

**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

FAX: (808) 587-0600

Statement of

### **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation

Before the

### **HOUSE COMMITTEE ON WATER AND LAND**

February 17, 2026 at 9:00 a.m.

State Capitol, Room 411

In consideration of

### **HOUSE BILL 1740 HOUSE DRAFT 1**

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

Chair Hashem, Vice Chair Morikawa, and members of the Committee.

HHFDC **supports** House Bill 1740 House Draft 1, which removes the prohibition against qualified residents for HHFDC-approved projects holding a majority interest in land and removes the requirement that qualified residents demonstrate financial viability or ability to pay rent. Also, amends exemptions from statutes, ordinances, charter provisions, and rules for certain housing projects developed by the Corporation that satisfy certain conditions.

This bill addresses critical issues in Hawaii's housing market by ensuring that homes developed with public support remain available for local residents in perpetuity. The bill recognizes that time-limited affordability restrictions often lead to units being sold or rented without regard for local residency, undermining the long-term goals of housing programs. By requiring perpetual deed restrictions, this bill helps preserve housing for future generations and prevents speculative investment and transient use that drive up costs and reduce availability for Hawaii residents.

This bill is an important step toward addressing Hawaii's housing challenges and improving the viability of affordable housing projects. HHFDC supports this bill on the following basis:

1. **Facilitates Project Financing and Construction.** Allowing up to 20% of the units to be sold to non-owner occupants will help developers achieve sales targets more quickly, enabling them to secure financing and start construction sooner. This flexibility is critical for moving projects forward and delivering housing to the community without unnecessary delays.

2. Provides Flexibility for Affordable Buyers. Permitting households to rent their units after one year of owner occupancy makes affordable units a more attractive option for buyers.
3. Ensures Long-Term Housing for Local Residents. The requirement that any rental must have a minimum lease term of one year ensures that these units will not be used for short-term rentals. This provision preserves community stability and guarantees that projects provide long-term housing for Hawaii residents rather than transient accommodations.

Thank you for the opportunity to testify.



# holomua

COLLABORATIVE

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## OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

## OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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## BOARD MEMBERS

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Meli James, *Board Chair*  
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Brandon Kurisu  
Brad Nicolai  
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Sunshine Topping

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Page 1 of 2

**Committee:** House Committee on Water and Land  
**Bill Number:** HB1740 HD1, Relating to the Hawai'i Housing Finance and Development Corporation  
**Hearing Date and Time:** February 17, 9:00am, Room 411  
**Re:** Testimony of Holomua Collaborative – Support

Aloha Chair Hashem, Vice Chair Morikawa, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of HB 1740 HD1, Relating to the Hawai'i Housing Finance and Development Corporation. This bill would incentivize the development of housing dedicated for local families.

Hawai'i remains in a severe housing crisis. Skyrocketing home prices leave many local families struggling to secure safe, attainable places to live. The median single family home price in Hawai'i now exceeds \$1,000,000, while the median for a condominium is nearly \$650,000, creating an impossible barrier for most residents. As a result, many local families are being forced to leave in search of more affordable options elsewhere. Between July 2024 and July 2025, an average of 11 people left Hawai'i *each day*.<sup>1</sup> More Native Hawaiians now live outside Hawai'i than within it, representing a staggering loss of our culture, traditions, and the very essence of what makes Hawai'i home.

In October 2025, a survey<sup>2</sup> on the day-to-day financial experience of local workers suggested that this crisis continues to reach alarming levels. When nearly 3,200 local workers were asked if they might need to move to a less expensive state, only 25 percent answered a definitive “no”, which is a decrease from 31 percent in 2024. Meanwhile, 75 percent said “yes” or were “unsure”, representing an increase from 69 percent in 2024. Additionally, more than half of respondents cited housing costs as the primary driver of their high cost of living. Each local worker and family we lose to the continent contributes to the erosion of our economy, our culture, and our community.

The high cost of living and limited housing options have led essential members of our workforce, including teachers, firefighters, and health care workers, to consider relocating. This exodus deepens our state's labor shortages and diminishes the quality of life for all residents.

