

STAND. COM. REP. NO. **566** -26

Honolulu, Hawaii

FEB 19, 2026

RE: H.B. No. 1723
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Housing, to which was referred H.B. No. 1723 entitled:

"A BILL FOR AN ACT RELATING TO THE RENTAL HOUSING REVOLVING FUND,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Authorize the Rental Housing Revolving Fund to be used to provide any and all forms of financing for rental housing projects;
- (2) Authorize the Mixed-Income Subaccount within the Rental Housing Revolving Fund to be used for any and all forms of financing and projects that are for-sale, or units in a mixed-income rental or for-sale project;
- (3) Authorize the Hawaii Housing Finance and Development Corporation to transfer monies between the Rental Housing Revolving Fund and the Mixed-Income Subaccount;
- (4) Amend the criteria of eligible projects under the Mixed-Income Subaccount;

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- (5) Authorize conveyance tax revenues deposited into the Rental Housing Revolving Fund to be transferred to the Mixed-Income Subaccount; and
- (6) Appropriate funds into and out of the Mixed-Income Subaccount.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority; Hawaii Housing Finance and Development Corporation; Housing Hawai'i's Future; and AARP Hawaii. Your Committee received comments on this measure from Catholic Charities Hawai'i and The Nature Conservancy, Hawai'i and Palmyra.

Your Committee finds that the State's growing affordable and mixed-income housing needs require more flexible financing tools and greater efficiency in how rental housing resources are deployed. Your Committee further finds that the existing structure of the Mixed-Income Subaccount limits the State's ability to fully support projects that maximize affordability, minimize state subsidy per unit, and appropriately leverage publicly owned lands or partnerships. Your Committee believes that expanding eligible financing types, clarifying project prioritization criteria, and allowing fund transfers will help the State better align housing investments with community needs and accelerate the production of mixed-income housing.

Your Committee has amended this measure by:

- (1) Authorizing the Hawaii Housing Finance and Development Corporation to transfer monies between the Rental Housing Revolving Fund and its subaccounts;
- (2) Reverting to existing statutory language relating to the uses of monies within the Mixed-Income Subaccount, but maintaining the expanded funding priorities of the Subaccount relating to revenue-neutral rental projects and projects with a perpetual affordability commitment;
- (3) Deleting language relating to conveyance tax revenue transfers;
- (4) Changing the effective date to July 1, 3000, to encourage further discussion; and



- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Housing that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1723, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1723, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Housing,



LUKE A. EVSLIN, Chair



