

Honolulu, Hawaii

MAR 25 , 2026

RE: S.B. No. 2060
S.D. 2
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 S.B. No. 2060, S.D. 2, 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) Allow the Rental Housing Revolving Fund to be used to provide any and all forms of financing;
- (2) Require the Hawaii Housing Finance and Development Corporation (HHFDC) to give preference to certain projects having perpetual affordability commitments and to applicants having a demonstrated history of early repayment to the Rental Housing Revolving Fund;
- (3) Authorize HHFDC to transfer monies between the Rental Housing Revolving Fund and its subaccounts with the approval of the Director of Finance and Legislature by concurrent resolution;
- (4) Require Rental Housing Revolving Fund loans applied for or 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;

- (5) Authorize HHFDC to use Rental Housing Revolving Fund monies that have been reserved or awarded for specific projects but not yet been encumbered for other authorizes purposes of the Rental Housing Revolving Fund;
- (6) Make the Mixed-Income Subaccount of the Rental Housing Revolving Fund permanent; and
- (7) Authorize the Director of Finance to transfer no more than \$100,000,000 between the Rental Housing Revolving Fund and 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; and Hawai'i YIMBY.

Your Committee finds that the State continues to face a severe affordability crisis that affects households across a broad range of income levels. Your Committee further finds that the Rental Housing Revolving Fund plays a critical role in financing rental housing, but existing statutory constraints and administrative delays limit the State's ability to deploy funds efficiently, leverage private capital, and respond to market conditions in a timely manner, particularly for mixed income rental projects. However, your Committee finds that the legislative preclearance requirement proposed by this measure does not provide additional flexibility beyond the existing legislative appropriation process.

Your Committee finds that H.B. No. 1723, H.D. 1 (Regular Session of 2026), was previously passed by your Committee and is a similar measure that:

- (1) Authorizes the Hawaii Housing Finance and Development Corporation to transfer monies between the Rental Housing Revolving Fund and its subaccounts, subject to the approval of the Director of Finance;



- (2) Authorizes the Rental Housing Revolving Fund to be used to provide any and all forms of financing for rental housing units;
- (3) Expands the funding priorities of the Mixed-Income Subaccount within the Rental Housing Revolving Fund to include revenue-neutral rental projects and projects with a perpetual affordability commitment;
- (4) Appropriates funds into and out of the Mixed-Income Subaccount;
- (5) Takes effect on July 1, 3000; and
- (6) Sunsets on June 30, 2030, with respect to the forms of financing and the funding priorities of the Rental Housing Revolving Fund.

Accordingly, your Committee has amended this measure by deleting its contents and inserting the contents of H.B. No. 1723, H.D. 1.

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 S.B. No. 2060, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2060, S.D. 2, H.D. 1, and be referred to your Committee on Finance.

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

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LUKE A. EVSLIN, Chair



