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IN REPLY PLEASE REFER TO:

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Statement of the
Hawaii Public Housing Authority

Before the
HOUSE COMMITTEE ON HOUSING

Wednesday, February 11, 2026
9:00 A.M. – Room 430, Hawaii State Capitol

In consideration of
HB 1868
RELATING TO HOUSING

Honorable Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing:

The Hawaii Public Housing Authority (HPHA) supports strengthening long-term affordability, reinforcing public stewardship of housing resources, and ensuring that significant public investments in housing deliver durable benefits for the people of Hawaii.

As a State agency serving Hawaii's low-income residents, HPHA recognizes the importance of aligning federal and state housing resources with long-term public priorities. HPHA's redevelopment efforts are structured to preserve affordability, protect public ownership, and responsibly reinvest public resources to expand housing opportunities.

All of HPHA's ongoing redevelopment projects will remain State-owned or will be conveyed back to the State at a defined point in time. In addition, HPHA continues to utilize federal repositioning programs, including the Rental Assistance Demonstration (RAD) and Faircloth-to-RAD, both of which require the replacement of rental units to remain affordable in perpetuity. In this respect, HPHA's redevelopment activities are aligned with the bill's emphasis on long-term affordability and public benefit.

HPHA appreciates the establishment of a working group that brings together public agencies, policymakers, and stakeholders to review the Qualified Allocation Plan (QAP) and related housing finance tools in a thoughtful and transparent manner. This process provides an appropriate



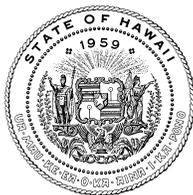
forum to evaluate policy changes, consider implementation impacts, and strengthen alignment between housing finance programs and long-term public objectives.

HPHA looks forward to participating in this process and working collaboratively with HHFDC and the Legislature to advance housing policies that protect public investment while continuing to support viable housing development and preservation statewide.

Thank you for the opportunity to provide this testimony and for your continued commitment to Hawaii's housing needs.

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

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FAX: (808) 587-0600

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 1868

RELATING TO HOUSING.

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

HHFDC **comments** on House Bill 1868, which proposes reforms to HHFDC's Qualified Allocation Plan (QAP) and the Rental Housing Revolving Fund (RHRF).

HHFDC serves as the State's designated housing credit agency under Section 42 of the Internal Revenue Code. Federal law requires that the QAP be adopted through a public hearing and comment process. HHFDC updates the QAP through a public process that involves multiple meetings with stakeholders, a public hearing, and approval by the Governor. This process is designed to ensure transparency, stakeholder input, and compliance with federal requirements. Amendments to the QAP must be considered through a transparent public process rather than mandated as set forth in Part III of the Bill.

This bill directs substantive changes to the QAP, including mandatory scoring priorities, perpetual affordability requirements, and prohibitions on allocating Low-Income Housing Tax Credits (LIHTC) or RHRF loans without such commitments. While HHFDC recognizes the Legislature's authority to set housing policy, we respectfully note that prescribing detailed QAP criteria in statute may limit the ability of the federally required public process to meaningfully inform the final plan. This creates tension between legislative direction and federal compliance obligations.

Regarding perpetual affordability, HHFDC has amended the QAP in recent years to incentivize projects to commit to perpetual affordability. The 2025 QAP awarded the maximum number of points to projects that commit to perpetual affordability under the "Length of Affordability" criterion. Of projects that were awarded financing in 2025, over half committed to perpetual affordability or were government projects. We note that mandating perpetual affordability could affect investor participation, underwriting, and utilization of the State's annual housing credit ceiling. Federal law

also contemplates income targeting and project feasibility as key considerations within a QAP. HHFDC supports long-term affordability as a policy goal but urges caution to avoid unintended consequences that could reduce housing production.

Regarding projects on government-owned lands, HHFDC supports giving preference to such projects because the projects are highly likely to remain affordable for their useful life. A criterion was added to the 2024 QAP, specifically providing preference to projects on State or county lands.

Regarding RHRF, we would like to clarify certain characterizations of RHRF loan terms:

1. Interest Rates. No current loans carry an interest rate as low as 0.15 percent. Historically, rates have varied, with earlier loans as high as 3 percent, and adjustments made to support deeply affordable housing.
2. Repayment Structure. RHRF loans are not dormant until senior debt is retired. They include scheduled payments, cash-flow-based components, and balloon payments at maturity. These structures balance feasibility with fiscal stewardship and ensure eventual repayment.

