

**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 2515 HOUSE DRAFT 2 RELATING TO WORKFORCE HOUSING.**

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

HHFDC **supports** House Bill 2515 House Draft 2, 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 in 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.

We respectfully request an appropriation in the amount of \$1,000,000.00, which will support the establishment of the program and its administrative functions. The bill directs HHFDC to establish one full-time equivalent position to administer the program, which is appreciated as HHFDC is at capacity.

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  
**Senate Committee on Housing**

**Tuesday, March 17, 2026**  
**1:05 PM – Room 225, Hawaii State Capitol**

In consideration of  
**HB 2515, HD2**  
**RELATING TO WORKFORCE HOUSING**

Honorable Chair Chang, Vice Chair Hashimoto, and Members of the Senate Committee on Housing:

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.





**HAWAI'I COMMUNITY  
DEVELOPMENT AUTHORITY**

547 Queen Street, Honolulu, Hawai'i 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

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Statement of  
**CRAIG K. NAKAMOTO**  
**Executive Director**  
Hawai'i Community Development Authority  
before the  
**SENATE COMMITTEE ON HOUSING**

Tuesday, March 17, 2026  
1:05 p.m.  
State Capitol, Conference Room 225 & Videoconference

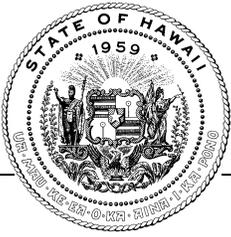
In consideration of  
**H.B. 2515, H.D. 2**  
**RELATING TO WORKFORCE HOUSING.**

Chairperson Chang, Vice Chairperson Hashimoto, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports** H.B. 2515, H.D. 2, 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, Hawai'i 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawai'i 96804

Telephone: (808) 587-2846  
Fax: (808) 587-2824  
Web: <https://planning.hawaii.gov/>

Statement of  
**MARY ALICE EVANS, Director**

before the  
**SENATE COMMITTEE ON HOUSING**  
Tuesday, March 17, 2026; 1:05 PM  
State Capitol, Conference Room 225

in consideration of  
**HB 2515, HD 2**  
**RELATING TO WORKFORCE HOUSING.**

Chair Chang, Vice Chair Hashimoto, and Members of the Committee on Housing.

The Office of Planning and Sustainable Development (OPSD) **supports** HB 2515, HD 2, 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 2 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 IN PROVIDING COMMENTS ON HOUSE BILL 2515 HD2  
RELATING TO WORKFORCE HOUSING**

Ke Kōmike ‘Aha Kenekoa o ke Kuleana Hale Noho  
(Senate Committee on Housing)

Ke Kapitala ‘o Hawai‘i  
(Hawai‘i State Capitol)

Malaki 17, 2026

1:05pm

Lumi 225

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

The Office of Hawaiian Affairs (OHA) provides the following **COMMENTS on HB2515 HD2**, which would establish a Workforce Housing Regulatory Sandbox Program and creates an advisory council within it to advise on environmental and cultural practices within specific developments.

OHA is the constitutionally established body responsible for protecting and promoting the rights of Native Hawaiians.<sup>1</sup> In carrying out its mandates, OHA regularly assesses the policies and practices of other agencies impacting on Native Hawaiians and conducts advocacy efforts on their behalf.<sup>2</sup> OHA regularly evaluates development proposals and associated permits for compliance with Hawai‘i Revised Statutes (HRS) Chapters 343 and 6E, as well as the State’s constitutional obligations to protect Native Hawaiian traditional and customary rights and public trust resources. Our review experience has consistently demonstrated that Hawai‘i’s environmental and historic preservation laws are not arbitrary barriers to development, but carefully constructed frameworks designed to ensure that growth occurs responsibly and sustainably.

As drafted, this bill would allow participating projects to operate within a regulatory “sandbox,” effectively waiving or modifying existing statutory and regulatory requirements in the interest of expediting workforce housing production. **OHA respectfully opposes this approach as a general matter.** Waiving regulatory requirements to accelerate development risks undermining the State’s affirmative constitutional duties, including those under Article XI,

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<sup>1</sup> Haw. Const. Art. XII § 5.

<sup>2</sup> See HRS § 10-3(4).

