



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

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Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON HOUSING
Wednesday, February 11, 2026
9:00 AM
State Capitol, Conference Room 430

in consideration of
HB 1715
RELATING TO AFFORDABLE HOUSING.

Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing, the Office of Planning and Sustainable Development (OPSD) **supports** HB1715 which authorizes Hawai'i Housing Finance and Development Corporation (HHFDC) to designate certain for-sale units as permanently affordable housing if developed or assisted by the corporation.

OPSD believes that this bill is taking the right approach in keeping units permanently affordable. Currently HHFDC's units are subject to a 10-year buyback and shared appreciation which can keep units affordable for 10-years, after that it can be sold at market rate which prices out future income eligible buyers. By having permanently affordable housing units, it allows individuals and families to stay in Hawaii and build equity. This measure aligns with the Governor's housing strategy and production goal of housing more residents.

Thank you for the opportunity to testify on this measure.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

677 QUEEN STREET, SUITE 300

HONOLULU, HAWAII 96813

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Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation

Before the

HOUSE COMMITTEE ON HOUSING

February 11, 2026 at 9:00 a.m.

State Capitol, Room 430

In consideration of

HOUSE BILL 1715

RELATING TO THE RENTAL HOUSING REVOLVING FUND.

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC **supports** House Bill 1715, which authorizes HHFDC to designate certain for-sale housing as permanently affordable.

Current affordability restrictions on government-assisted for-sale housing expire after ten years, allowing units to be sold at market rates. This undermines the creation of an inventory of homes that are affordable to local residents. Without permanent affordability measures, Hawaii could lose affordable housing stock every decade, perpetuating scarcity and rising costs. This bill offers a sustainable solution to preserve affordable housing while enabling homebuyers to gain equity and move up the housing ladder.

Key provisions of the bill include:

1. **Permanent Affordability.** The bill authorizes HHFDC to designate certain for-sale units as permanently affordable, ensuring long-term stability for working families. Over time, this measure will create a stock of housing units that are permanently affordable for local households.
2. **Equity Building.** Price appreciation will be tied to an index to allow homeowners to build equity while maintaining affordability for future buyers.
3. **Community Protection.** Units must be owner-occupied which will reduce speculation in units, contribute towards more stable neighborhoods, and ensure that home will be a primary residence.

4. Flexibility and Compliance. HHFDC retains authority to adopt rules and waive restrictions when necessary to align with federal requirements.
5. Qualified Resident definition. The bill deletes the provision that HHFDC must financially qualify homebuyers as this is a task that is more efficiently undertaken by lenders. The bill also deletes the provisions that buyers of HHFDC-supported projects must be first-time homebuyers. This is to enable buyers of HHFDC-supported units to “move up” the housing ladder into another HHFDC-supported unit when they desire.

Thank you for the opportunity to testify.



STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
STATE COUNCIL ON DEVELOPMENTAL DISABILITIES
'A'UNIKE MOKU'ĀPUNI NO KA NĀ KĀWAI KULA

PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
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February 11, 2026

The Honorable Luke A. Evslin, Chair
House Committee on Housing
The Thirty-Third Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Chair Evslin and Committee Members:

SUBJECT: Testimony in Support of HB1715, Relating to Affordable Housing

The Hawai'i State Council on Developmental Disabilities is in **SUPPORT of HB1715**, which authorizes the Hawaii Housing Finance and Development Corporation to designate certain for-sale units as permanently affordable housing, subject to certain restrictions, clarifies that certain resale and occupancy restrictions apply only to projects developed prior to a certain date, and amends the definition of "qualified resident" for the purposes of Hawaii Housing Finance and Development Corporation housing development programs.

Preserving long-term affordability in for-sale housing may expand and stabilize housing options for people with disabilities whose incomes fall within eligible ranges. Many people with intellectual and developmental disabilities are working, living independently or with family, and seeking pathways to stable homeownership, yet are disproportionately impacted when affordability restrictions expire and units transition to market rates.

The Council recognizes that long-term affordability is essential to continuity, community integration, and self-determination. By strengthening resale and occupancy protections and preserving the public investment in assisted housing, HB1715 helps prevent the loss of affordable units over time and supports a more stable housing market overall. While this measure does not address accessibility or services directly, it represents a necessary system-level strategy to ensure housing opportunities remain available to current and future residents.

For these reasons, the Hawai'i State Council on Developmental Disabilities **supports HB1715**.

Thank you for the opportunity to submit testimony.

