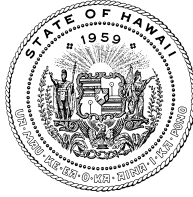


JOSH GREEN, M.D.
GOVERNOR

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 FINANCE

February 27, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

HOUSE BILL 2515 HOUSE DRAFT 1 RELATING TO WORKFORCE HOUSING.

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports** House Bill 2515 House Draft 1, which establishes a Workforce Housing Regulatory Sandbox Program administered by HHFDC in coordination with participating counties.

Hawaii continues to face a significant shortage of housing affordable to local working families. In particular, workforce housing shortages contribute to longer commutes, increased congestion, higher household costs, and challenges retaining essential workers across the public and private sectors.

This bill offers a thoughtful, structured approach to test innovative solutions by providing temporary regulatory flexibility while maintaining environmental, cultural, and public safeguards. Under the proposed program, HHFDC may approve temporary waivers or modifications to certain state or county permitting, zoning, or infrastructure requirements, with the written consent of the applicable agency or participating county. We suggest that Section 6 be amended to allow waiver or modification of State approval processes, including those by the State Historic Preservation Division and Department of Health, to have the most impact.

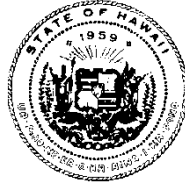
The bill also establishes a multi-agency Advisory Council, chaired by the Office of Planning and Sustainable Development, and including state housing and land agencies, county planning and public works departments, and four appointed subject-matter experts. The Advisory Council provides nonbinding guidance on environmental, cultural, infrastructure, and sustainability considerations and helps identify best practices learned through sandbox implementation.

HHFDC appreciates the bill's appropriation of \$5,000,000 for the fiscal year 2026 to 2027, which will support program establishment, administrative functions, and costs associated with eligible projects. The bill directs HHFDC to establish one full-time equivalent position to administer the program.

HHFDC supports the Legislature's efforts to encourage innovation, improve efficiency, and accelerate housing production while upholding safeguards that reflect Hawaii's environmental, cultural, and community values. We look forward to administering this program in partnership with agencies and stakeholders.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

IN REPLY PLEASE REFER TO:

26:OED

Statement of the
Hawaii Public Housing Authority

Before the
House Committee on Finance

Friday, February 27, 2026
2:00 p.m. – Room 308, Hawaii State Capitol

In consideration of
HB 2515, HD1
RELATING TO WORKFORCE HOUSING

Honorable Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Hawaii Public Housing Authority (HPHA) supports this measure which establishes the Workforce Housing Regulatory Sandbox Program. Establishes an advisory council within the Workforce Housing Regulatory Sandbox Program to advise on environmental and cultural practices within specific developments.

HPHA looks forward to continuing to work with the Legislature, HHFDC, and all stakeholders to address Hawaii's workforce housing challenges and views this measure as an important part of a broader coordinated solution. HPHA stands ready to participate constructively in this effort and looks at this measure as an opportunity to be part of the overall solution needed to address all housing related issues in Hawaii.

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





**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawaii 96813
Telephone: (808) 594-0300 Fax: (808) 587-0299
Web site: <http://dbedt.hawaii.gov/hcda/>

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

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

Friday, February 27, 2026
2:00 p.m.
State Capitol, Conference Room 308 & Videoconference

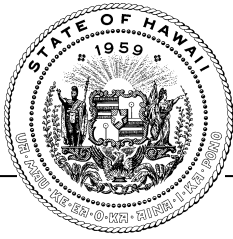
In consideration of
HB 2515, HD 1
RELATING TO WORKFORCE HOUSING.

Chairperson Todd, Vice Chairperson Takenouchi, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports** HB 2515, HD 1, which establishes the Workforce Housing Regulatory Sandbox Program within the Hawai'i Housing Finance and Development Corporation (HHFDC).

This measure would allow HHFDC and housing developers to test innovative, time-limited approaches to reduce unnecessary delays and costs, while preserving essential environmental, cultural, and public health protections. This flexibility is critical to accelerating the production of workforce housing for families increasingly priced out of the communities they serve.

For matters related to program design and implementation, HCDA respectfully defers to HHFDC.

Thank you for the opportunity to provide testimony.



STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
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Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <https://planning.hawaii.gov/>

Statement of
MARY ALICE EVANS, Director

before the
HOUSE COMMITTEE ON FINANCE
Friday, February 27, 2026
2:00 PM
State Capitol, Conference Room 308

in consideration of
HB 2515, HD 1
RELATING TO WORKFORCE HOUSING.

Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance.

The Office of Planning and Sustainable Development (OPSD) **supports** HB 2515, HD 1, which establishes a time-limited workforce housing regulatory sandbox program administered by the Hawaii Housing Finance and Development Corporation (HHFDC) in collaboration with participating counties. Additionally, it establishes an advisory council to provide nonbinding guidance and recommendations to support the proposed program.

OPSD recognizes that the State faces an urgent housing crisis and understands the importance of expediting workforce housing production statewide. HB 2515, HD 1 establishes an innovative, time-limited workforce housing regulatory sandbox program that will provide a pathway for developers to test innovative housing solutions. It also establishes an advisory council of which the director of OPSD will serve as the chairperson.

OPSD supports the bill and defers to HHFDC for any issues or concerns that may arise regarding its implementation.

Thank you for the opportunity to testify on this measure.

**Testimony to the House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair**

**Friday, February 27, 2026, at 2:00PM
Conference Room 308 & Videoconference**

RE: HB2515 HD1 Relating to Workforce Housing

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports House Bill 2515 HD1 (HB2515 HD1), which establishes the Workforce Housing Regulatory Sandbox Program within the Hawaii Housing Finance and Development Corporation, and establishes an Advisory Council within the Workforce Housing Regulatory Sandbox Program to advise on environmental and cultural practices within specific developments.

HB2515 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Economic Action. This bill aligns with one of the Chamber's top priorities of cutting unnecessary red tape and reducing regulatory complexity to foster faster housing project delivery, lower costs, and expand economic opportunity across Hawaii. By creating an environment for regulatory innovation, HB2515 HD1 presents the opportunity to investigate which regulations are sensible and which simply provide friction and delay, all within a controlled and supervised environment.

Regulatory delay and inefficiency impose real economic costs on developers and the broader economy. Hawaii experienced \$142.7 million in permitting delay costs in 2023 alone. Complex permitting processes translates into economic stagnation, heightened financing barriers, and delayed project completion — all of which raise prices for residents and limit industry from producing the housing stock necessary to meet housing demand. By codifying a controlled, innovative regulatory environment, this program presents a method of examining regulatory frameworks at a manageable scale. The Chamber believes that controlled regulatory innovation is imperative to increasing housing stock, lowering the cost of living, and identifying regulatory solutions applicable to all industries pursuing development.

We respectfully ask to pass House Bill 2515 HD1. Thank you for the opportunity to testify.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
FRIDAY, FEBRUARY 27, 2026 AT 2:00 P.M.**

To The Honorable Representative Chris Todd, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair
Members of the Committee on Finance

SUPPORT HB2515 HD1 RELATING TO WORKFORCE HOUSING

The Maui Chamber of Commerce supports HB215, which establishes the Workforce Housing Regulatory Sandbox Program within the Hawai'i Housing Finance and Development Corporation (HHFDC), as it proposes a framework to pilot regulatory flexibilities and streamline permitting processes for workforce housing developments.

The creation of a regulatory sandbox aligns with our priority to expedite the delivery of affordable and workforce housing by allowing for targeted waivers and process improvements. By enabling select projects to operate under modified regulatory requirements, the bill has the potential to reduce delays and costs that often hinder housing production. The inclusion of an advisory council to oversee environmental and cultural considerations is a positive step, ensuring that streamlined processes remain balanced with responsible stewardship of Hawai'i's unique resources.

We appreciate that the bill requires annual reporting to the legislature, which will provide transparency and opportunities for ongoing evaluation. The temporary nature of the program, with a sunset date, allows the state to assess its effectiveness before considering broader application. However, it will be important to ensure that lessons learned from the sandbox are systematically captured and shared, so that successful strategies can inform future policy and regulatory reforms.

Overall, we support HB2515 HD1 as a promising tool to accelerate workforce housing delivery and respectfully urge its passage.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

February 27, 2026

TO: Chair Todd and Members of the House Committee on Finance
RE: HB 2515 HD1, Relating to Workforce Housing

Dear Chair Todd 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 2515 HD1. The establishment of a Workforce Housing Regulatory Sandbox Program within the Hawai'i Housing Finance and Development Corporation represents a forward-thinking approach to piloting regulatory flexibility.

