

**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

### **SENATE COMMITTEE ON HOUSING**

March 17, 2026 at 1:05 p.m.

State Capitol, Room 225

In consideration of

### **HOUSE BILL 1740 HOUSE DRAFT 2**

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

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **supports** House Bill 1740 House Draft 2, 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. The Bill also incentivizes the production of housing by providing greater flexibility for projects seeking exemptions from statutes, ordinances, charter provisions, and rules.

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.

We recommend a clarifying amendment to section 201H-38(a)(2)(B) as follows:

- (B) Notwithstanding the ten-year owner occupancy requirement in sections **201H-47 and 201H-49**, ...

Thank you for the opportunity to testify.



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**The Thirty-Third Legislature  
Senate Committee on Housing  
Tuesday, March 17, 2026  
Conference Room 225  
1:05 p.m.**

TO: The Honorable Stanley Chang, Chair  
FROM: Keali'i S. López, State Director  
RE: Support for H.B. 1740 HD2 Relating to The Hawai'i Housing Finance and Development Corporation

Aloha Chair Chang and Members of the Committee:

My name is Keali'i López, and I am the State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan social impact organization, dedicated to empowering people age 50 and older to choose how they live as they age. In Hawai'i, we represent **135,000 members**, and housing affordability and stability remain among their most urgent concerns. Mahalo for the opportunity to testify **in strong support of H.B. 1740 HD2.**

**H.B. 1740 HD2 takes a critical step toward preserving housing opportunities for Hawai'i's long-term residents** by establishing **perpetual deed restrictions** that ensure publicly enabled housing continues to serve its intended purpose. The bill requires resale only to a *qualified resident*, establishes **Hawai'i domicile** requirements for occupants, and ensures that any rental is limited to a **minimum one-year term**. These provisions are essential to preventing speculation and maintaining housing stability for local residents.

The measure also appropriately **refines the definition of "qualified resident"** by removing unnecessary landownership prohibitions while preserving core eligibility requirements. In addition, the bill requires that at least **80 percent of units** in certain projects be initially sold to qualified residents and **owner-occupied for at least one year**, after which the perpetual deed restrictions remain in effect. This balanced approach protects public investment while providing flexibility over time.

AARP's housing policy emphasizes the importance of **preventing displacement and preserving housing for long-term community members**. The perpetual deed restriction framework

advanced by H.B. 1740 HD2 helps ensure that homes developed with public support remain available to Hawai'i residents not lost to short-term market pressures. This stability is especially important for older adults seeking to age in place and for families striving to remain rooted in their communities.

Importantly, **H.B. 1740 HD2 also reduces unnecessary development and buyer costs** by removing duplicative income and ability-to-pay screening requirements and preventing cost-increasing conditions. These changes help reduce soft costs that are too often passed on to buyers and renters, making housing more attainable without sacrificing accountability.

The bill further **expands long-term rental opportunities** by allowing deed-restricted units to be rented after an initial owner-occupancy period, provided rentals meet long-term requirements. This provision can meaningfully increase stable rental options for residents, including older adults who may downsize or transition from homeownership to renting while remaining in their communities.

Ensuring a stable supply of affordable housing is essential to **retaining Hawai'i's workforce, supporting local businesses, and strengthening our overall economy**. When housing instability forces young working families to leave Hawai'i, the impacts are felt across generations. The question becomes not only where our children and grandchildren will live, but who will care for our aging parents and grandparents if families can no longer afford to stay.

H.B. 1740 HD2 is a thoughtful, targeted measure that advances housing stability, protects public investment, and supports multigenerational communities. For these reasons, **AARP Hawai'i respectfully urges the Senate Committee on Housing to pass H.B. 1740 HD2.**

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



[www.AlohaILHawaii.org](http://www.AlohaILHawaii.org)

Mar 17, 2026

#### MISSION

Aloha Independent Living Hawaii (AILH) dedicated to providing independent living programs and services for persons with disabilities in Hawaii.

We work together with the community and consumers to improve the quality of life through individual choices and access to services.

