain in local hands.

SB 2424 SD1 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.

SB 2424 SD1 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.

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



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

**The Thirty-Third Legislature
House Committee on Housing
Wednesday, March 18, 2026
Conference Room 430
9:00 a.m.**

TO: The Honorable Luke Evslin, Chair
FROM: Keali'i S. López, State Director
RE: Support for S.B. 2424, SD1 Relating to Hawaii Housing Finance and Development Corporation

Aloha Chair Evslin, and Members of the Committee:

My name is Keali'i López, and I serve as State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan social impact organization, dedicated to empowering people age 50 and older to choose how they live as they age. In Hawai'i, we represent more than 135,000 members who care deeply about housing stability, community preservation, and affordability.

On behalf of our members, AARP strongly supports S.B. 2424, SD1.

S.B. 2424,SD1 takes meaningful steps to ensure that housing developed with public support remains available to Hawai'i residents over the long term. By establishing perpetual deed restrictions, the measure requires resale only to qualified residents, ensures Hawai'i domicile for occupants, and limits rentals to long-term, minimum one-year leases. These provisions help prevent displacement, curb speculative use, and preserve housing for local families.

The bill also appropriately updates the definition of "qualified resident" by removing certain landownership prohibitions while retaining essential eligibility requirements. This balanced approach protects local access without creating unnecessary barriers for buyers.

Importantly, S.B. 2424, SD1 requires that at least 80 percent of units in applicable projects be initially sold to qualified residents and owner-occupied for a minimum of one year, after which perpetual deed restrictions continue. This ensures public investments serve their intended purpose, not just at first sale, but for generations to come.



AARP's housing policy emphasizes the need to preserve housing for long-term residents and maintain community stability. The perpetual deed restriction framework advances that goal by keeping publicly enabled homes in local hands and preventing displacement pressures that disproportionately affect older adults and fixed-income households.

Just as important, the bill reduces unnecessary development and buyer costs by eliminating duplicative income and ability-to-pay screening requirements and avoiding cost-increasing conditions. These changes help lower soft costs that are often passed directly to consumers, making homes more attainable without compromising accountability.

S.B. 2424, SD1 also expands stable rental options by allowing deed-restricted units to be rented on a long-term basis after the initial owner-occupancy period. This flexibility is especially important for older adults who may choose to downsize or transition from homeownership to renting while remaining in their communities.

Ensuring a reliable supply of affordable housing strengthens Hawai'i's workforce, supports local businesses, and sustains our overall economic health. Without stable housing options, young working families are forced to leave the state—raising a critical question: Who will care for our aging parents and grandparents if future generations cannot afford to stay in Hawai'i?

S.B. 2424, SD1 represents a thoughtful, balanced approach to housing policy protecting public investment, supporting local residents, and improving affordability. For these reasons, AARP Hawai'i respectfully urges the House Committee on Housing to pass S.B. 2424, SD1.

Mahalo for your leadership and continued commitment to addressing Hawai'i's housing crisis.

SB-2424-SD-1

Submitted on: 3/17/2026 4:57:20 PM

Testimony for HSG on 3/18/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Makana Hicks-Goo	LIMBY Hawaii	Oppose	Written Testimony Only

Comments:

We respect the desire to enable folks to climb the housing ladder, but folks this isn't it. You could drive a dump truck through the exceptions you are making to purportedly allow folks to climb the housing ladder and eroding long term affordability when all that is needed is a waiver allowing for residents of HHFDC units to purchase another provided that the agency excercises its right to buy back the unit they occupy. That's all that is needed. Every other line in the legislation is designed to erode home rule and side step affordability.

SB-2424-SD-1

Submitted on: 3/17/2026 5:04:41 PM

Testimony for HSG on 3/18/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Sandie Wong	Dowling Company, Inc.	Support	In Person

Comments:

Dowling Company, Inc. supports SB2424, SD1. Thank you.

SB-2424-SD-1

Submitted on: 3/16/2026 9:53:11 AM

Testimony for HSG on 3/18/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chevelle Davis	Individual	Support	Written Testimony Only

Comments:

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

Mahalo for the opportunity to provide testimony in **SUPPORT** of this important measure.

Me ka ha'aha'a,

Chevelle Davis