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<sup>1</sup> U.S. Census Bureau, Population Division Estimates, released January 2026; and calculations by the Hawai'i State Department of Business, Economic Development & Tourism, Hawai'i State Data Center.

[https://files.hawaii.gov/dbedt/census/popestimate/2025/state-pop/2025\\_daily\\_est\\_state.pdf](https://files.hawaii.gov/dbedt/census/popestimate/2025/state-pop/2025_daily_est_state.pdf)

<sup>2</sup> 2025 Hawai'i Affordability Survey - <https://holomuacollective.org/survey-25/#3>

Hawai'i is facing a critical housing shortage, particularly for residents who are seeking a permanent home for their families rather than trying to acquire real estate for investment or speculative purposes. Existing regulatory barriers often slow down the production of the additional housing units that are so urgently needed, and this slowed production directly translates into increased home prices. As a means of building at a lower cost and in a faster time frame, Section 201H-38 offers variances and waivers to statutes, ordinances, and codes for developers looking to build housing projects that meet certain criteria.

This bill would create a new option to incentivize the development of housing dedicated to local residents in perpetuity. Specifically, this bill allows for variances and waivers for projects that sell 80 percent of all units to local residents who agree to live in the unit for at least one year and are domiciled in Hawai'i. After that initial year and into perpetuity, the unit must be occupied by an owner occupant or a renter with a long-term lease. This approach prioritizes housing for local workers and prevents homes from being lost to speculative investment or short-term rentals.

Additionally, this bill removes the prohibition on holding a majority interest in land from the definition of qualified residents eligible to purchase HHFDC financed housing units. A significant hurdle to attainable homeownership is the lack of housing mobility, or the ability to climb the "housing ladder." A healthy market requires inventory turnover: a resident should be able to sell a studio to move into a larger condo as their family grows and eventually move into a single-family home. Current restrictions in HHFDC programs make it difficult for owners of these units to move up the ladder. This bill will help homebuyers move up by allowing those who have previously owned an HHFDC unit to transition to another HHFDC property that better fits their current needs.

HB 1740 HD1 is an investment in our future. This program provides the opportunity to scale the development of local only housing that will keep families in Hawai'i. This measure is an opportunity to ensure that our islands remain vibrant, diverse, and a place where local working families can afford to stay.

I urge you to support HB 1740 HD1.

Sincerely,

Matthew Prellberg  
Policy & Communications Director



February 12, 2026

**Testimony in Support of H.B. 1740 HD1  
Relating to Hawaii Housing Finance and Development Corporation**

Aloha Chair Hashem, Vice Chair Morikawa, and members of the Committee,

Aloha United Way **supports H.B. 1740 HD1**, which strengthens long-term residency protections in housing developed through the Hawai'i Housing Finance and Development Corporation.

Hawai'i's housing crisis is pushing working families to the breaking point, and often out of the state. Currently, 40%<sup>1</sup> of households are ALICE (Asset Limited, Income Constrained, Employed), struggling to cover basic expenses, with housing costs leading the burden. Aloha United Way's 2024 *Facts & Figures* report shows that 37% of residents have considered leaving Hawai'i, driven largely by the cost of housing. When publicly supported housing later exits the local housing pool, it undermines the very purpose of those public investments.

H.B. 1740 HD1 helps preserve housing for local residents by requiring perpetual deed restrictions that ensure units remain occupied by people who live in Hawai'i. It also removes duplicative financial screening requirements that can slow down the process for qualified residents, while still allowing lenders and landlords to perform their own underwriting.

By keeping these units in the hands of local residents over the long term, this measure helps stabilize communities, reduce speculative ownership, and ensure that public housing investments continue to serve the people they were intended to support. It keeps Hawai'i's people right here at home.

For these reasons, Aloha United Way respectfully urges your support for H.B. 1740 HD1.

