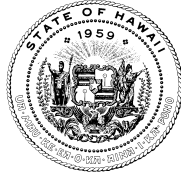


JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawaii'i*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawaii'i*



KALI WATSON
CHAIRPERSON, HHC
Ka Luna Ho'okele

KATIE L. LAMBERT
DEPUTY TO THE CHAIR
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS
Ka 'Oihana 'Āina Ho'opulapula Hawaii'i

P. O. BOX 1879
HONOLULU, HAWAII 96805

LATE

TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEES ON HOUSING AND
ENERGY AND INTERGOVERNMENTAL AFFAIRS
ON TUESDAY, MARCH 31, 2026 AT 1:00PM IN CR 225

**SCR48 / SR47, DECLARING THE INTENT THAT AFFORDABLE HOUSING CREDITS
ARE PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND REQUESTING
THE COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT EXPIRATION DATES**

March 31, 2026

Aloha Chairs Chang and Wakai, Vice Chair Hashimoto, and members of the
Committees:

The Department of Hawaiian Home Lands (DHHL) **supports** this resolution
declaring the intent that Affordable Housing Credits are perpetual and remain valid
until redeemed, and requesting the counties to recognize these credits without
expiration dates.

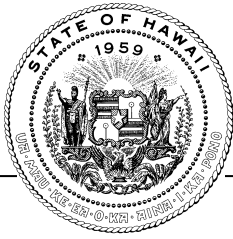
Act 90, Session Laws of Hawaii 2023, extended the sunset dates for the
issuance of county Affordable Housing Credits to DHHL pursuant to Act 141, Session
Laws of Hawaii 2009, as amended, and Act 98, Session Laws of Hawaii 2012, as
amended, to July 1, 2030. Affordable Housing Credits have enabled DHHL to provide
affordable housing opportunities for its beneficiaries at no cost to the State. This
program also allowed for the purchase of additional land in a location that beneficiaries
were interested in, but where DHHL had no land in the area, and resulted in a reduction
in the price of housing units offered by homebuilders on Hawaiian Home Lands.

For example, this program provided developer with 300 new and existing
Affordable Housing Credits for the acquisition of approximately 47 acres, valued at over
\$10 million, resulting in 161 lots being developed for Pu'uhona Homestead Subdivision.
Also in Maui, in exchange for 372 Affordable Housing Credits, developer deposited over
\$4 million into DHHL's Trust Fund to be used on future projects in Maui County.
On Oahu, 47 Affordable Housing Credits for single-family homes in Kumuhau
Residence subdivision were provided to offset \$350,000 in developer fees. On the
island of Hawai'i, critically needed ungulate fencing surrounding endangered plant
preserve habitat in the Villages of La'i'ōpua was negotiated with developer who received

45 Affordable Housing Credits.

This resolution seeks to facilitate the efficient administration of the credits while avoiding provisions that would restrict the life, value, transferability, or utility of the credits. DHHL supports this resolution because affordable housing credits without expiration dates would allow DHHL to pursue long-term planning and development as well as strategic land acquisition in fulfillment of DHHL and the State's trust responsibilities to its beneficiaries.

Thank you for your consideration of our testimony.



**STATE OF HAWAII
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 COMMITTEES ON
HOUSING &
ENERGY AND INTERGOVERNMENTAL AFFAIRS**

Tuesday, March 31, 2026, 1:00 PM
State Capitol, Conference Room 225

in consideration of
SCR 48 / SR 47

**DECLARING THE INTENT THAT AFFORDABLE HOUSING CREDITS ARE
PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND REQUESTING THE
COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT EXPIRATION DATES.**

Chairs Chang and Wakai, Vice Chairs Hashimoto and Chang, and Members of the
Committees.

The Office of Planning and Sustainable Development (OPSD) **supports SCR 48 / SR 47**,
which declare the intent that affordable housing tax credits are perpetual and remain valid until
redeemed, and requesting the counties to recognize these credits without expiration dates.

OPSD supports these resolutions because they address a critical technical barrier by
ensuring that the financial mechanism we rely on are as resilient and long-lasting as the
structures we aim to build for our residents. Removing the expiration of affordable housing
credits provides the long-term financial stability necessary for developers to commit private
capital to complex, multi-year projects. Perpetual credits allow for predictable credit-sharing,
which is essential in a market where high interest rates and construction costs often create gaps
in project feasibility.

Furthermore, many of the most impactful affordable housing projects are situated in TOD
zones and urban growth boundaries, where development timelines are often extended due to
infrastructure and entitlement requirements. By removing the expiration dates from housing
credits, the State empowers developers to remain engaged in these high-priority, long-term
investments. This consistency ensures that the affordable units built today contribute to a
permanent, viable pipeline for Hawai'i's future.

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



COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION
HAWAII CHAPTER

March 30, 2026

Senator Stanley Chang, Chair
Senator troy Hashimoto, Vice Chair
Committee on Housing

Senator Glenn Wakai, Chair
Senator Stanley Chang, Vice Chair
Committee on Energy and Intergovernmental Affairs

RE: **SR 47 - DECLARING THE INTENT THAT AFFORDABLE HOUSING CREDITS ARE PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND REQUESTING THE COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT EXPIRATION DATES.**
Hearing date – March 31, 2026 at 1:00PM

Aloha Chair Chang, Chair Wakai and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony in **STRONG SUPPORT of SR 47 – DECLARING THE INTENT THAT AFFORDABLE HOUSING CREDITS ARE PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND REQUESTING THE COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT EXPIRATION DATES.** NAIOP Hawaii is the Hawaii chapter of the nation’s leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

We stand in strong support of SR 47 affirms the Legislature’s intent that affordable housing credits remain perpetual and valid until redeemed, and requests that counties recognize these credits without expiration dates.

Hawai‘i continues to face an acute and growing housing shortage, and the need to encourage the production of workforce and affordable housing remains urgent. Affordable housing credits—established under Act 31 (2024)—serve as an essential tool to attract private investment and make these developments financially feasible. These credits are particularly important because they function as a form of incentive that offsets costs and risk associated with delivering workforce housing. For the credit program to work as intended, the value of the credits must remain meaningful and dependable over time. If the

utility of the credits is diminished, the incentive they provide is similarly diminished, reducing the likelihood that new workforce housing will be built.

We appreciate the Legislature's efforts to provide clear guidance and reaffirm legislative intent. Clarity regarding the treatment of these credits is critical to the financial planning and underwriting processes undertaken by developers, lenders, and investors. A stable and predictable framework allows project teams to confidently incorporate these credits into long-term planning and financing models, ultimately supporting more consistent and scalable housing production.

At the same time, we recognize and respect the important role that counties play in administering and implementing housing policies. SR 47 strikes an appropriate and thoughtful balance by affirming legislative intent while requesting alignment at the county level. This collaborative approach helps ensure consistency across jurisdictions while preserving the shared goal of increasing housing production statewide.

We also appreciate that the Legislature's clear statement of intent in this resolution will help provide the clarity needed for lenders, investors, and developers to rely on the credit program when structuring future housing projects. This clarity will help avoid uncertainty and ensure that the program functions as a reliable tool to encourage continued investment in workforce housing.

For these reasons, we respectfully urge the Committee to pass SR 47.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Ken Hayashida". The signature is fluid and cursive, written in a professional style.

Ken Hayashida, President
NAIOP Hawaii