Section 1, to protect natural resources for present and future generations, and Article XII, Section 7, which protects Native Hawaiian traditional and customary rights. These obligations are substantive and ongoing, not merely regulatory frameworks—and therefore cannot be meaningfully set aside in the interest of expediency.

OHA recognizes the urgent need for workforce housing. However, the Simplifying Permitting for Enhanced Economic Development (SPEED) Task Force recently emphasized that expediting housing development cannot be achieved simply by circumventing regulations.<sup>3</sup> Across agencies, the Task Force identified cross-cutting challenges related to workforce capacity, process design, data and technology, and intergovernmental coordination. These findings suggest that Hawai‘i’s permitting bottlenecks stem from broader institutional patterns that require structural solutions. We encourage the Legislature to seek alternative solutions to speed up workforce housing developments consistent with the recommendations of the SPEED task force.

**Finally, if the committee wishes to advance this measure, OHA respectfully requests that the “chairperson of the board of trustees of the office of Hawaiian affairs” be included as a member of the advisory council in Section 4, subsection (b).** Including OHA is particularly appropriate given that the council is directed to “provide advisory recommendations regarding environmental, cultural, infrastructure, and sustainability considerations,” which directly align with OHA’s constitutional and statutory mandates. OHA’s compliance review experience would provide valuable expertise to ensure that sandbox projects appropriately address natural and cultural resource preservation.

In sum, OHA urges caution in using regulatory waivers as a primary housing strategy and stands ready to assist in ensuring that workforce housing initiatives proceed in a manner consistent with the State’s constitutional trust responsibilities.

Mahalo for the opportunity to testify. We appreciate the careful consideration of our **COMMENTS on HB2515 HD2.**

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<sup>3</sup> See *Final Report of the Permitted Interaction Groups for Chapter 6E/Historic Preservation, Individual Wastewater Systems, and Building Permits*, SPEED Task Force, p. 6-7 (Dec. 2025)[hereinafter *Final Report*]. The SPEED Task Force was established by Act 133 (2025) to identify challenges and measures needed to expedite development permit processes.

**Testimony to the Senate Committee on Housing  
Senator Stanley Chang, Chair  
Senator Troy N. Hashimoto, Vice Chair**

**Tuesday, March 17, 2026, at 1:05PM  
Conference Room 225 & Videoconference**

**RE: HB2515 HD2 Relating to Workforce Housing**

Aloha e Chair Chang, Vice Chair Hashimoto, 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 House Draft 2 (HB2515 HD2), 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 HD2 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 HD2 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 House Draft 2. 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 SENATE COMMITTEE ON HOUSING  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225  
TUESDAY, MARCH 17, 2026 AT 1:05 P.M.**

To The Honorable Senator Stanley Chang, Chair  
The Honorable senator Troy N. Hashimoto, Vice Chair  
Members of the Committee on Housing

## **SUPPORT HB2515 HD2 RELATING TO WORKFORCE HOUSING**

The Maui Chamber of Commerce supports HB2515 HD2, 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 HD2 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.

March 16, 2026

TO: Chair Chang and Members of the Senate Committee on Housing  
RE: HB 2515 HD2, Relating to Workforce Housing

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 support HB 2515 HD2.** The establishment of a Workforce Housing Regulatory Sandbox Program within the Hawai'i Housing Finance and Development Corporation is 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 HD2.**

Thank you,



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



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



# Hawai'i Island Chamber of Commerce

1321 Kino'ole Street - Hilo, Hawai'i 96720

Phone (808) 935-7178 - Fax (808) 961-4435 - Email [exec@hicc.biz](mailto:exec@hicc.biz) - [www.hicc.biz](http://www.hicc.biz)

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Carla Kuo

**2025-2026**  
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Joni Waltjen  
Irene Yamanaka  
Tracie Yoshimoto

**Testimony to the Senate Committee on Housing**  
**Senator Stanley Chang, Chair**  
**Senator Troy N. Hashimoto, Vice Chair**

**Tuesday, March 17, 2026 at 1:05 PM**

**LATE**

**RE: HB2515 HD2 Relating to Workforce Housing - SUPPORT**

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

The Hawai'i Island Chamber of Commerce, representing more than 350 businesses and individual members primarily on the east side of Hawai'i Island, supports House Bill 2515 House Draft 2, 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.