By allowing selected projects to test alternative permitting and development processes, the program will identify more efficient pathways for delivering workforce housing without compromising essential standards. The inclusion of an advisory council focused on environmental and cultural practices further ensures that these pilot initiatives remain sensitive to Hawai'i's unique values and community needs.

To end our housing shortage, we need innovation. Regulatory sandboxes have been used in other sectors to foster innovation while maintaining oversight. Applying this model to workforce housing could help uncover practical solutions to regulatory bottlenecks that often delay or increase the cost of much-needed housing.

Let's increase workforce housing options for residents. **Please advance HB2515 HD1.**

Thank you,



Lee Wang
Executive Director
Housing Hawai'i's Future
lee@hawaiiisfuture.org



Perry Arrasmith
Director of Policy
Housing Hawai'i's Future
perry@hawaiiisfuture.org



Testimony to the House Committee on Finance
Friday, February 27, 2026, at 2:00 PM
Conference Room 308 & Videoconference

RE: HB2515 HD1 Relating to Workforce Housing

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

I am writing in support of HB2515 HD1, which establishes a voluntary, time-limited workforce housing regulatory sandbox program administered by the Hawaii Housing Finance and Development Corporation in coordination with participating counties, along with an advisory council to provide guidance on environmental, cultural, infrastructure, and sustainability considerations.

Family Promise of Hawai'i is dedicated to transforming the lives of families with children who are experiencing or at risk of homelessness. Most of the families seeking assistance from Family Promise are employed — they just don't have access to housing that's affordable to them. In fact, Hawai'i's high cost of housing is the leading factor that explains why the state has the highest per-capita rate of homelessness in the country. Research confirms that "rental vacancy rates join rental costs as the only variables that explain regional variation in homelessness" (Colburn & Aldern, Homelessness Is a Housing Problem).

Recent analysis from UHERO underscores the urgency of structural reform. UHERO finds that Hawai'i has experienced decades of weak real income and productivity growth once adjusted for the state's high cost of living, and that addressing affordability alone is insufficient without broader reforms that enhance productivity, diversify industry, and remove systemic barriers to growth. Housing constraints are central to this challenge, as limited supply directly drives up living costs and restricts workforce mobility and business competitiveness. A regulatory sandbox that accelerates workforce housing production directly addresses this structural constraint.

As a member of the Chamber of Commerce Hawai'i's Economic Action Policy Committee, I also know that expanding workforce housing solutions aligns squarely with the Chamber's 2030 Blueprint for Hawai'i, which recognizes housing availability as foundational to business competitiveness and labor force participation. Tools such as a targeted regulatory sandbox allow Hawaii to test innovative, coordinated approaches that accelerate housing delivery while preserving public safeguards.

HB2515 HD1 takes a pragmatic and well-structured approach. By authorizing HHFDC to grant project-specific, temporary waivers of permitting and zoning requirements — with county consent — the bill creates a meaningful pathway to accelerate workforce housing production for households earning 60%–140% AMI. These are working households, including ALICE¹ families, who may earn too much to qualify for deeply subsidized housing but too little to compete in Hawai'i's market-rate rental environment. The bill's built-in safeguards — deed restrictions, full-time occupancy requirements, and a sunset provision

¹ "Asset-Limited, Income-Constrained, Employed." Family Promise of Hawai'i is part of the ALICE Initiative at Aloha United Way: <https://www.auw.org/about/alice-initiative/>

— ensure accountability while still allowing for regulatory flexibility that can unlock projects otherwise stalled by process.

Every year, Family Promise of Hawai'i serves more than 2,600 individuals — most of them children — because our housing market doesn't produce enough homes that working families can afford. This bill won't solve that problem overnight, but it creates an important mechanism to move faster, learn what works, and build the evidence base for broader reform. The \$5 million appropriation is a reasonable investment in a controlled experiment that could yield meaningful increases in workforce housing supply — and meaningfully reduce the number of families who end up needing emergency homelessness and housing services in the first place.

Thank you for the opportunity to submit this written testimony.

