

Honolulu, Hawaii

MAR 20 , 2026

RE: S.B. No. 2424
S.D. 1
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. 2424, S.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 certain financial and ownership-based qualifications for purchasers of a unit in a Hawaii Housing Finance and Development Corporation-approved project; 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; Hawai'i Community Foundation; Holomua Collaborative; Title Guaranty of Hawai'i; HPM Building Supply; Mana Up; aio Family of Companies; Tori Richard, Ltd; Hawai'i YIMBY; Church of the Crossroads; Housing



Hawai'i's Future; Kobayashi Group LLC; Hawaii Appleseed Center for Law & Economic Justice; AARP Hawai'i; Dowling Company, Inc.; and one individual. Your Committee received testimony in opposition to this measure from LIMBY Hawai'i.

Your Committee finds that Hawaii's shortage of resident-occupied housing is worsened when publicly-assisted units later leave the local housing inventory or become investment properties, weakening long-term affordability and reducing opportunities for local families. Your Committee further finds that duplicative financial screening by the Hawaii Housing Finance and Development Corporation and restrictive ownership rules have unintentionally impeded resident mobility, created administrative burdens, and discouraged efficient transitions as households grow or change. A measured approach that aligns housing projects developed under the Hawaii Housing Finance and Development Corporation with the goals of preserving housing opportunities for Hawaii residents by tying units to local occupancy and responsible long-term use is needed to address Hawaii's housing needs.

Your Committee finds that the companion to this measure, H.B. No. 1740, H.D. 2 (Regular Session of 2026), a substantially similar measure, was previously passed by the House. Your Committee further finds that H.B. No. 1740, H.D. 2, represents a more favorable and less restrictive approach to addressing affordable housing needs as it does not:

- (1) Exempt projects from the first-option buyback and ten-year owner-occupancy requirement provisions found in this measure; or
- (2) Require a deed restriction related to vacancy limitations and owners possessing more than one unit.

Your Committee has amended this measure by deleting its contents and inserting the contents of H.B. No. 1740, H.D. 2, a measure that:

- (1) Allows for an exception to the continuous occupancy requirement for hardship under existing law; and
- (2) Contains an effective date to July 1, 3000, to encourage further discussion.



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. 2424, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2424, S.D. 1, H.D. 1, and be referred to your Committee on Water & Land.

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

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LUKE A. EVSLIN, Chair



