

Honolulu, Hawaii

FEB 13 2026

RE: S.B. No. 2424
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 S.B.
No. 2424 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, Hawai'i YIMBY, Holomua Collaborative, Hawaii Appleseed Center for Law and Economic Justice, Kobayashi Group, Housing Hawai'i's Future, aio Hawaii, and two individuals.



Your Committee finds that residents face difficult challenges when attempting to find housing. In addition to the high costs of purchasing or renting housing in the State, many Hawaii Housing Finance and Development Corporation-approved housing projects impose additional and duplicative restrictions that make the search for adequate housing even more challenging. Additionally, existing restrictions often fail to ensure long-term affordability for Corporation-approved housing projects.

Your Committee further finds that this measure addresses many of the limitations of existing restrictions placed on Corporation-approved housing projects by removing the requirement that qualified residents meet certain financial thresholds and the prohibition on qualified residents owning other real property. This measure also authorizes up to twenty percent of units in Corporation-approved housing projects to be sold to non-owner occupants, which would help developers achieve sales targets more quickly, allow owners to rent their units after one year as an owner-occupant, and require that any rental of a unit must be for at least one year to ensure that no units are used for short-term rental.

Your Committee has amended this measure by:

- (1) Exempting section 201H-38, Hawaii Revised Statutes, projects from the first option buyback and ten year occupancy requirements established in sections 201H-47 and 201H-49, Hawaii Revised Statutes, respectively;
- (2) Restoring existing statutory language requiring Corporation-approved housing projects to meet certain conditions and prohibiting those housing projects from imposing stricter income requirements than those adopted or established by the State;
- (3) Inserting language requiring that housing projects adopt perpetual deed restrictions that prohibit units from being vacant for more than six months, except under certain conditions and that prohibit owners from owning more than one unit, except for a period of twelve months following the acquisition of the second unit;



- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) 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 S.B. No. 2424, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2424, 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 CHANG, Chair



