

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

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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 1724

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

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

HHFDC **supports** House Bill 1724, which establishes the Dwelling Unit Revolving Fund (DURF) Equity Program (DEP) as a permanent program under HHFDC.

Many local families, especially those in the “gap group” earning between 80% and 140% of the area median income, struggle to purchase homes despite being mortgage-ready. DEP directly addresses this challenge by allowing HHFDC to invest equity in for-sale units, reducing out-of-pocket costs for buyers and making homeownership attainable for more Hawaii residents. DEP advances the State’s comprehensive approach to solving Hawaii’s housing crisis and provides numerous benefits:

1. Under the pilot program, HHFDC approved equity purchases for seven projects, including Kuilei Place, The Park at Keeaumoku, Lima Ola Workforce Housing Development, Kaulu by Gentry Housing Development, Flats at Sky Ala Moana, Modea, and Kahuina. Presently, a total of 83 units are participating in DEP with about \$2.4 million of the authorized \$10 million remaining for future use. HHFDC anticipates that the remaining funds will be allocated in 2026.
2. Making DEP permanent will also enable HHFDC to pair the program with DURF loans. This will enable us to contribute to the construction financing stack by investing equity in projects to aid project feasibility and allow projects to move forward. DEP complements other HHFDC initiatives like the Hale Kamaaina Mortgage and Down Payment Assistance programs, forming a comprehensive strategy to support first-time homebuyers.

3. This innovative approach creates a revolving, sustainable model. As homes are resold, HHFDC recaptures its equity share, replenishing DURF for future projects.

Thank you for the opportunity to testify.



LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

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

JOSH GREEN, M.D.
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MARY ALICE EVANS
DIRECTOR

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LATE

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 1724
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT
CORPORATION.**

Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing, the Office of Planning and Sustainable Development (OPSD) **supports** HB1724 which makes the Dwelling Unit Revolving Fund (DURF) Equity Pilot Program permanent to address the high unmet demand of for-sale units by state residents.

OPSD believes that by reducing the price of a unit that eligible buyers can purchase, it will help those that are just short of purchasing their first house or need that price reduction to upsize from their current housing situation. These types of assistance may be necessary for our State that is burdened with a high cost of living. This type of government assistance aligns with HHFDC's production pipeline and financing strategy along with the Governor's housing strategy and production goals of keeping local residents in Hawaii.

Thank you for the opportunity to testify on this measure.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
Support for HB1724— Relating to the Hawaii Housing Finance and Development Corporation

House Committee on Housing

Wednesday, February 11, 2026 at 9:00AM Conf. Rm. 430 and via Videoconference

Aloha Chair Chang, Vice Chair Hashimoto, and members of the committee;

Mahalo for the opportunity to testify **in support of HB1724**, Relating to the Hawai‘i Housing Finance and Development Corporation. HB 1724 would establish the Dwelling Unit Revolving Fund (DURF) Equity Program (DEP) as a permanent program administered by HHFDC.

Under current law, DURF is a flexible fund that helps get housing built, largely by providing loans and infrastructure financing. In recent years, HHFDC launched a Dwelling Unit Revolving Fund Equity Pilot Program to test a more direct approach: instead of only financing projects from the developer side, the state can use DURF dollars to buy an equity share in individual units and lower the purchase price for qualified Hawai‘i residents.

In this pilot, HHFDC works with specific for-sale projects to designate a set number of “starter” units for resident households. State equity—often on the order of about \$100,000 per unit—is invested into those homes.¹ That investment directly reduces the amount the individual buyer has to borrow, making a brand-new condo attainable for a resident who would otherwise fall short on price, down payment, or debt-to-income ratio.

Buyers in these units must meet HHFDC requirements: they must be Hawai‘i residents, qualify under HHFDC’s income and asset limits, and not own other real property. In some projects, a portion of the reserved units is targeted to workers in shortage professions such as teachers, nurses, and first responders.² This is not a broad subsidy to the market—it is a targeted investment that shows up as a lower price for the local household signing the mortgage.

HB 1724 simply takes that working pilot and writes it into statute as a permanent program. It confirms that HHFDC may use DURF to take an equity interest in designated units, and it requires that those units be sold to qualified residents under HHFDC’s rules. It does not create a new fund or change who qualifies; it gives HHFDC clear, ongoing authority to keep using equity investments to help individual residents buy into new housing.