Mahalo,

Michelle Bartell  
President & CEO  
Aloha United Way

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<sup>1</sup> <https://www.auw.org/about/alice-initiative/alice-reports/>



**Hawai'i YIMBY**  
Honolulu, HI 96814  
hawaiiyimby.org  
info@hawaiiyimby.org

February 17, 2026

House Committee on Water & Land  
Hawai'i State Capitol  
Honolulu, HI 96813

**RE: SUPPORT for HB 1740 HD1 - RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

Aloha Chair Hashem, Vice Chair Morikawa, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 1740 HD1**, which updates key policies governing Hawaii Housing Finance and Development Corporation approved housing projects to better serve local residents while preserving long-term public benefit.

This bill makes important changes to the definition of a qualified resident. By removing duplicative financial screening and ownership-based restrictions, these changes recognize that lenders and landlords already perform appropriate underwriting and that residents should be allowed to move through the housing market as their needs change. These updates reduce unnecessary barriers for local households and provide residents with greater flexibility as their family size, employment, or financial situation evolves, without weakening residency requirements.

The bill also modernizes owner-occupancy requirements. Instead of permanent owner-occupancy mandates, the bill requires owner-occupancy for a limited initial period and then allows homes to be rented on a long-term basis. This change reflects real-world housing needs, such as job relocations or growing families, while still maintaining strong protections against transient use.

Critically, the bill pairs this added flexibility with permanent deed restrictions that ensure homes continue to serve local Hawai'i residents over time. These restrictions require



**Hawai'i YIMBY**  
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occupants to be domiciled in the state, limit rentals to long-term leases, and ensure that future sales are made only to qualified residents. This approach shifts the focus from rigid ownership rules to **what matters most: who lives in the home and who benefits from it.**

By balancing resident flexibility with strong, permanent protections for local use, HB 1740 HD1 strengthens the long-term value of publicly supported housing and helps ensure these homes remain a resource for Hawai'i's residents for generations to come.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,  
Damien Waikoloa  
Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega  
Chapter Lead, Hawai'i YIMBY

Huey Kwik  
Chapter Lead, Hawai'i YIMBY





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**The Thirty-Third State Legislature  
House Committee on Water & Land  
Tuesday, February 17, 2026  
Conference Room 411  
9:00 a.m.**

TO: The Honorable Mark J. Hashem, Chair  
FROM: Keali'i S. López, State Director  
RE: Support for H.B. 1740 HD1 Relating to The Hawai'i Housing Finance and Development Corporation

Aloha Chair Hashem and Members of the Committee:

I am Keali'i Lopez, State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan, social impact organization dedicated to empowering people fifty and older to choose how they live as they age. We advocate for the issues that matter most to older adults and their families: health and financial security, and personal fulfillment. On behalf of our 135,000 members in Hawai'i, thank you for the opportunity to testify on H.B. 1740 HD1.

**AARP supports H.B. 1740 HD1** which establishes **perpetual deed restrictions** that require any resale to be made to a *qualified resident*, require **Hawai'i domicile** for occupants, and ensure any rental is for a **minimum one-year term**. It also revises the definition of "qualified resident" by striking certain land-ownership prohibitions and retaining core requirements. Additionally, it requires that at least **80% of units** in certain projects be initially sold to qualified residents and owner-occupied for one year, after which perpetual deed restrictions remain in effect.

AARP's housing policy emphasizes the importance of **preserving housing for long term residents and preventing displacement**. The perpetual deed-restriction framework helps ensure publicly enabled homes remain available to Hawai'i residents, supporting long-term community stability. **H.B. 1740 HD1 reduces unnecessary development and buyer costs** by removing duplicative income/ability-to-pay screening and preventing cost-increasing conditions, which helps reduce soft costs that are typically passed on to consumers.



H.B. 1740 HD1 Relating to The Hawai'i Housing Finance and Development Corporation  
February 17, 2026  
Page2

It also **expands stable rental options** by allowing deed-restricted units to be **rented long-term** after an initial owner-occupancy period. This should expand housing options for older adults who downsize or shift to renting.

Ensuring a supply of affordable housing can attract and retain a diverse workforce, support local businesses, and contribute to the overall economic health of Hawai'i. This is especially important to prevent young working families from leaving Hawai'i due to housing instability. Who will care for our aging parents and grandparents if our sons, daughters, and grandchildren leave Hawai'i because of limited housing options?