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Roxanne U. Bolden

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The Honorable Stanley Chang, Chair  
Senate Committee on Housing  
The Thirty-Third Legislature  
State Capitol  
State of Hawaii  
Honolulu, Hawaii 96813

**SUBJECT:** HB1740 HD2 – Relating to the Hawaii Housing Finance and Development Corporation

Chair and Members of the Committee:

Aloha Independent Living Hawaii (AILH) is a consumer-controlled, cross-disability Center for Independent Living (CIL) serving people with disabilities across Hawaii. We write **in support of HB1740 HD2**, which removes certain financial screening requirements from the HHFDC qualified resident definition and establishes perpetual deed restrictions of the HHFDC-approved housing projects, with important comments regarding protections for people with disabilities.

This bill makes two changes that directly affect access to HHFDC housing for people with disabilities, and AILH addresses each in turn.

1. **Removing the financial viability and ability-to-pay requirement – AILH supports this change:** Section 2 of the bill amends the definition of ‘qualified resident’ under Section 201H-32, Hawaii Revised Statutes, by removing criterion (4), which required applicants to demonstrate gross income sufficient to qualify for a purchase loan or an ability to pay rent as determined by HHFDC. The bill’s findings note that lenders and landlords already conduct necessary underwriting and screening, and that HHFDC’s duplicative review causes unwarranted delays and administrative burden. AILH agrees. The existing financial viability requirement has operated as a structural barrier for people with disabilities on fixed



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incomes—including SSI recipients whose average monthly payment in Hawaii is approximately \$580, and SSDI recipients whose benefits rarely keep pace with Hawaii's cost of living. When HHFDC applies its own income screening on top of lender and landlord underwriting, it creates a double barrier that disproportionately excludes the lowest-income applicants, who are disproportionately people with disabilities. Removing this layer of HHFDC screening is a meaningful access improvement. AILH supports this change.

- 2. Perpetual deed restrictions and disability-related temporary absences – AILH urges clarification:** Section 3 of the bill amends Section 201H-38, Hawaii Revised Statutes, to require perpetual deed restrictions on HHFDC-approved units. Among these restrictions is a requirement that units be occupied by a person domiciled in the State 'at all times,' with a hardship exception as provided in Section 201H-49. AILH supports the goal of keeping HHFDC units in the hands of Hawaii residents rather than absentee investors. However, the 'at all times' language creates a specific risk for people with disabilities that must be addressed. People with disabilities frequently must temporarily vacate their homes for reasons that are medical and non-voluntary: hospitalization, inpatient rehabilitation, a short-term care facility stay, or a period of residential treatment. These absences are not a choice—they are driven by medical need, and too often by a community care system that has not yet provided the alternatives to institutional settings that Olmstead requires. If the hardship exception in Section 201H-49 does not explicitly and clearly cover disability-related temporary absences, a person with a disability who enters a hospital or rehabilitation facility for several months could be found out of compliance with the perpetual deed restriction and placed at risk of losing their housing—the very outcome that the Olmstead decision and the Americans with Disabilities Act are designed to prevent. AILH urges the Committee to explicitly confirm, either in the bill language or in legislative history, that disability-related temporary absences from an HHFDC unit—including hospitalization, inpatient rehabilitation, and medically



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necessary care facility stays—are covered by the hardship exception in Section 201H-49 and do not constitute a violation of the perpetual occupancy in restriction.