Hawai'i's high cost of living continues to challenge residents and businesses. The February 2026 *Beyond the Price of Paradise* from the University of Hawai'i Economic Research Organization highlights the need for structural reforms that improve productivity and remove barriers to economic growth. Expanding workforce housing is a critical component of these efforts, as housing availability directly affects labor force participation, business stability, and community well-being.

HB2515 HD2 creates a practical tool to test innovative housing solutions by allowing limited, project-specific regulatory flexibility while maintaining oversight and safeguards. The program includes administration by HHFDC and guidance from an advisory council to help address environmental, cultural, infrastructure, and sustainability considerations.

By allowing such a carefully structured pilot program, this measure can help accelerate workforce housing development, reduce barriers, and generate insights that inform future housing policy.

For these reasons, we respectfully urge the Legislature to pass HB2515 HD2. Thank you for the opportunity to testify.

Respectfully submitted,

Carla Kuo  
Executive Officer  
Hawai'i Island Chamber of Commerce

Testimony of  
Joy Barua



Before:

The Senate Committee on Housing  
The Honorable Senator Stanley Chang, Chair  
The Honorable Senator Troy Hashimoto, Vice Chair

Tuesday, March 17, 2026  
1:05 p.m.  
Conference Room 225 & via Videoconference

**RE: HB2515 HD2 Relating to Workforce Housing**

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

My name is Joy Barua, and I serve on the 2030 Blueprint for Hawaii's Economic Action Committee of the Chamber of Commerce of Hawaii. I am providing testimony in my personal capacity. My comments reflect my own views and are informed by discussions within the Blueprint policy committee.

I am writing in **SUPPORT of House Bill 2515 House Draft 2 (HB2515 HD2)**, 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 the University of Hawaii Economic Research Organization (UHERO), in its February 1, 2026, *Beyond the Price of Paradise* report, underscores the urgency of addressing the structural factors contributing to Hawaii's high cost of living. The report finds that Hawaii has experienced decades of weak real income and productivity growth once adjusted for living costs and emphasizes that improving affordability requires structural reforms that support productivity, diversify industry, and remove systemic barriers to growth.

The 2030 Blueprint for Hawaii responds directly to these challenges by prioritizing workforce development, economic diversification, and policies that responsibly reduce regulatory friction while maintaining environmental and cultural stewardship. Expanding workforce housing opportunities aligns squarely with these goals. Housing availability is foundational to economic competitiveness and labor force participation, and policies that help accelerate the delivery of workforce housing are critical to sustaining Hawaii's economy.

HB2515 HD2 provides a practical and balanced tool to test new approaches. The measure establishes a regulatory sandbox that allows project-specific, time-limited flexibility from certain state and county permitting, zoning, or infrastructure requirements, with the consent of the applicable agency or participating county. This framework allows innovative workforce housing solutions to be tested while preserving the authority of state agencies and counties and maintaining appropriate safeguards.

The measure also establishes a position within HHFDC to administer and coordinate the program and creates a multidisciplinary advisory council to provide nonbinding recommendations on environmental, cultural, infrastructure, and sustainability considerations. Workforce housing units developed through the program must serve households earning between 60%-140% AMI, and affordability protections are enforced through deed restrictions, including prohibitions on short-term rentals and requirements for full-time occupancy.

The potential benefits of this approach are significant. By creating a controlled environment to test regulatory flexibility, the program could help accelerate project timelines, reduce development barriers, and expand the supply of workforce housing at a time when the state faces an estimated need for more than 64,000 additional housing units by 2027. Increasing the availability of workforce housing strengthens community stability, supports local businesses, and helps ensure that Hawaii's workers can continue to live in the communities they serve.

Additionally, the program is designed to generate data and lessons that can inform future housing policy. Through careful oversight by HHFDC and input from the advisory council, the regulatory sandbox can provide valuable insights into which regulatory adjustments meaningfully improve housing delivery while maintaining the environmental and cultural protection that are essential to Hawaii.

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

Mahalo,



Joy Barua  
(808) 295-0190