Thank you for the opportunity to provide testimony.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY: COMMENTS on HB 1868: RELATING TO HOUSING

TO: House Committee on Housing
FROM: Tina Andrade, President and CEO, Catholic Charities Hawai'i
Hearing: Wednesday, February 11, 2026; 9:00 A.M.; CR 430 & Videoconference

Chair Evslin, Vice Chair Miyake, and Members, Committee on Housing:

Thank you for the opportunity to provide **COMMENTS on HB 1868**, which establishes a working group to revise the Hawai'i Housing Finance and Development Corporation's (HHFDC) Qualified Allocation Plan (QAP), priorities for the Rental Housing Revolving Fund (RHRF) and the terms of loans from the RHRF. It prohibits HHFDC from allocating tax credits or moneys from the RHRF to projects without a perpetual affordability commitment.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 78 years, now serving over 40,000 individuals statewide each year. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

The Hawai'i Housing Finance and Development Corporation (HHFDC) already has the authority, expertise, and demonstrated willingness to work with the Legislature and the community on the effective use of the Rental Housing Revolving Fund (RHRF). We believe a new statutory mandate is unnecessary to focus their attention on these priorities. In addition, the proposal may unintentionally create tension between state legislative directives and existing federal compliance requirements. For example, under the federal Low-Income Housing Tax Credit (LIHTC) program, a robust public process is already required.

Rather than establishing new statutory requirements, we suggest encouraging HHFDC to expand opportunities for community participation through open meetings specifically devoted to these issues. Many community members are deeply concerned about increasing the supply of elderly housing, housing for persons with disabilities, workforce housing for younger families, and solutions to homelessness. Broader and more inclusive public engagement through HHFDC could help surface creative, practical solutions informed by diverse perspectives.

Catholic Charities Hawai'i remains committed to maintaining all our affordable rental projects in perpetuity. However, prohibiting HHFDC from allocating LIHTC or other RHRF resources to projects without a perpetual affordability commitment could create challenges outside the control of individual projects. Such a requirement could affect investor interest, project underwriting, and the State's ability to fully utilize its annual housing credit ceiling. Federal law also recognizes that income targeting and overall project feasibility must be balanced within a Qualified Allocation Plan (QAP).

We respectfully urge you to **defer** this bill. Please contact our Legislative Liaison, Betty Lou Larson at 808-527-4818 if you have any questions.





February 11, 2026

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

RE: **HB 1868 - Relating to Housing**
Hearing date: February 11, 2026, at 9:00 AM

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

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii in **OPPOSITION** to **HB 1868 RELATING TO HOUSING**. NAIOP Hawaii is the local chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders, and other professionals.

NAIOP Hawai'i GAC opposes HB1868. This measure would require all projects to make a "perpetual affordability commitment" to qualify for federal and state Low-Income Housing Tax Credits and would prohibit HHFDC from allocating LIHTC or Rental Housing Revolving Fund (RHRF) financing to any project without that perpetual commitment, defining "perpetual" as the "useful life of the project."

While NAIOP supports long-term affordability and protection of public investment, an inflexible "perpetual" mandate as a threshold requirement is likely to be counterproductive. It introduces financing and recapitalization uncertainty, increases transaction complexity, and can reduce the number of feasible projects and preservation transactions, especially those that rely on predictable refinancing and syndication pathways over time.

In addition, HB1868 directs HHFDC to revise the 2026 Qualified Allocation Plan in ways that de-emphasize project readiness and deeper income targeting. These changes risk slowing housing delivery and disincentivizing projects that serve the lowest-income households, at a time when the State needs both speed and depth of affordability.

If the Committee wishes to strengthen long-term affordability, NAIOP recommends a more workable approach: allow long-term affordability commitments with clear renewal and recapitalization pathways, rather than an absolute "useful life of the project" requirement, and avoid QAP changes that reduce readiness incentives and deeper targeting.

For these reasons, NAIOP Hawai'i GAC respectfully urges the Committee to defer HB1868, or at minimum substantially amend the bill to preserve housing deliverability.

Representative Luke Evslin, Chair
Representative Tyson Miyake, Vice Chair
Committee on Housing
Page 2

Thank you for your leadership and dedication to solving Hawaii's housing challenges. I urge your committees to advance HB 1868 and encourage your colleagues to support these critical measures. NAIOP Hawaii appreciates the Legislature's commitment to creating affordable housing for Hawaii residents and we look forward to working together. Thank you for the opportunity to provide testimony.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Ken Hayashida". The signature is fluid and cursive, with the first name "Ken" and last name "Hayashida" clearly distinguishable.