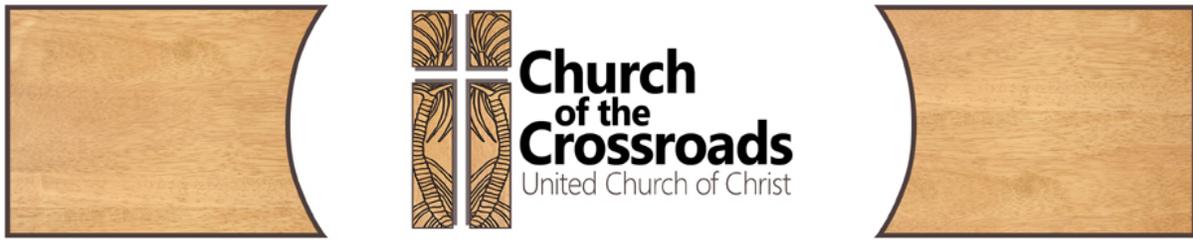
- 3. Reduction of owner-occupancy requirement from ten years to one year – AILH notes this is a positive change for people with disabilities:** The bill's amendment to Section 201H-38 reduces the owner-occupancy requirement from the current ten-year period in Section 201H-49 to a minimum of one year following the initial sale. AILH notes that this change is beneficial for people with disabilities, who may need to move from a purchased unit sooner than ten years due to changes in their disability-related accessibility needs—for example, when a person's condition progresses and their current unit no longer meets their accessibility requirements. The ability to sell after one year and purchase a more accessible unit, rather than being locked into a ten-year occupancy requirement, is consistent with Independent Living principles of self-determination and the right to make decisions about one's own living situation.

AILH supports HB1740 HD2 and urges the Committee to pass it with the clarification described above regarding disability-related temporary absences and the perpetual occupancy requirement. Keeping people with disabilities housed in their communities—rather than cycling them through institutions—depends on housing policy that accounts for the realities of living with a disability in Hawaii.

Thank you for the opportunity to testify.

Aloha,

Roxanne Bolden  
Executive Director



**TESTIMONY IN SUPPORT OF HB1740, AS AMENDED**

Senate Committee on Housing

March 17, 2026 at 1:05 pm.

*The Church of the Crossroads was founded in 1923 as Hawaii's first intentionally multiethnic church,. We are a Just Peace Church that actively works toward social, economic, and ecological justice in the care of God's whole creation.*

Chair Chang, Vice Chair Hashimoto, Members:

Crossroads' **supports** HB1740 HD 2 **as amended**. We don't want to lose housing affordability for residents. As the bill's findings state, we must "preserve residential housing for future generations by ensuring that units are sold exclusively to qualified residents."

Current law qualifies residents who will live in their units and own no other property. They most need affordable homes. Current property owners are already cared for. Keep current law as is.

We therefore recommend amending HB1740 HD 2 as follows.

1. delete words in SECTION 1, Page 2, from paragraph 4, line 14 following "basis," striking:

~~and not be subject to perpetual owner-occupancy requirements following an initial occupancy period, as long as residency and occupancy standards remain enforced and transient use is prohibited.~~

2. restore the deleted passage from Page 3 line 15 to Page 5 line 1:

(5) Meets the following qualifications:

(A) Is a person who either by the person's self, or together with spouse or household member, does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to the land; and

(B) Is a person whose spouse or household member does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes or more than a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to the land, except when husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to section 580-71.

Mahalo and aloha,

Galen Fox for Church of the Crossroads



# 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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Page 1 of 2

**Committee:** Senate Committee on Housing  
**Bill Number:** HB1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation  
**Hearing Date and Time:** March 17, 2026, at 1:05 pm, Room 225  
**Re:** Testimony of Holomua Collaborative – Support

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

Mahalo for the opportunity to submit testimony **in support** of HB 1740 HD2, 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 condominium price is nearly \$650,000, creating an unaffordable 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> of local workers' day-to-day financial experience indicated that the crisis continues to reach alarming levels. When nearly 3,200 local workers were asked whether they might need to move to a less expensive state, only 25 percent answered “no” definitively, down 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 seeking a permanent home for their families rather than acquiring real estate for investment or speculation. Existing regulatory barriers often slow the production of urgently needed additional housing units, and that slowdown directly translates into higher home prices. To reduce costs and expedite construction, Section 201H-38 provides variances and waivers from statutes, ordinances, and codes for developers seeking to build housing projects that meet specified 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 advance. 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 HD2 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 HD2.