Daintry Bartoldus, Executive Administrator

February 11, 2026

The Honorable Luke A. Evslin, Chair

House Committee on Housing

State Capitol, Conference Room 430 & Videoconference

RE: House Bill 1715, Relating to Affordable Housing

HEARING: Wednesday, February 11, 2026, at 9:00 a.m.

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR provides **comments** on House Bill 1715, which authorizes HHFDC to designate certain for-sale units as permanently affordable housing, subject to certain restrictions. Clarifies that certain resale and occupancy restrictions apply only to projects developed prior to a certain date. Amends the definition of "qualified resident" for the purposes of HHFDC housing development programs.

HAR supports the goal of expanding affordable homeownership opportunities for Hawaii residents; however, it is also important to balance long-term affordability with the ability for homeowners to build equity. Homeowners who purchase these affordable units may eventually need to move, for instance to start a family or move closer to work. As such, without the opportunity to build sufficient equity, these homeowners may ultimately be priced out of purchasing another home in the future.

The movement of homeowners up the property ladder is an essential process in a healthy housing market as the unit they vacate allows another person the chance at homeownership. Artificial restrictions on a homeowner's ability to build equity stifles this process and prevents people from moving on to other homes that better fit their needs as they move through different milestones in their lives.

Mahalo for the opportunity to provide testimony on this measure.



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

Date February 9, 2026

The Honorable Luke A. Evslin, Chair
The Honorable Tyson K. Miyake, Vice Chair
Members of the House Committee on Housing

Hearing Date: February 11, 2026
Hearing Time: 9:00 am
Hearing Place: Hawaii State Capitol, Conference Room 430

Re: HB1715 (Housing)

I am Bryan Anderson, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

The MBAH provides comments for HB1715.

The MBAH has concerns regarding the current draft of HB1715, specifically its lack of clarity surrounding foreclosure procedures and the undefined "program agreement" in Section 7 and Section 2. While the goal of permanent affordability is commendable, the bill as currently written introduces uncertainty for homeowners and lenders alike and may result in unintended consequences

Vagueness of Foreclosure Protections and Extinguishment

The buyers of affordable housing units in the Hawaii have available to them low-to-moderate income mortgage loan programs such as HomeReady and Home Possible made available by the Government Sponsored Entities ("GSEs"), which are Fannie Mae and Freddie Mac. These loan programs provide some of the most affordable and flexible financing options. When the originating lender calculates the loan-to-value ("LTV") ratio and how much mortgage insurance, if any, is required, the value per GSE rules may be based on the unrestricted market resale price if the resale restrictions will be expunged at time of foreclosure. This means that the calculated LTV is lower than the LTV calculated based on the actual affordable sales price.

For example, if the requested loan amount is \$400,000, the affordable purchase price is \$425,000, and the market price of the unit is \$500,000, the LTV for these special programs may be calculated at 80% ($=\$400,000 / \$500,000$) if the unit may be resold at the market value by the lender in the event of foreclosure. In this case, no mortgage insurance would be required.

If the lender may NOT resell the unit at market price in the event of foreclosure, the LTV must be calculated at 94.2% ($\sim \$400,000 / \$425,000$), and mortgage insurance must be obtained and paid by the borrower each month.

The bill does not address specific mechanisms for the extinguishment of restrictions upon foreclosure. Without clear, statutory language, this creates a "cloud on title" that could discourage lenders who would be unwilling to issue mortgage for units where the right to foreclose at market value is unclear or suppressed by permanent state restrictions.

The Ambiguity of "The Program Agreement" (Section 7)

The bill is silent on the mechanisms for the extinguishment of restrictions upon foreclosure.

- **The "Program Agreement" (Section 7):** This section refers to a "program agreement" that is entirely undefined. We do not know what terms, penalties, or waivers will be included. This lacks the transparency necessary for a bill with such permanent consequences.
- **Administrative Overreach:** Stakeholders cannot evaluate the bill's impact without knowing the HHFDC's specific criteria for "waiving or extinguishing" restrictions.

Negative Outcomes of Restricted Resale Value

The move from the current 10-year restriction to a permanent restriction creates a fundamental shift in equity. This bill essentially creates a two-tiered system of homeownership.

These borrowers would miss out on the wealth generation that standard homeowners enjoy if they remain in the home for 10 or more years, as they are able to do today under most 10-year restriction programs. In essence they would be "stuck" when they try to move-up to a non-affordable housing property. They would effectively be trapped in the affordable housing system or be forced to return to renting if there is not sufficient equity earned through the sale of the property for them to make the down payment on a non-affordable housing property.