For Hawai‘i Appleseed, this is exactly the kind of tool we should be scaling: public dollars going straight to reduce the cost of a specific home for a specific local family, in new projects that

1

<https://dbedt.hawaii.gov/hhfdc/for-homebuyers-the-dwelling-unit-revolving-fund-equity-pilot-dep-program/>

² <https://www.kuileiplace.com/dep/>



HAWAII APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai‘i Appleseed Center for Law and Economic Justice
**Support for HB1724– Relating to the Hawaii Housing Finance and Development
Corporation**

House Committee on Housing

Wednesday, February 11, 2026 at 9:00AM Conf. Rm. 430 and via Videoconference

would otherwise be out of reach. We respectfully urge the Committee to pass HB1724 so the DURF Equity Program can move from temporary pilot to a stable, permanent way for the state to help Hawai‘i residents become homeowners in our newest housing.

February 10, 2026

TO: Chair Evslin and Members of the House Committee on Housing
RE: HB 1724, Relating to the Hawai'i Housing Finance and Development Corporation

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 HB 1724. This measure will permanently establish the Dwelling Unit Revolving Fund (DURF) Equity Program.

The pilot program was established by Act 92, SLH 2023, with the express purpose of providing more homeownership opportunities to qualified residents. An October 2024 investigation by Hawai'i Business Magazine confirms the impact of the earlier pilot program for residents searching for more housing opportunities.¹

We need to provide more housing opportunities to our workforce. Hawai'i presently enjoys the lowest rate of homeownership among young adults (those under the age of 35) in the entire United States. 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.² Programs like the Equity Program can close the housing gap, one home at a time.

Please advance HB 1724.

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 For more information on this report, see <https://tinyurl.com/hd3sfx5n>

² 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>



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**The Thirty-Third Legislature
House Committee on Housing
Wednesday, February 11, 2026
Conference Room 430
9:00 a.m.**

TO: The Honorable Luke A. Evslin, Chair
FROM: Keali'i S. López, State Director
RE: Strong Support for H.B. 1724 Relating to the Hawai'i Housing Finance and Development Corporation

Aloha Chair Evslin and Members of the Committee:

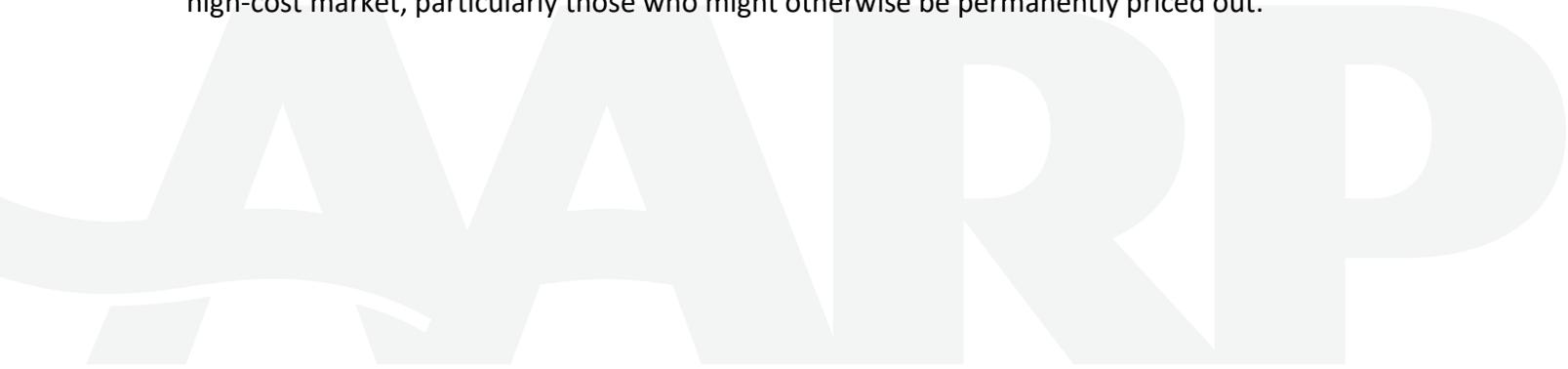
My name is Keali'i López, and I serve as the State Director of AARP Hawai'i. AARP is a nonprofit, nonpartisan, social impact organization dedicated to **empowering people fifty and older to choose how they live as they age**. We advocate at the state and federal level on issues that matter most to older adults and their families. On behalf of our 135,000 members statewide, thank you for the opportunity to testify in **strong support of H.B. 1724**.

H.B. 1724 makes permanent the Dwelling Unit Revolving Fund (DURF) Equity Pilot Program and establishes a long-term DURF Equity Program within the Hawai'i Housing Finance and Development Corporation (HHFDC). The program allows HHFDC to purchase equity in for-sale housing developments to **reduce upfront costs for qualified local buyers** — specifically residents earning up to 120% AMI for purchase units (and 80% AMI for rentals), in accordance with §201H-32.