Sincerely,

Matthew Prellberg  
Policy & Communications Director



TITLE GUARANTY  
HAWAII

March 17, 2026

**Testimony in support of HB 1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation**

Aloha Chair Chang, Vice Chair Hashimoto, and Committee Members,

We write in support of HB 1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation, which would offer an additional option for developers to utilize the waivers and variances available through section 201H-38, Hawai'i Revised Statutes, to build housing dedicated in perpetuity for local resident occupancy.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'āina family since 1896, and we are proud to employ over 250 residents across our branches statewide. As an organization that has worked for over a century to connect local families with housing, we see firsthand the economic shift preventing them from achieving the dream of homeownership.

This bill will enable locals to get into Hawai'i's tight housing market by creating a restricted housing stock for local families. Incentivizing developers to dedicate housing units at the point of development for resident occupancy sends a signal to the public that the Legislature values both meeting the necessary housing demands currently facing the state and prioritizing local families who would prefer to stay in Hawai'i than move to the continent.

HB 1740 HD2 is an original solution that invests in our community and culture, and I hope you will support this effort to keep local residents in Hawai'i.

Sincerely,

Mike B. Pietsch  
President and Chief Operating Officer  
Title Guaranty of Hawai'i





**BUILDBETTER.LIVEBETTER.®**

**March 17, 2026**

**Committee:** Senate Committee on Housing  
**Bill Number:** HB1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation  
**Hearing Date and Time:** March 17, 2026, 1:05pm  
**Re:** Testimony of HPM Building Supply in Support

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members:

I would like to submit this testimony in support of HB1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation. This bill would help create a housing market dedicated to local working families in Hawai'i by encouraging the development of new housing that is preserved for Hawai'i residents.

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 that local families have safe, secure housing in the same communities where they work.

HB1740 HD2'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 HD2, 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



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HPMHAWAII.COM





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Statement of  
**Meli James and Brittany Heyd**  
Cofounders  
Mana Up

HB1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

We support HB1740 HD2, which incentivizes the development of housing dedicated to local workers in perpetuity.

Mana Up is a statewide initiative that provides entrepreneurs in Hawai'i with the resources and tools to grow their businesses and scale globally. As these entrepreneurs continue to grow, they also contribute to the expansion of our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship, providing a better future for generations to come here in Hawai'i. To keep these entrepreneurs in Hawai'i and expand our entrepreneurial ecosystem, they need attainable housing.

We repeatedly hear from our entrepreneurs about the difficulty they face in finding attainable housing that provides the safety and security they need to focus on their businesses and families. Local entrepreneurs want to create and expand their business in Hawai'i, but far too often feel that opportunities for housing and business are better on the continent.

The 201H program incentivizes developers to build attainable housing, and establishing an additional pathway to develop a permanent, dedicated housing stock for local families will help them feel secure as they navigate the difficult economic conditions facing the State. Housing is a challenge for everyone, and by coming together, we can find shared solutions that help all the people of Hawai'i.

Sincerely,

Meli James | Cofounder, Mana Up  
Brittany Heyd | Cofounder, Mana Up

# TORI RICHARD

March 17, 2026

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

We write in support of HB 1740 HD2.

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 that high housing costs pose to everyone working to make ends meet.

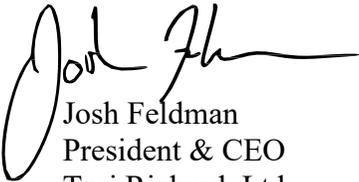
Our business is deeply committed to supporting Hawai'i's local workforce, and the growing housing crisis makes it increasingly difficult for our employees to remain in the islands. Attainable housing dedicated to local families is key to keeping talented, creative people in Hawai'i, and this bill offers 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. By incentivizing developers to build housing units for resident occupancy, we can ensure that local workers, such as 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 HD2 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 HD2, 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



**Testimony in Support of HB1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation**

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Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

We write in strong support of HB1740 HD2, 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 HD2.

A handwritten signature in black ink that reads "Brandon Kurisu".