H.B. 1740 HD1 is a step in the right direction. AARP Hawai'i respectfully urges the **House Committee on Water & Land to pass H.B. 1740 HD1.**

Mahalo for your leadership and continued commitment to addressing Hawai'i's housing crisis.



February 17, 2026

TO: Chair Hashem and Members of the House Committee on Water & Land  
RE: HB 1740 HD1, Relating to the Hawai'i Housing Finance and Development Corporation

Dear Chair Hashem 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 strongly support House Bill 1740 HD1.** This measure expands the scope of attainable housing options available to residents while simultaneously removing prohibitions that discriminate against residents.

When offering housing options to residents, the State of Hawai'i should not discriminate against residents based on their financial circumstances. The over-regulation of individual residents and their lives is not conducive to a friendly and inviting housing environment. A young person or family who owns a small studio apartment and wants to move up the housing ladder should not be penalized.

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.

Our objective with existing housing programs is to provide more housing options to residents, not more barriers. Please advance **House Bill 1740 HD1**.

Thank you,



Lee Wang  
Executive Director  
Housing Hawai'i's Future  
[lee@hawaiisfuture.org](mailto:lee@hawaiisfuture.org)



Perry Arrasmith  
Director of Policy  
Housing Hawai'i's Future  
[perry@hawaiisfuture.org](mailto:perry@hawaiisfuture.org)

# TORI RICHARD

February 17, 2026

Aloha Chair Hashem, Vice Chair Morikawa, and members of the Committee,

We write in support of HB 1740 HD1.

Tori Richard has manufactured in Honolulu for over 70 years, and we continue to proudly do so today. As a long-time medium-sized Hawai'i employer, we recognize the challenge high housing costs pose to everyone working to make ends meet in Hawai'i.

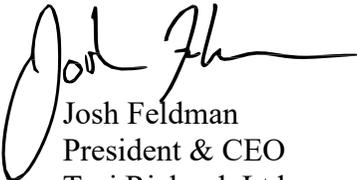
Our business is deeply committed to supporting Hawai'i's local workforce, and the growing housing crisis makes it increasingly difficult for our employees to remain in the islands. Attainable housing that is dedicated for local families is key to keeping talented, creative people in Hawai'i, and this bill offers a much-needed solution to that challenge.

Many of our employees are struggling to find attainable housing. As their employer, I see firsthand the impact this has on their lives. When workers are forced to move away or leave the state altogether, it hurts our ability to operate and expand. Incentivizing developers to build housing units that are dedicated to resident-occupancy, we can ensure that local workers, like those in the fashion, manufacturing, and retail industries, have a place to call home. This stability will allow them to continue contributing to Hawai'i's vibrant economy and support local businesses.

Moreover, as a company that takes pride in being part of the local community, we understand the importance of preserving Hawai'i's unique cultural identity. The housing crisis threatens that identity, as local residents are pushed out by non-resident investors and wealthy buyers. HB 1740 HD1 will help reverse this trend by providing a steady supply of affordable homes for local residents, ensuring our workforce and community remain strong and diverse.

I urge you to support HB 1740 HD1, as it is essential to the future of our business and the local economy. Thank you for your consideration.

Sincerely,



Josh Feldman  
President & CEO  
Tori Richard, Ltd.

1891 NORTH KING STREET  
HONOLULU, HAWAII 96819



**February 17, 2026**

**Committee:** House Committee on Water and Land  
**Bill Number:** HB1740 HD1, Relating to the Hawai'i Housing Finance and Development Corporation  
**Hearing Date and Time:** February 17, 2026, 9:00am  
**Re:** Testimony of HPM Building Supply in Support

Dear Chair Hashem, Vice Chair Morikawa, and Committee Members:

I would like to submit this testimony in support of HB1740 HD1, Relating to the Hawai'i Housing Finance and Development Corporation. This bill would help create a housing market dedicated for local working families in Hawai'i by encouraging the development of new housing that is preserved for Hawai'i residents who live in the state.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry, operating since 1921. With 18 locations across Hawai'i and Washington State, HPM offers a range of services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

A significant portion of our community's workforce comprises skilled tradespeople such as carpenters, electricians, and plumbers, all integral to the construction process. However, as housing and rental prices rise, these workers are forced to leave the state in search of more affordable housing. The result is a shortage of skilled labor in the construction sector, leading to delays and higher costs for homeowners and developers alike. This bill would address this by ensuring local families have safe and secure housing in the same communities where they work.