This measure responds directly to Hawai'i's **urgent need for attainable, for-sale housing for local families** who have been priced out despite stable employment and deep community ties. This bill provides several critical benefits:

1. Makes Homeownership More Attainable for Local Residents

By allowing HHFDC to invest equity in specific units, the required buyer contribution is meaningfully reduced. This **helps first-time and working-class homebuyers** compete in Hawai'i's high-cost market, particularly those who might otherwise be permanently priced out.



2. Creates a Sustainable, Responsible Financing Cycle

Repayment is clearly defined and tied to predictable triggers — such as resale, refinancing, or changes in owner-occupancy — ensuring public funds are replenished and can be reinvested into additional affordable units. Importantly, equity and appreciation shares run with the deed, **providing transparency and accountability.**

3. Supports Long-Term Affordability and Community Stability

This approach aligns with Hawai'i's long-term housing goals by:

- Preserving affordability as units turn over
- Encouraging owner occupancy
- Helping local families remain here rather than relocating due to high housing costs
- Stabilizing communities and supporting a diverse local workforce
- Reinforcing the ability of kūpuna to age in place near family and support networks

4. Enhances Development Efficiency

Strengthening DURF gives HHFDC **greater flexibility to finance affordable projects** more efficiently and to support mixed-use and transit-oriented developments. Predictable financing tools help shorten development timelines — **benefiting buyers, communities, and developers.**

Stable, affordable housing is foundational to **healthy, resilient communities.** As housing costs force younger families to leave and put pressure on kūpuna who want to age in place, Hawai'i **risks losing the intergenerational stability** that has always been a hallmark of our islands.

H.B. 1724 supports:

- **Working families** striving to remain in Hawai'i
- **Local residents** needing attainable pathways to homeownership
- **Kūpuna** who depend on strong communities to age safely and with dignity
- **Economic vitality**, as a stable workforce is essential to small businesses and service industries statewide

H.B. 1724 is a practical, fiscally responsible, and community-focused measure that improves the effectiveness of DURF, strengthens local homeownership opportunities, and ensures a more sustainable housing future for Hawai'i residents of all ages.

AARP Hawai'i respectfully urges the Committee to **pass H.B. 1724.**

Mahalo for your consideration and for your continued commitment to addressing Hawai'i's housing needs.

TO: HOUSE COMMITTEE ON HOUSING
The Honorable Luke A. Evslin, Chair
The Honorable Tyson K. Miyake, Vice Chair, and
Members of the Committee

FROM: Terry George, Chief Executive Officer & President

RE: Testimony in Support for HB 1724, Relating to the Hawai'i Housing Finance and
Development Corporation

DATE: Wednesday, February 11, 2026 at 9:00 am

LOCATION: Conference Room 430

The Hawai'i Community Foundation (HCF) **supports** the intent of **HB 1724**, which establishes the Dwelling Unit Revolving Fund (DURF) Equity Program as a permanent program to be administered by the Hawaii Housing Finance and Development Corporation.

Current efforts need to be expanded, and new creative solutions must be adopted. The push to build new homes must be accompanied by programs that allow families to afford the homes. Per UHERO, Hawai'i has some of the highest costs of housing in the country with our home prices being the highest in the nation¹ and our median rents being the second highest in the nation.² ALICE (Asset Limited, Income Constrained, Employed) families pay a large portion of income on housing and are challenged to fulfill a dream of homeownership because of the current housing market. The unmet demand for affordable housing is at a critical level, which has contributed to a record outmigration of local residents. This reality is punctuated by the fact that more Hawaiians now live outside Hawai'i than within Hawai'i.

Housing is a priority area within HCF's CHANGE Framework to make Hawai'i more affordable for families and individuals and advances goals that are part of the CHANGE Community-Centered Economy sector. As part of our commitment to CHANGE, the House Maui Initiative continues to create a sustainable housing market for local families. The DURF Equity Program is one path to help increase the volume of homes that are purchased by Hawai'i residents. The program is designed to lower home costs for new buyers, by providing them with an interest-free loan for a portion of the overall cost. They can pay off this loan at their own pace. If the homeowner decides not to stay in the home, then the proportion of the

¹ [UHERO 2025 Hawai'i Housing Factbook](#) – page 2.

² [UHERO 2025 Hawai'i Housing Factbook](#) – page 6.

earned equity tied to the loan goes back to the state. Participants are members of the workforce that Hawai'i desperately needs, like teachers, police officers, and nurses.

Hawai'i residents need more places to call home that do not strain their household budgets to the maximum. Please advance HB 1724 to make housing affordable and give families a chance to control their economic futures.