Brandon Kurisu  
aio Family of Companies



**TO:** SENATE COMMITTEE ON HOUSING  
The Honorable Stanley Chang, Chair  
The Honorable Troy N. Hashimoto, Vice Chair, and  
Members of the Committee

**FROM:** Elise Inouye, Director of Policy and Public Affairs

**RE:** Testimony in Support for HB 1740 HD 2, Relating to the Hawai'i Housing  
Finance and Development Corporation

**DATE:** Tuesday, March 17, 2026 at 1:05 pm

**LOCATION:** Conference Room 225

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The Hawai'i Community Foundation (HCF) **supports HB 1740 HD 2**, which would help preserve housing for local residents and incentivize the development of housing for working families in 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.

Per UHERO, Hawai'i has some of the highest costs of housing in the country with our home prices being the highest in the nation<sup>1</sup> and our median rents being the second highest in the nation.<sup>2</sup> 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.

Additionally, 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. Hawai'i's high cost of living and limited housing options mean that homeownership is a challenge for working families and residents, including essential members of our workforce such as first responders, health care workers, and teachers.

HB 1740 HD 2 would help incentivize the development of housing dedicated to local residents in perpetuity. It prioritizes housing for Hawai'i's workforce and aims to help local homebuyers transition to other Hawai'i Housing Finance and Development Corporation

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

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

(HHFDC) properties as their lives progress and their families grow. Hawai'i residents need more places to call home that do not strain their household budgets to the maximum. **We respectfully urge you to advance HB 1740 HD 2** to expand access to housing for local residents and working families in Hawai'i.

March 16, 2026

TO: Chair Chang and Members of the Senate Committee on Housing  
RE: HB 1740 HD2, Relating to the Hawai'i Housing Finance and Development Corporation

Dear Chair Chang 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 HD2.** 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 based on financial circumstances. Overregulation of residents and their lives is not conducive to a friendly, 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 HD2**.

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)



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

March 17, 2026

Senate Committee on Housing  
Hawai'i State Capitol  
Honolulu, HI 96813

**RE: SUPPORT for HB 1740 HD2 - RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION**

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 1740 HD2**, 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



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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 HD2 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



**HB-1740-HD-2**

Submitted on: 3/12/2026 5:35:46 PM

Testimony for HOU on 3/17/2026 1:05:00 PM

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

Comments:

I, Johnnie-Mae L. Perry, comment including DHHL ?

1740 HB RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

**HB-1740-HD-2**

Submitted on: 3/13/2026 8:00:08 PM

Testimony for HOU on 3/17/2026 1:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chevelle Davis	Individual	Support	Written Testimony Only

Comments:

Aloha,

Mahalo for the opportunity to provide testimony in SUPPORT of this measure.

Me ka ha'aha'a,

Chevelle Davis

To: Senator Stanley Chang, Chair  
Senator Troy N. Hashimoto, Vice Chair  
Committee on Housing

From: Veronica Moore, Individual Citizen

Date: March 15, 2026

RE: House Bill 1740 HD2  
Measure Title: RELATING TO THE HAWAII HOUSING FINANCE AND  
DEVELOPMENT CORPORATION.  
Report Title: HHFDC; Qualified Residents; Affordable Housing; Housing  
Development; Exemptions; Owner-Occupancy; Deed Restrictions

To All Concerned,

My name is Veronica Moore and I support House Bill 1740 HD2. Thank you for your consideration.

Sincerely,

Veronica M. Moore

**HB-1740-HD-2**

Submitted on: 3/16/2026 9:03:12 AM

Testimony for HOU on 3/17/2026 1:05:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ross Isokane	Individual	Support	Written Testimony Only

Comments:

I support HB1740.

Unlike other housing proposals that attempt to dictate county zoning or land use decisions, HB1740 addresses rules governing a state housing program and appear reasonable within the context of the Legislature’s authority over HHFDC.

The core provisions of the bill also appear aligned with the goal of preserving housing opportunities for residents. The perpetual deed restrictions tied to Hawai‘i residency and the requirement that rentals be long-term rather than transient help ensure that housing developed with public support continues to serve people who actually live and work in Hawai‘i.

Public policy must prioritize the interests of local residents ahead of global demand and speculative investment. When public programs are used to facilitate housing development, it is reasonable to ensure that the resulting housing stock remains connected to the local community over the long term.

