

Honolulu, Hawaii

, 2026

MAR 25

RE: S.B. No. 2342
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. 2342, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish, and appropriate funds for, a working group to revise the Hawaii Housing Finance and Development Corporation's Qualified Allocation Plan and propose revisions to the prioritization and loan terms of the Rental Housing Revolving Fund;
- (2) Require the Hawaii Housing Finance and Development Corporation to revise the 2026 Qualified Allocation Plan; and
- (3) Prohibit the Hawaii Housing Finance and Development Corporation from allocating Low-Income Housing Tax Credits or Rental Housing Revolving Fund monies to projects without a perpetual affordability commitment.

Your Committee received testimony in support of this measure from the Hawaii Public Housing Authority; Office of Hawaiian



Affairs; Department of Housing and Land Management of the City and County of Honolulu; and one individual. Your Committee received testimony in opposition to this measure from NAIOP Hawaii and Mark Development, Inc. Your Committee received comments on this measure from the Hawaii Housing Finance and Development Corporation.

Your Committee finds that Hawaii's worsening housing shortage requires more effective use of tax credits and state financing tools, particularly given the substantial public investment in the Rental Housing Revolving Fund and the long-term subsidies currently provided to developers. The Hawaii Housing Finance and Development Corporation's existing Qualified Allocation Plan does not sufficiently prioritize long-lasting affordability, government-led projects, or financially sustainable loan structures, resulting in a system that does not maximize long-term public benefit. Efforts to better safeguard taxpayer resources and ensure that state housing funds produce durable, publicly beneficial outcomes are therefore needed.

Your Committee further finds that the companion to this measure, H.B. No. 1868, H.D. 1 (Regular Session of 2026), a substantially similar measure, was previously passed by your Committee. Your Committee believes that H.B. No. 1868, H.D. 1, is preferable as it deletes language also found in this measure that would have:

- (1) Required the Hawaii Housing Finance and Development Corporation to amend the 2026 Qualified Allocation Plan;
- (2) Prohibited the Hawaii Housing Finance and Development Corporation from allocating Low-Income Housing Tax Credits to any project without a perpetual affordability commitment; and
- (3) Authorized the Rental Housing Revolving Fund to provide loans for rental housing projects with a perpetual affordability commitment.

Your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of H.B. No. 1868, H.D. 1, a measure that:



- (A) Establishes, and appropriates funds for, a working group to revise the Hawaii Housing Finance and Development Corporation's Qualified Allocation Plan and propose revisions to the prioritization of the Rental Housing Revolving Fund and the terms of loans made from the Rental Housing Revolving Fund; and
- (B) Contains an effective date of July 1, 3000;
- (2) Clarifying that a responsibility of the working group is to make recommendations to, rather than revise, the Qualified Allocation Plan;
- (3) Including each county housing director, or their designee, as members of the working group; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2342, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2342, 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,

LUKE A. EVSLIN

LUKE A. EVSLIN, Chair



Record of Votes of the Committee on Housing

Bill/Resolution No.: SB2342 SD2	Committee Referral: HSG, FIN	Date: 3/20/26		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HSG Members	Ayes	Ayes (WR)	Nays	Excused
1. EVSLIN, Luke A. (C)	✓			
2. MIYAKE, Tyson K. (VC)	✓			✓
3. COCHRAN, Elle		✓		
4. GRANDINETTI, Tina Nakada	✓			
5. KILA, Darius K.				✓
6. KITAGAWA, Lisa	✓			
7. LA CHICA, Trish	✓			
8. MURAOKA, Christopher L.		✓		
9. PIERICK, Elijah	✓			
TOTAL (9)	6	2	0	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____ <div style="text-align:center;"><i>Tyson Miyake</i></div>				
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