Ken Hayashida, President
NAIOP Hawaii



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LATE

**TESTIMONY OF MCKINLEY EADS
ON BEHALF OF AVALON DEVELOPMENT COMPANY LLC
HOUSE COMMITTEE ON HOUSING
H.B. NO. 1868, RELATING TO HOUSING**

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

My name is McKinley Eads, and I submit this testimony on behalf of Avalon Development Company LLC. We are engaged in residential development and affordable housing delivery in Hawai'i, and our work depends on the effective and predictable functioning of the State's housing finance tools.

We support the goal of long-term affordability and responsible stewardship of public resources. However, **we have serious concerns that H.B. 1868, as drafted, may unintentionally reduce housing production and undermine project feasibility, contrary to its stated intent.**

The bill would impose a mandatory perpetual affordability requirement as a threshold condition for access to Low-Income Housing Tax Credits and Rental Housing Revolving Fund financing. While long-term affordability is an important objective, making "perpetual" affordability—defined as the useful life of the project—a rigid prerequisite introduces significant financing, refinancing, and recapitalization uncertainty. Affordable housing projects rely on predictable resyndication and reinvestment cycles to remain physically and financially viable over time. An inflexible mandate risks discouraging investment and limiting the number of projects that can move forward.

In addition, the bill directs prescriptive changes to the Qualified Allocation Plan that deprioritize project readiness and certain income-targeting criteria. These factors are essential to ensuring that projects can be delivered efficiently and serve deeply affordable households. Reducing their weight may slow housing delivery at a time when Hawai'i urgently needs more units, not fewer.

Finally, HHFDC already operates under a federally required public process to update the QAP and has demonstrated the ability to incentivize perpetual affordability without statutory mandates. Embedding detailed QAP criteria in statute risks limiting flexibility and responsiveness to changing market conditions.



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For these reasons, Avalon Development Company LLC respectfully urges the Committee to defer H.B. 1868 or substantially amend it to preserve housing feasibility, financing flexibility, and timely delivery of affordable housing.

Mahalo for the opportunity to provide comments.



TESTIMONY IN SUPPORT
HOUSE BILL 1868
RELATING TO HOUSING

Ke Kōmike Hale o ke Kuleana Hale Noho
(House Committee on Housing)
Hawai'i State Capitol

Pepeluai 11, 2026

9:00am

Room 430

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

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB1868, which establishes a working group to revise the Hawai'i Housing Finance and Development Corporation's (HHFDC) Qualified Allocation Plan (QAP).

The QAP creates an administrative scoring and prioritization system by which state and Federal tax credits and subsidies are awarded to developers. Strengthening affordability commitments and our prioritization system helps ensure that public investments continue to serve local families across generations. This measure appropriately raises the question of whether substantial public investments in housing are delivering housing to meet the needs of local families, particularly for communities most affected by Hawai'i's housing crisis.

Native Hawaiians continue to experience disproportionate housing instability, including lower homeownership rates, higher rates of cost-burdened and overcrowded households, and disproportionate representation among individuals and families experiencing homelessness. Long wait times for housing opportunities both on Hawaiian Homelands and in the broader affordable rental market that emphasize these challenges. Housing policy decisions that govern the use of public resources therefore have direct and lasting implications for Native Hawaiians.

OHA supports policy approaches such as:

- **Reforms that strengthen long-term public stewardship of housing investments**, including perpetual affordability requirements and

prioritization of government owned or mission driven projects, to ensure housing stability for Native Hawaiian ‘ohana and local residents.

- **Rebalancing the Qualified Allocation Plan toward public interest outcomes that align with OHA’s strategic priorities**, by shifting incentives away from short term developer readiness and toward housing models that preserve affordability, prevent displacement, and sustain community wellbeing.

OHA urges the working group to explicitly consider impacts on Native Hawaiian housing access, including how QAP scoring, income targeting, and financing structures could ensure culturally appropriate rental, multigenerational, and government led housing models in Native Hawaiian communities.

OHA also supports the establishment of a working group to review the QAP and the prioritization and terms of the Rental Housing Revolving Fund. Given the scale of public investment in these programs, regular review and transparency are essential to ensure that public financing is responsive to community needs and continues to advance long term public benefit. OHA encourages continued consideration of Native Hawaiian housing needs in any such review.

For these reasons, OHA respectfully urges this committee to **PASS** 1868. Mahalo for the opportunity to testify.

HB-1868

Submitted on: 2/10/2026 12:53:17 AM

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

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

Comments:

Comment to include DHHL Johnnie-Mae L. Perry

1868 HB RELATING TO HOUSING.