

**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  
**HOUSE COMMITTEE ON HOUSING**  
Friday, March 27, 2026, 9:30 AM  
State Capitol, Conference Room 430

in consideration of  
**HCR 38 / HR 36**

**DECLARING THE INTENT THAT AFFORDABLE HOUSING CREDITS ARE  
PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND REQUESTING THE  
COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT EXPIRATION DATES.**

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

The Office of Planning and Sustainable Development (OPSD) **supports HCR 38 and HR 36**, which declare the intent that affordable housing tax credits are perpetual and remain valid until redeemed, and requesting the counties to recognize these credits without expiration dates.

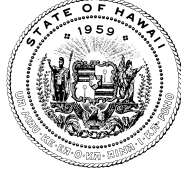
OPSD supports these resolutions because they address a critical technical barrier by ensuring that the financial mechanisms we rely on are as resilient and long-lasting as the structures we aim to build for our residents. Removing the expiration of affordable housing credits provides the long-term financial stability necessary for developers to commit private capital to complex, multi-year projects. Perpetual credits allow for predictable credit-sharing, which is essential in a market where high interest rates and construction costs often create gaps in project feasibility.

Furthermore, many of the most impactful affordable housing projects are situated in TOD zones and urban growth boundaries, where development timelines are often extended due to infrastructure and entitlement requirements. By removing the expiration dates from housing credits, the State empowers developers to remain engaged in these high-priority, long-term investments. This consistency ensures that the affordable units built today contribute to a permanent, viable pipeline for Hawai'i's future.

Thank you for the opportunity to testify in support of this measure.

JOSH GREEN, M.D.  
GOVERNOR  
STATE OF HAWAII  
*Ke Kia'āina o ka Moku'āina 'o  
Hawai'i*

SYLVIA J. LUKE  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Kia'āina o ka Moku'āina  
'o Hawai'i*



KALI WATSON  
CHAIRPERSON, HHC  
*Ka Luna Ho'okele*

KATIE L. LAMBERT  
DEPUTY TO THE CHAIR  
*Ka Hope Luna Ho'okele*

STATE OF HAWAII  
DEPARTMENT OF HAWAIIAN HOME LANDS  
*Ka 'Oihana 'Āina Ho'opulapula Hawai'i*

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON HOUSING  
ON MARCH 27, 2026 AT 9:30AM IN CR 430

**HCR38 / HR36, DECLARING THE INTENT THAT AFFORDABLE HOUSING  
CREDITS ARE PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND  
REQUESTING THE COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT  
EXPIRATION DATES**

March 27, 2026

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

The Department of Hawaiian Home Lands (DHHL) **supports** this resolution declaring the intent that Affordable Housing Credits are perpetual and remain valid until redeemed, and requesting the counties to recognize these credits without expiration dates.

Act 90, Session Laws of Hawaii 2023, extended the sunset dates for the issuance of county Affordable Housing Credits to DHHL pursuant to Act 141, Session Laws of Hawaii 2009, as amended, and Act 98, Session Laws of Hawaii 2012, as amended, to July 1, 2030. Affordable Housing Credits have enabled DHHL to provide affordable housing opportunities for its beneficiaries at no cost to the State. This program also allowed for the purchase of additional land in a location that beneficiaries were interested in, but where DHHL had no land in the area, and resulted in a reduction in the price of housing units offered by homebuilders on Hawaiian Home Lands.

For example, this program provided developer with 300 new and existing Affordable Housing Credits for the acquisition of approximately 47 acres, valued at over \$10 million, resulting in 161 lots being developed for Pu'uhona Homestead Subdivision. Also in Maui, in exchange for 372 Affordable Housing Credits, developer deposited over \$4 million into DHHL's Trust Fund to be used on future projects in Maui County. On Oahu, 47 Affordable Housing Credits for single-family homes in Kumuhau Residence subdivision were provided to offset \$350,000 in developer fees. On the island of Hawai'i, critically needed ungulate fencing surrounding endangered plant preserve habitat in the Villages of La'i'ōpua was negotiated with developer who received 45 Affordable Housing Credits.

This resolution seeks to facilitate the efficient administration of the credits while avoiding provisions that would restrict the life, value, transferability, or utility of the credits. DHHL supports this resolution because affordable housing credits without expiration dates would allow DHHL to pursue long-term planning and development as well as strategic land acquisition in fulfillment of DHHL and the State's trust responsibilities to its beneficiaries.

Thank you for your consideration of our testimony.



March 25, 2026

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

RE: **HR 36 - DECLARING THE INTENT THAT AFFORDABLE HOUSING CREDITS ARE PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND REQUESTING THE COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT EXPIRATION DATES.**  
**Hearing date – March 27, 2026 at 9:00AM**

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

Thank you for allowing NAIOP Hawaii to submit testimony in **STRONG SUPPORT of HR 36 – DECLARING THE INTENT THAT AFFORDABLE HOUSING CREDITS ARE PERPETUAL AND REMAIN VALID UNTIL REDEEMED, AND REQUESTING THE COUNTIES TO RECOGNIZE THESE CREDITS WITHOUT EXPIRATION DATES.** NAIOP Hawaii is the Hawaii 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.

We stand in strong support of HR 36 affirms the Legislature’s intent that affordable housing credits remain perpetual and valid until redeemed, and requests that counties recognize these credits without expiration dates.

Hawai‘i continues to face an acute and growing housing shortage, and the need to encourage the production of workforce and affordable housing remains urgent. Affordable housing credits—established under Act 31 (2024)—serve as an essential tool to attract private investment and make these developments financially feasible. These credits are particularly important because they function as a form of incentive that offsets costs and risk associated with delivering workforce housing. For the credit program to work as intended, the value of the credits must remain meaningful and dependable over time. If the utility of the credits is diminished, the incentive they provide is similarly diminished, reducing the likelihood that new workforce housing will be built.

We appreciate the Legislature’s efforts to provide clear guidance and reaffirm legislative intent. Clarity regarding the treatment of these credits is critical to the financial

planning and underwriting processes undertaken by developers, lenders, and investors. A stable and predictable framework allows project teams to confidently incorporate these credits into long-term planning and financing models, ultimately supporting more consistent and scalable housing production.

At the same time, we recognize and respect the important role that counties play in administering and implementing housing policies. HR 36 strikes an appropriate and thoughtful balance by affirming legislative intent while requesting alignment at the county level. This collaborative approach helps ensure consistency across jurisdictions while preserving the shared goal of increasing housing production statewide.

We also appreciate that the Legislature's clear statement of intent in this resolution will help provide the clarity needed for lenders, investors, and developers to rely on the credit program when structuring future housing projects. This clarity will help avoid uncertainty and ensure that the program functions as a reliable tool to encourage continued investment in workforce housing.

For these reasons, we respectfully urge the Committee to pass HR 36.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Ken Hayashida". The signature is written in a cursive, flowing style.

Ken Hayashida, President  
NAIOP Hawaii