While no single bill will resolve Hawai‘i’s housing challenges, HB1740 moves us forward in the right direction.

**COUNTY COUNCIL**

Mel Rapozo, Chair  
KipuKai Kualii, Vice Chair  
Addison Bulosan  
Bernard P. Carvalho, Jr.  
Felicia Cowden  
Fern Holland  
Arryl Kaneshiro



**OFFICE OF THE COUNTY CLERK**

Jade K. Fountain-Tanigawa, County Clerk  
Lyndon M. Yoshioka, Deputy County Clerk

Telephone: (808) 241-4188  
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Email: cokcouncil@kauai.gov

**Council Services Division**  
4396 Rice Street, Suite 209  
Lihu'e, Kaua'i, Hawai'i 96766

March 16, 2026

**TESTIMONY OF FELICIA COWDEN  
COUNCILMEMBER, KAUAI COUNTY COUNCIL**

**ON**

**HB 1740, HD 2, RELATING TO THE HAWAII HOUSING FINANCE AND  
DEVELOPMENT CORPORATION**

Senate Committee on Housing  
Tuesday, March 17, 2026

1:05 p.m.

Conference Room 225  
Via Videoconference

Dear Chair Chang and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of HB 1740, HD 2, Relating to the Hawai'i Housing Finance and Development Corporation. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I would like to extend my support for HB 1740, HD 2, which removes the prohibition against qualified residents for Hawai'i Housing Finance and Development Corporation-approved projects holding a majority interest in land and removes the requirement that qualified residents demonstrate financial viability or ability to pay rent.

This critical measure will help preserve housing for local Hawai'i residents as well as incentivize and stimulate the development of housing dedicated in perpetuity to working families across the islands. Further, this bill effectively expands the scope of attainable housing options for residents while also removing antiquated prohibitions that discriminate against local residents in the housing process based on financial status.

Thank you again for this opportunity to provide testimony in support of HB 1740, HD 2. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to cokcouncil@kauai.gov.

Sincerely,

FELICIA COWDEN  
Councilmember, Kaua'i County Council

RM:sf

**COUNTY COUNCIL**

Mel Rapozo, Chair  
KipuKai Kualii, Vice Chair  
Addison Bulosan  
Bernard P. Carvalho, Jr.  
Felicia Cowden  
Fern Holland  
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March 16, 2026

**TESTIMONY OF KIPUKAI KUALII  
COUNCIL VICE CHAIR, KAUAI COUNTY COUNCIL  
ON  
HB 1740, HD 2, RELATING TO THE HAWAII HOUSING FINANCE AND  
DEVELOPMENT CORPORATION  
Senate Committee on Housing  
Tuesday, March 17, 2026  
1:05 p.m.  
Conference Room 225  
Via Videoconference**

Dear Chair Chang and Members of the Committee:

Thank you for this opportunity to provide testimony in SUPPORT of HB 1740, HD 2, Relating to the Hawai'i Housing Finance and Development Corporation. My testimony is submitted in my individual capacity as a member of the Kaua'i County Council.

I fully support HB 1740, HD 2, which removes the prohibition against qualified residents for Hawai'i Housing Finance and Development Corporation-approved projects holding a majority interest in land and removes the requirement that qualified residents demonstrate financial viability or ability to pay rent. Among the bill's many critical changes is an important definition update to a qualified resident, which removes financial screening and ownership-based restrictions, thereby reducing barriers for local households and providing residents with greater flexibility as their needs change without diminishing residency requirements. Additionally, the permanent deed restriction ensures that properties continue to serve local households into the future by restricting rentals to long-term leases and limiting future sales to qualified residents.

*Mahalo* for your leadership and thank you again for this opportunity to provide testimony in support of HB 1740, HD 2. Should you have any questions, please feel free to contact me or Council Services Staff at (808) 241-4188 or via email to [cokcouncil@kauai.gov](mailto:cokcouncil@kauai.gov).

Sincerely,

KIPUKAI KUALII  
Council Vice Chair, Kaua'i County Council

RM:ss