Mahalo,



Ryan Catalani
Executive Director
Family Promise of Hawai'i

Testimony of
Joy Barua

Before:

The House Committee on Finance
The Honorable Representative Chris Todd, Chair
The Honorable Representative Jenna Takenouchi, Vice Chair

Friday, February 27, 2026
2:00 p.m.
Conference Room 308 & via Videoconference

RE: HB2515 HD1 Relating to Workforce Housing

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Joy Barua, and I am writing in **SUPPORT of House Bill House Draft 1 (HB2515 HD1)**, which establishes a voluntary, time-limited workforce housing regulatory sandbox program administered by the Hawaii Housing Finance and Development Corporation in coordination with participating counties, along with an advisory council to provide guidance on environmental, cultural, infrastructure, and sustainability considerations.

Recent analysis from UHERO, on February 1, 2026, *Beyond the Price of Paradise* report, underscores the urgency of structural reform. UHERO finds that Hawaii has experienced decades of weak real income and productivity growth once adjusted for the state's high cost of living, and that addressing affordability alone is insufficient without broader reforms that enhance productivity, diversify industry, and remove systemic barriers to growth. Housing constraints are central to this challenge, as limited supply directly drives up living costs and restricts workforce mobility and business competitiveness.

The 2030 Blueprint for Hawaii responds directly to these findings by prioritizing workforce development, as evidenced in HB2515 HD1, economic diversification, and policies that responsibly reduce regulatory friction while maintaining environmental and cultural stewardship. Expanding workforce housing solutions aligns squarely with this policy pillar, which recognizes housing availability as foundational to business competitiveness and labor force participation. Tools such as a targeted regulatory sandbox allow Hawaii to test innovative, coordinated approaches that accelerate housing delivery while preserving public safeguards.

HB2515 HD1 creates a regulatory sandbox for project-specific, temporary waivers of permitting and zoning rules (with county consent) to test innovative workforce housing solutions (targeting 60%-140% AMI households). It includes a full-time HHFDC position for administration, a diverse advisory council for nonbinding recommendations (environmental and cultural expertise), and affordability enforcement via deed restrictions (no short-term rentals, full-time occupancy).

The benefits include faster workforce housing delivery, reduced costs and timelines for developers, more units meeting critical demand (projected 64,490 needed by 2027), stronger economic stability for workers and communities, and data-driven insights for future policy. The \$5 million appropriation delivers strong value by enabling controlled experimentation, leveraging HHFDC expertise, and yielding long-term returns through increased supply, affordability, and sustainable development statewide.

For these reasons, I respectfully request your support. Thank you for the opportunity to testify.

Mahalo,

A handwritten signature in blue ink, appearing to read "Joy Barua", with a stylized flourish at the end.

Joy Barua
(808) 295-0190

Statement of
Genesis Tanuvasa

Before the
COMMITTEE ON FINANCE

In consideration of
HB 2515 RELATING TO WORKFORCE HOUSING

Date: Friday, February 27, 2026

Time: 2:00 p.m.

Location: Conference Room 308 / Videoconference

Position
SUPPORT

Chair Todd, Vice Chair Takenouchi, Members of the Committee

Aloha Chair and Members of the Committee, my name is Genesis Tanuvasa and I am currently a student studying at the University of Hawai'i at Manoa Thompson School of Social Work & Public Health pursuing a degree in Social Work. My statements expressed in this testimony do not reflect the beliefs of University of Hawai'i at Manoa's Thompson School of Social Work & Public Health. My statements are solely based on my personal beliefs and experience.

The rising cost of living in Hawai'i has drastically increased, leaving many local families struggling to afford stable housing. Many are forced to depend on extended family simply to maintain a place to live.

I grew up in a working-class household where my parents worked essential jobs—one as an adult correctional officer and the other as a case manager at a homeless shelter—yet we still struggled to make ends meet. No family working full-time, especially providing services to our community should have to worry about housing stability.

As mentioned on page 9, lines 16–19, the bill ensures that “sale prices or rents remain affordable to workforce households earning between sixty per cent and one hundred forty per cent of the area median income under rules adopted by the corporation.” This provision is critical in making sure housing remains attainable for working families.

For these reasons, I am in full support of HB 2515 and urge you to pass this measure to strengthen communities across Hawai'i.

Thank you for allowing me to share my testimony,

Genesis Tanuvasa