HB1740 HD1's approach – incentivizing the development of deed-restricted housing for local residents – will help stabilize the housing market by giving local workers a better chance in a competitive market where wealthier non-residents often have an advantage. With more local residents able to afford homes and stay in the state, we will have a stronger, more sustainable construction industry that benefits everyone, from homeowners to contractors and beyond.

I ask for your support of HB1740 HD1, as it provides the foundation for a more robust, locally employed, and efficient building industry that will meet the needs of Hawaii's growing population.

Sincerely,

Jason Fujimoto  
Chairman & CEO





**Testimony in Support of HB1740 HD1, Relating to the Hawai'i Housing Finance and Development Corporation**

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Aloha Chair Hashem, Vice Chair Morikawa, and members of the Committee,

We write in strong support of HB1740 HD1, which will incentivize the development of housing that is dedicated to resident-occupants in perpetuity.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawai'i is at our core, and through our products and services, we work hard to make Hawai'i a better place for future generations.

Hawai'i is in the midst of a housing crisis. Our employees are our greatest asset, and we want to ensure they have access to quality, affordable housing. This program is a good first step toward establishing a housing market dedicated to local working families rather than out-of-state purchasers.

Mahalo for the opportunity to submit testimony in support of HB 1740 HD1.

A handwritten signature in black ink that reads "Brandon Kurisu". The signature is written in a cursive, flowing style.

Brandon Kurisu  
aio Family of Companies





# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice  
**Support for HB1740 – Relating to the Hawaii Housing Finance and Development Corporation**

House Committee on Water & Land  
Tuesday, February 17, 2026 at 9:00AM Conf. Rm. 411 and via Videoconference

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Aloha Chair Hashem, Vice Chair Morikawa, and members of the committee;

Mahalo for the opportunity to testify in **strong support of HB 1740 HD1**, relating to the Hawai'i Housing Finance and Development Corporation (HHFDC). HB 1740 HD1 adjusts the definition of qualified resident in HHFDC programs and adds strong, permanent local-residency rules for certain 201H projects.

HRS Chapter 201H is one of the State's strongest tools for addressing Hawaii's housing shortage. To keep pace with need, Hawaii must add at least 64,000 units by 2027<sup>1</sup>--a level of demand we are currently not on track to meet. HB 1740 HD1 strengthens 201H by ensuring that homes built under this program serve local residents for the full life of the building. By requiring that at least 80% of units in certain 201H projects be initially sold to qualified residents, establishing a perpetual deed restriction tied to Hawaii domicile, mandating a minimum one year rental term, and limiting all subsequent resale to qualified residents. HB 1740 HD1 ensures that housing created through 201H entitlements remain in local hands.

HB 1740 HD1 also modernizes the "qualified resident" definition so that program eligibility is grounded in residency and owner-occupancy, rather than duplicative income underwriting and rigid ownership-based criteria that can unintentionally restrict mobility. Removing these outdated financial and ownership screens, giving local households greater flexibility to move, grow, or downsize over time without creating an undo penalty on the resident. This flexibility increases the likelihood that units remain actively occupied by local families. It is more important to keep housing in local hands over the long term than to rely on time-limited income restrictions that are administratively complex, slow production, and can unintentionally discourage homeownership.

HB 1740 HD1 can align 201H projects with the goals of preserving housing opportunities for Hawai'i residents over generations by tying units to local occupancy and responsible long-term use, while providing a more workable framework that can support the scale of building we need to meet demand.

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<sup>1</sup> <https://www.wardresearch.com/2024-hawaii-housing-planning-study>