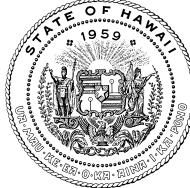


JOSH GREEN, M.D.
GOVERNOR

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

February 03, 2026 at 1:00 p.m.
State Capitol, Room 225

In consideration of
SENATE BILL 2424

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

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

HHFDC **supports** Senate Bill 2424, 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.



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
Honolulu, Hawai'i 96813

+1 (808) 542-4089
info@holomuacollaborative.org

HolomuaCollaborative.org

Page 1 of 2

Committee:**Senate Committee on Housing****Bill Number:****SB 2424, Relating to the Hawaii Housing Finance and Development Corporation****Hearing Date and Time:** **February 3, 1:00pm, Room 225****Re:****Testimony of Holomua Collaborative – Support**

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

Mahalo for the opportunity to submit testimony **in support** of SB 2424, Relating to the Hawaii 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*.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 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.

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 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.

SB 2424 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 SB 2424.

Sincerely,

Matthew Prellberg
Policy & Communications Director



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

Senate Committee on Housing

Tuesday, February 3, 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 2424**, relating to the Hawai‘i Housing Finance and Development Corporation (HHFDC). SB 2424 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 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. SB 2424 ensures that housing created through 201H entitlements remain in local hands.

SB 2424 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 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>

February 2, 2026

TO: Senator Stanley Chang – Chair; Senator Troy N Hashimoto – Vice Chair, and Senate Committee on Housing
RE: SB2424, Relating to the Hawai‘i Housing Finance and Development Corporation

Dear Chair Chang; Vice Chair Hashimoto, 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 Senate Committee on Housing to advance Senate Bill 2424.

SB2424 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. SB2424 balances regulation efficiency with long-term residency requirements.

For these reasons, The Kobayashi Group respectfully supports SB2424 and urges the Committee to move the bill forward.

Thank you for the opportunity to submit testimony. We are grateful for your consideration of SB2424.

Respectfully,



Alana Kobayashi Pakkala
CEO + Partner



LATE

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

February 3, 2026

TO: Chair Chang and Members of the Senate Housing Committee
RE: SB 2424, 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 strongly support Senate Bill 2424.

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 Senate Bill 2424.

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



LATE

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

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

We write in strong support of SB 2424, 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.

A handwritten signature in black ink that reads "Brandon H. Kurisu". The signature is fluid and cursive, with a focus on the 'B' and 'H'.

Brandon Kurisu
aio Family of Companies





Hawai'i YIMBY

Honolulu, HI 96814

hawaiiyimby.org

info@hawaiiyimby.org

February 3, 2026

Senate Committee on Housing

Hawai'i State Capitol

Honolulu, HI 96813

RE: SUPPORT for SB 2424 - RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of SB 2424**, 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 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 Diaz Vega

Chapter Lead, Hawai'i YIMBY

Huey Kwik

Chapter Lead, Hawai'i YIMBY



SB-2424

Submitted on: 1/30/2026 12:25:10 PM
Testimony for HOU on 2/3/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sam Dorios	Individual	Support	Written Testimony Only

Comments:

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

My name is Sam Dorios, and I'm a Honolulu resident submitting testimony **in strong support of SB2424**.

Hawai'i's housing shortage is made worse when homes developed or supported through public approvals later leave the inventory available to local residents. SB2424 directly addresses this problem by strengthening the long-term public benefit of HHFDC-approved housing projects through **perpetual deed restrictions** designed to preserve units for future generations of Hawai'i residents and to reduce vacant investment holdings and transient use.

I support SB2424 because it creates clearer, long-lasting guardrails that keep these homes serving the people they are intended to serve. As written, the bill requires that at least **80% of units** be sold to qualified residents and remain **owner-occupied for at least one year** after the initial sale, and then places each unit under a **perpetual deed restriction** requiring that:

- the **occupant is domiciled in the State**,
- any **rental** is for a **minimum lease term of one year**, and
- any **sale** is to a **qualified resident**.

Just as importantly, SB2424 also reduces unnecessary friction and administrative burden by removing duplicative financial screening and certain ownership-based criteria from the "qualified resident" definition—recognizing that lenders and landlords already conduct underwriting and screening, and that some ownership-based requirements can unintentionally limit mobility for local households (for example, growing families needing to move).

For these reasons, I respectfully urge you to **pass SB2424**.

Mahalo for the opportunity to testify,

-Sam Dorios

SB-2424

Submitted on: 2/1/2026 4:53:05 PM
Testimony for HOU on 2/3/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
WILL NGUYEN	Individual	Support	Written Testimony Only

Comments:

Hello,

I strongly support this initiative, as I believe it will make more housing opportunities available for local families and residents, which is in critically short supply.

Thank you.