

STAND. COM. REP. NO. **3208**

Honolulu, Hawaii

MAR 30 2026

RE: H.B. No. 1740
H.D. 2
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. 1740, H.D. 2, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Remove the prohibition against qualified residents for Hawaii Housing Finance and Development Corporation-approved projects holding a majority interest in land and remove the requirement that qualified residents demonstrate financial viability or ability to pay rent; and
- (2) Amend 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.

Your Committee received testimony in support of this measure from the Hawaii Housing Finance and Development Corporation; two members of the Kaua'i County Council; AARP Hawaii; Aloha Independent Living Hawaii; Church of the Crossroads; Holomua



Collaborative; Title Guaranty Hawaii; HMP Building Supply; Mana Up; Tori Richard, Ltd.; aio Hawaii; Hawai'i Community Foundation; Housing Hawai'i's Future; Hawai'i YIMBY; Kobayashi Group LLC; and three individuals.

Your Committee received comments on this measure from one individual.

Your Committee finds that residents of the State face significant challenges obtaining housing and that it is essential for homes developed with public support to remain affordable to these residents in perpetuity. However, existing restrictions on Hawaii Housing Finance and Development Corporation-approved projects are no longer adequate to meet the housing needs of the State's residents. Notably, these existing restrictions include financial screenings and prohibitions on other property ownership, both of which present challenges to many state residents. Existing restrictions are also insufficient to ensure that affordable housing units serve state residents in perpetuity. Accordingly, changes to these existing restrictions are necessary to ensure that Corporation-approved projects continue to serve the interests of the State's residents. This measure updates existing restrictions by removing financial screenings and prohibitions on property ownership, while also establishing perpetual deed restrictions requiring the occupant of a unit to reside in the State at all times.

Your Committee notes the concern raised in testimony requesting clarification regarding disability-related temporary absences and the requirement proposed in this measure that Hawaii Housing Finance and Development Corporation-approved units be occupied by a person domiciled in the State "at all times". Your Committee further notes that section 201H-49, Hawaii Revised Statutes, expressly includes "serious illness of the person" as a hardship circumstance exception to the occupancy requirement established by this measure.

Your Committee has amended this measure by:

- (1) Clarifying that certain units shall be available to qualified residents and shall remain owner-occupied for a minimum of one year following the initial sale of the



unit, notwithstanding sections 201H-47 and 201H-49, Hawaii Revised Statutes; and

- (2) 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. 1740, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1740, H.D. 2, 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,

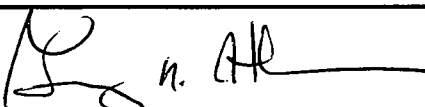


STANLEY CHAN, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:		
HB1740, HD2	HOU, WAM	07/17/26		
<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				/
TOTAL	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