

STAND. COM. REP. NO. **539**-26

Honolulu, Hawaii

FEB 19, 2026

RE: H.B. No. 1740
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 Water & Land, to which was referred H.B. No. 1740, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Remove the prohibition against qualified residents for Hawaii Housing Finance and Development Corporation-approved projects from holding a majority interest in land and remove the requirement that qualified residents demonstrate financial viability or ability to pay rent; and
- (2) Amend certain conditions, including requirements related to employment, owner-occupancy, and deed restrictions, that qualify certain housing projects developed by the Hawaii Housing Finance and Development Corporation for exemptions from statutes, ordinances, charter provisions, and rules.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; Aloha United Way; AARP Hawai'i; Holomua Collaborative; Hawai'i YIMBY;

2026-1587 HB1740 HD1 HSCR HMSO



Housing Hawai'i's Future; Tori Richard, Ltd.; HPM Building Supply; aio; and Hawai'i Appleseed Center for Law & Economic Justice.

Your Committee finds that this measure modernizes owner-occupancy requirements for Hawaii Housing Finance and Development Corporation-approved projects to better reflect real-world housing needs, such as job relocations or growing families, while still preserving residency requirements and maintaining robust protections against transient use. Your Committee further finds that this measure pairs greater flexibility with permanent deed restrictions that ensure homes continue to serve local Hawaii residents over time.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1740, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Water & Land,



MARK J. HASHEM, Chair



