

STAND. COM. REP. NO. **3206**

Honolulu, Hawaii

**MAR 30 2026**

RE: H.B. No. 1727  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Third State Legislature  
Regular Session of 2026  
State of Hawaii

Sir:

Your Committee on Housing, to which was referred H.B.  
No. 1727, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Specify the conditions upon which the Hawaii Housing Finance and Development Corporation may transfer moneys from within the Rental Housing Revolving Fund to a subaccount and between subaccounts of the fund;
- (2) Clarify what constitutes a mixed-income rental project for purposes of loans funded through the Mixed-Income Subaccount;
- (3) Repeal the sunset date for the Mixed-Income Subaccount;  
and
- (4) Authorize the Director of Finance to deposit rental housing revolving funds into, and appropriate funds into and out of, the Mixed-Income Subaccount.



Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Housing Finance and Development Corporation; Hawai'i YIMBY; and Housing Hawai'i's Future.

Your Committee received comments on this measure from Catholic Charities Hawai'i and one individual.

Your Committee finds that the rental market plays a critical role in providing housing to many of the State's residents. However, many residents who are essential to the State's workforce, such as teachers, health care workers, service employees, and public sector workers, earn too much to qualify for traditional affordable housing programs but too little to afford market rate rents. The Mixed-Income Subaccount of the Rental Housing Revolving Fund was established by Act 159, Session Laws of Hawaii 2025, to address this problem and support access to rental housing in the State. This measure expands the potential benefits of the Mixed-Income Subaccount to address critical gaps in the State's housing market.

Your Committee notes that S.B. No. 2060, S.D. 2 (2026), similarly authorizes the Hawaii Housing Finance and Development Corporation to transfer funds between the Rental Housing Revolving Fund and its subaccounts and repeals the sunset date for the Mixed-Income Subaccount. S.B. 2060, S.D. 2 (2026), provides greater efficiency and flexibility to the Hawaii Housing Finance and Development Corporation to use the funds in the Rental Housing Revolving Fund and its Mixed-Income Subaccount.

Accordingly, your Committee has amended this measure by incorporating language from S.B. No. 2060, S.D. 2 (2026), and:

- (1) Deleting language that would have added a new section to chapter 201H, HRS, authorizing the Hawaii Housing Finance and Development Corporation to transfer moneys between the Rental Housing Revolving Fund and its subaccounts and instead amending existing sections of the Hawaii Revised Statutes relating to the Rental Housing Revolving Fund to authorize the Hawaii Housing Finance and Development Corporation to transfer the funds and to:



- (A) Insert a definition for "mixed-income rental project";
  - (B) Authorize certain moneys to be deposited into the Mixed-Income Subaccount of the Rental Housing Revolving Fund;
  - (C) Authorize moneys in the Rental Housing Revolving Fund to be used for any and all forms of financing, including but not limited to loans, equity investments, credit enhancement, and collateral;
  - (D) Authorize moneys in the Mixed-Income Subaccount to be used for any and all forms of financing;
  - (E) Require the Hawaii Housing Finance and Development Corporation to give priority to projects with perpetual affordability commitments and projects proposed by applicants with a demonstrated history of early repayment to the Rental Housing Revolving Fund;
  - (F) Require certain Rental Housing Revolving Fund loans applied for and awarded after December 31, 2026, to be subject to review and renegotiation when any mortgage debt to which the loan is subordinate is refinanced or retired;
  - (G) Authorize the Hawaii Housing Finance and Development Corporation to use reserved but unencumbered funds for short-term projects with certain conditions; and
  - (H) Authorize the Hawaii Housing Finance and Development Corporation, subject to approval of its Board, to secure lines of credit, standby bond purchase agreements, or other credit enhancement facilities to provide liquidity for the Rental Housing Revolving Fund in certain circumstances;
- (2) Inserting an appropriation amount of \$100,000,000 to be deposited into the Mixed-Income Subaccount of the Rental Housing Revolving Fund;



- (3) Inserting an appropriation amount of \$100,000,000 out of the Mixed-Income Subaccount of the Rental Housing Revolving Fund for the purposes of the subaccount;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1727, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1727, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

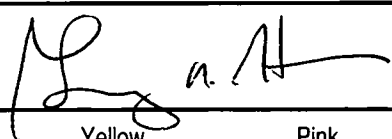
Respectfully submitted on  
behalf of the members of the  
Committee on Housing,

  
\_\_\_\_\_  
STANLEY CHANG, Chair



The Senate  
Thirty-Third Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Housing**  
**HOU**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 1727, HD 1	HOU, WAM	03/17/26		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	✓			
HASHIMOTO, Troy N. (VC)	✓			
ELEFANTE, Brandon J.C.	✓			
RHOADS, Karl	✓			
FEVELLA, Kurt				✓
<b>TOTAL</b>	4	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original	Yellow	Pink		
File with Committee Report	Committee	Drafting Agency		

\*Only one measure per Record of Votes