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CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
COMMITTEE ON HOUSING

Friday, February 13, 2026
9:00 a.m.
State Capitol, Conference Room 430 & Videoconference

In consideration of
HB 1722
RELATING TO RESIDENTIAL CONDOMINIUMS.

Chairperson Evslin, Vice Chairperson Miyake, and Members of the Committee:
The Hawai'i Community Development Authority (HCDA) **supports HB 1722**, which builds on the Legislature's intent in Act 97, Session Laws of Hawai'i 2023, by refining the Ninety-Nine Year Leasehold Program to better support the delivery of low-cost homeownership opportunities.

Act 97 directed HCDA to develop a low-cost 99-year leasehold condominium pilot project. In response, HCDA selected a site within the Kaka'ako Community Development District and worked with a development partner to complete pre-development and due-diligence activities. However, the project was subsequently placed on hold due to unfavorable macro-economic conditions, including competition from other projects in the area, market uncertainty, financing challenges and the impact of statutory restrictions on the sale of leasehold condominium units.

HB 1722 revises those restrictions in a manner that improves the marketability of these leasehold units, while remaining consistent with the program's goal of promoting owner-occupied housing. These changes are critical to ensuring that the 99-Year Leasehold Condominium Program can function as intended and the pilot project authorized by the Legislature can move forward.

We would like to suggest that the effective date of the bill be changed to 'upon approval' so that work on the pilot project can begin as early as possible.

For these reasons, HCDA supports HB 1722 and urges the Committee to pass the bill. Thank you for the opportunity to provide testimony.



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**The Thirty-Third Legislature
House Committee on Housing
Friday, February 13, 2026
Conference Room 430
9:00 a.m.**

TO: The Honorable Luke A. Evslin, Chair
FROM: Keali'i S. López, State Director
RE: Comment on H.B.1722 Relating to the Residential Condominiums

Aloha Chair Evslin and Members of the Committee:

My name is Keali'i López, and I serve as the State Director of AARP Hawai'i. AARP is a nonprofit, nonpartisan, social impact organization dedicated to **empowering people fifty and older to choose how they live as they age**. We advocate at the state and federal level on issues that matter most to older adults and their families. Access to stable, affordable housing is central to AARP's mission of ensuring residents can age with dignity and remain in their communities. On behalf of our 135,000 members statewide, thank you for the opportunity to **provide comments on H.B. 1722**.

Access to housing that **supports long-term stability** is essential for aging in place and maintaining strong communities. AARP supports policies that promote responsible homeownership, prevent displacement, and help Hawai'i residents particularly **working families and older adults remain in the communities where they work, raise families, and care for loved ones**.

As drafted, H.B. 1722 requires at least **60 percent** of condominium units within urban redevelopment sites to be set aside for **owner-occupied residential use** for a minimum of **10 years** from initial purchase. The bill further requires that **100 percent** of units be initially offered for owner-occupant purchase, with up to **40 percent** allowed to be sold to "qualified residents" only after 60 days if unsold. The measure **imposes strict owner-occupancy enforcement provisions** including prohibitions on renting or subleasing and authorizes penalties for noncompliance up to and including **forced sale**. The bill also grants the Hawai'i Community Development Authority (HCDA) broad rulemaking authority related to physical occupancy requirements, nonresident access, and buyback terms.



While AARP appreciates the intent to promote owner-occupancy and discourage speculative investment, we respectfully raise concerns about **unintended consequences** that could undermine housing stability particularly for older homeowners.

Forced Sale as an Enforcement Mechanism

Authorizing penalties “up to and including forced sale” raises significant consumer protection concerns, especially for older homeowners. Many older adults may temporarily fall out of technical compliance due to medical treatment, rehabilitation, caregiving responsibilities, or other unavoidable life circumstances. The bill does not establish statutory standards, mitigation criteria, or due process protections to ensure that forced sale is used only as a last resort.

Recommendation: AARP urges the Committee to provide clear guidance either through statutory amendment or committee report language establishing guardrails, proportional enforcement standards, and hardship exemptions to prevent unnecessary displacement of owner-occupants.

Broad Occupancy and Access Rulemaking Authority

The bill authorizes HCDA to adopt rules governing minimum physical presence and limits on nonresident access, without statutory direction or required exceptions. This authority could unintentionally penalize older residents who must spend extended time away from their homes for medical care, recovery, or family support, placing their housing security at risk.

Recommendation: AARP strongly encourages the Committee to clarify legislative intent by directing HCDA to include explicit exemptions for health-related absences, caregiving needs, and other reasonable life circumstances in any occupancy or access rules.

Buyback Pricing and Homeowner Equity

H.B. 1722 grants HCDA a right of first refusal with a buyback price “to be determined by the authority,” without statutory guidance. This lack of transparency raises concerns about fairness, predictability, and the ability of homeowners particularly those on fixed incomes to retain reasonable equity in what is often their largest financial asset.

Recommendation: AARP urges the Committee to establish clear parameters or principles for buyback pricing to ensure transparency, protect homeowner equity, and maintain public trust in the program.

AARP Hawai'i supports legislation that advances long-term housing stability, responsible homeownership, and community continuity. However, without appropriate guardrails, **H.B. 1722** risks creating instability for the very residents it aims to support particularly older adults aging in place.

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Accordingly, AARP Hawai'i respectfully urges the **House Committee on Housing to provide clear guidance** in its committee report **addressing enforcement limits, hardship protections, and transparency standards** should the Committee decide to move this measure forward.

Mahalo for your consideration and for your continued commitment to addressing Hawai'i's housing challenges in a way that **protects residents at every stage of life.**

**TESTIMONY OF WILLIAM YUEN TO THE COMMITTEE ON HOUSING
IN SUPPORT OF HB 1722**

My name is William Yuen, and I'm testifying in support of HB 1722. Act 97 of the 2023 session established the 99 year leasehold program to stimulate development of affordable leasehold residential condominium projects for Hawai'i residents on non-ceded state-owned land near public transit stations.

The Hawai'i Community Development Authority (HCDA) has designated a 1.1 acre site in Kakaako for a demonstration project, and has engaged an experienced affordable housing developer to plan a high rise project on the site.

HCDA believes these proposed amendments to HRS Chapter 206E are necessary to keep a demonstration project affordable and attractive for Hawai'i residents while assuring its financial feasibility. As an attorney working with HCDA's developer partner, I support these amendments to HRS Chapter 206E.

Henry Chang, Project Manager
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TESTIMONY OF HENRY CHANG IN SUPPORT OF H.B. 1722

My name is Henry Chang, and I'm testifying in support of HB 1722. Act 97 of the 2023 session established the 99 year leasehold program to stimulate development of affordable leasehold residential condominium projects for Hawai`i residents on non-ceded state-owned land near public transit stations.

The Hawai`i Community Development Authority (HCDA) has designated a 1.1 acre site in Kakaako for a demonstration project, and has engaged an experienced affordable housing developer to plan a high rise project on the site.

HCDA believes these proposed amendments to HRS Chapter 206E are necessary to keep a demonstration project affordable and attractive for Hawai'i residents while assuring its financial feasibility. HCDA and our team have assessed the feasibility of a demonstration project and believe these amended development criteria will support the success of the project. As a project manager working with HCDA's developer partner, I support these amendments to HRS Chapter 206E.