Thank you for the opportunity to present this testimony.

Bryan Anderson

Bryan Anderson
Mortgage Bankers Association of Hawaii

February 10, 2026

TO: Chair Evslin and Members of the House Committee on Housing
RE: HB 1715, Relating to Affordable Housing

Dear Chair Evslin and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

We support House Bill 1715. This measure will ensure that public investments in housing continue to benefit future generations of residents. The inclusion of resale and occupancy restrictions for designated projects is a proven strategy to preserve resident attainability over time, preventing speculative resale and displacement. Amending the definition of "qualified resident" also has the potential to better align eligibility with the needs of local households. The result will be a ladder of options for various residents.

Within just the area median income (AMI range of 60-140%, Hawai'i suffers from a shortage of 14,118 single- and multi-family units.¹ Regardless of one's income, Hawai'i has a broader shortage of 29,987 owner-occupied units.

Hawai'i presently enjoys the lowest rate of homeownership in the United States among young adults, specifically those under the age of 35. We need to expand homeownership opportunities for our young residents, especially those members of our workforce who want to stay in Hawai'i for decades to come.

Please advance House Bill 1715.

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiisfuture.org

¹ This figure is based on the HHPS study that projects statewide housing demand through 2027. The report can be found here: <https://www.wardresearch.com/2024-hawaii-housing-planning-study>



February 11, 2026

Representative Luke Evslin, Chair
Representative Tyson Miyake, Vice Chair
Committee on Housing

RE: **HB 1715- Relating to Affordable Housing**
Hearing date: February 11, 2026, at 9:00 AM

Aloha Chair Evslin, Vice Chair Miyake and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii in **Support** of **HB 1715 RELATING TO HOUSING**. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

NAIOP Hawai'i GAC supports the goal of preserving long-term affordability for for-sale housing and appreciates the intent of HB1715 to prevent speculation through deed restrictions and resale controls.

NAIOP understands why HB1715 uses "qualified resident" as a way to ensure these permanently affordable for-sale units benefit Hawai'i households. Our concern is that tying eligibility to the statutory definition in HRS §201H-32, including "domiciled in the State and physically resides" and citizenship or "resident alien" language, creates a verification and enforcement standard that is difficult to administer and can lead to inconsistent compliance. NAIOP recommends amending HB1715 to clarify that "qualified resident" is verified at initial purchase and owner-occupancy, with clear rules for documentation and reasonable temporary absences, rather than creating an ongoing domicile-policing obligation.

With that clarification, NAIOP believes HB1715 can better achieve its affordability goals while avoiding unnecessary compliance burdens and transaction delays that would reduce deliverability. Thank you for the opportunity to provide testimony.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Ken Hayashida". The signature is fluid and cursive.

Ken Hayashida, President
NAIOP Hawaii

Representative Luke Evslin, Chair
Representative Tyson Miyake, Vice Chair
Committee on Housing
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TESTIMONY IN STRONG SUPPORT OF HB1715, RELATING TO AFFORDABLE HOUSING

HOUSE COMMITTEE ON HOUSING

February 11, 2026

To the Honorable Chair and Members of the Committee:

The Democratic Party of Hawai'i strongly supports **HB1715**. This measure advances Hawai'i's responsibility to address the housing crisis by **preserving long-term affordability** in place of the current rules that allow units to be sold at market rate after 10 years.

Hawai'i must ensure a stable supply of long term affordable housing. Today, affordability restrictions on many government-assisted for-sale units **expire after ten years**, allowing homes constructed by public resources to be resold at market rates and weakening Hawai'i's ability to maintain an affordable housing stock over time.

HB1715 supports policies that create a more sustainable and self-sufficient Hawai'i by authorizing the Hawaii Housing Finance and Development Corporation to designate certain for-sale units as **permanently affordable**. This will help ensure a stable supply of affordable units for Hawai'i residents in perpetuity.

Mahalo nui loa for the opportunity to testify in strong support of HB1715. Should you have any questions or require further information, please contact the Democratic Party of Hawai'i at legislation@hawaiidemocrats.org.

HB-1715

Submitted on: 2/9/2026 3:10:20 PM

Testimony for HSG on 2/11/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT

HB-1715

Submitted on: 2/10/2026 12:54:58 AM

Testimony for HSG on 2/11/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Johnnie-Mae L. Perry	Individual	Comments	Written Testimony Only

Comments:

Comment to include DHHL Johnnie-Mae L. Perry

1715 HB RELATING TO AFFORDABLE HOUSING.