

STAND. COM. REP. NO.

2597

Honolulu, Hawaii

FEB 20 2026

RE: S.B. No. 2061
S.D. 1

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

Sir:

Your Committees on Water, Land, Culture and the Arts and Housing, to which was referred S.B. No. 2061 entitled:

"A BILL FOR AN ACT RELATING TO RESIDENTIAL CONDOMINIUMS,"

beg leave to report as follows:

The purpose and intent of this measure is to clarify the Ninety-Nine Year Leasehold Program to:

- (1) Require at least sixty percent of the residential condominium units within urban redevelopment sites to be set aside for owner-occupied residential use for not less than ten years from the date of initial purchase of the unit;
- (2) Amend eligibility requirements to buy or own a residential condominium unit within an urban redevelopment site to allow an individual to own other real property;
- (3) Amend the term "owner-occupied residential use" to include the renting or subleasing by the owner of a residential condominium unit to any tenant or sublessee of any kind; and
- (4) Allow the sale of up to forty percent of residential condominium units to qualified residents if there are



units available after being advertised for sale for more than sixty days.

Your Committees received testimony in support of this measure from the Hawaii Community Development Authority and two individuals.

Your Committees received testimony in opposition to this measure from one individual.

Your Committees received comments on this measure from AARP Hawai'i.

Your Committees find that Act 97, Session Laws of Hawaii 2023 (Act 97), established the Ninety-Nine Year Leasehold Program to facilitate the creation of low-cost leasehold residential condominium units for sale to state residents on non-ceded state-owned land near public transit stations and authorize the Hawaii Community Development Authority to sell the leasehold interest in residential condominium units located on state lands for lease terms of ninety-nine years. However, the Authority decided to pause the project in September 2025 due to numerous factors, including an increase in the development costs and changes in the national and global economy and in the general economic outlook. Your Committees find that amending Act 97 will determine the feasibility of the Program as well as reforming it to increase its competitiveness in the current economy. This measure will maintain the original intent of Act 97 by promoting owner-occupancy of affordable housing while discouraging speculative investment.

Your Committees acknowledge the recommendation provided by AARP Hawai'i in testimony that clear parameters or principles for buyback pricing should be established to ensure transparency, protect homeowner equity, and maintain public trust in the Ninety-Nine Year Leasehold Program. Amendments to this measure are therefore necessary to adopt this recommendation.

Accordingly, your Committees have amended this measure by:

- (1) Clarifying that the Hawaii Community Development Authority shall establish rules to require buyback



pricing similar to other state agencies' existing price formulas; and

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

Your Committees note that this measure, as introduced contains a defective effective date. Your Committees also note the concerns expressed by AARP Hawai'i that authorizing penalties "up to and including forced sale" raises significant consumer protection concerns, especially for older homeowners, and that this measure does not establish statutory standards, mitigation criteria, or due process protections to ensure that forced sale is used only as a last resort. Accordingly, your Committees respectfully request that subsequent Committees to which this measure is referred consider these concerns.

As affirmed by the records of votes of the members of your Committees on Water, Land, Culture and the Arts and Housing that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2061, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2061, S.D. 1, and be referred to your Committee on Commerce and Consumer Protection.

Respectfully submitted on
behalf of the members of the
Committees on Water, Land,
Culture and the Arts and
Housing,


STANLEY CHANG, Chair


CHRIS LEE, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Housing
HOU

Bill / Resolution No.:*	Committee Referral:	Date:
SB 2061	WLA / HOU, CPN	02 / 17 / 26

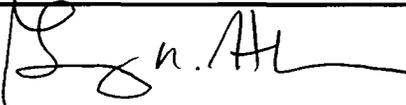
The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
CHANG, Stanley (C)	/			
HASHIMOTO, Troy N. (VC)	/			
ELEFANTE, Brandon J.C.	/			
RHOADS, Karl	/			
FEVELLA, Kurt	/			
TOTAL	5	0	0	0

Recommendation: Adopted 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