

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 WAYS AND MEANS

March 03, 2026 at 10:17 a.m.

State Capitol, Room 211

In consideration of

SENATE BILL 2424 SENATE DRAFT 1

RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee.

HHFDC **supports with comments** Senate Bill 2424 Senate Draft 1, which strengthens and improves the mechanisms that ensure publicly assisted housing remains available to Hawai'i residents in perpetuity.

This bill removes unnecessary financial screening and property-ownership restrictions from the definition of "qualified resident," to enable households to move up the housing ladder. This bill also eases the requirements for the Section 201H-38 "alternative pathway" to encourage the development of housing for local households.

This bill recognizes that duplicative income and underwriting reviews delay affordable housing delivery and that ownership-based eligibility restrictions can unintentionally limit mobility for local households. By removing these barriers, the bill streamlines participation and allows families to transition more naturally through the housing market.

At the same time, this bill expands the long-term protections introduced in the original bill by strengthening perpetual deed restriction requirements. This bill maintains the mandate that any subsequent- sale must be to a qualified resident and that rentals must carry a minimum lease term of one year, ensuring units are protected from short-term or transient use.

This bill incentivizes the development of workforce housing for local families under the Section 201H-38 alternative pathway by allowing units to be rented after a one-year owner-occupancy period, subject to a perpetual deed restriction. This improves the marketability of units and

project feasibility while ensuring that deed-restricted units serve as active homes for residents rather than becoming dormant or speculative holdings.

These changes reinforce the bill's intent to ensure that homes developed with public support are occupied by local households. Additionally, this bill continues to provide practical flexibility for achieving project financing and absorption. Allowing up to 20 percent of units to be sold outside the owner-occupant requirement supports developers in reaching financing thresholds sooner, enabling earlier construction starts. Likewise, permitting buyers to rent out their unit after one year of ownership makes affordable homeownership a more attractive and viable option.

However, we are concerned that the SD1 version of this bill exempts all Section 201H-38 projects from the 10-year buyback and owner-occupancy restrictions set forth in sections 201H-47 and 201H-49. As currently proposed, any affordable unit approved under Section 201H-38 could be sold at market value immediately after it is purchased. We believe that the exemption from Section 201H-49 should only be applicable to projects approved under the process set forth in 201H-38(a)(2). We suggest that Section 201H-38(a)(2)(D) be amended as follows:

- (D) **Notwithstanding the ten-year owner-occupancy requirement in section 201H-49, ensure that** not less than eighty per cent of the units in the housing project are sold to qualified residents and shall remain owner-occupied for a minimum of one-year following the initial sale of the unit; provided that upon sale, each unit in the project shall be subject to a perpetual deed restriction requiring that:...

Thank you for the opportunity to testify.



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

March 3, 2026

Senate Committee on Ways and Means
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for SB 2424 SD1 - 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 SB 2424 SD1**, 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 the state's 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. These restrictions require occupants to



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

be domiciled in the state, limits rentals to long-term leases, and ensure that future sales are made only to 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, SB 2424 SD1 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



TO: SENATE COMMITTEE ON WAYS & MEANS
The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair, and
Members of the Committee

FROM: Elise Inouye, Director of Policy and Public Affairs

RE: Testimony in Support for SB 2424 SD 1, Relating to the Hawai'i Housing
Finance and Development Corporation

DATE: Tuesday, March 3, 2026 at 10:17 am

LOCATION: Conference Room 211

The Hawai'i Community Foundation (HCF) **supports SB 2424 SD 1**, 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 nation¹ and our median rents being the second highest in the nation.² 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.

SB 2424 SD 1 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

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

² [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 SB 2424 SD 1** to expand access to housing for local residents and working families in Hawai'i.



1001 Bishop Street #625 | Honolulu, HI 96813
866-295-7282 | aarp.org/hi | hiaarp@aarp.org |
[Twitter.com/aarpHawaii](https://twitter.com/aarpHawaii) | facebook.com/aarpHawaii

**The Thirty-Third State Legislature
Seante Committee on Ways and Means
Tuesday, March 3, 2026
Conference Room 211
10:17 a.m.**

TO: The Honorable Donovan M. Dela Cruz, Chair
FROM: Keali'i S. López, State Director
RE: Support for S.B. 2424 SD1 Relating to The Hawai'i Housing Finance and Development Corporation

Aloha Chair Dela Cruz and Members of the Committee:

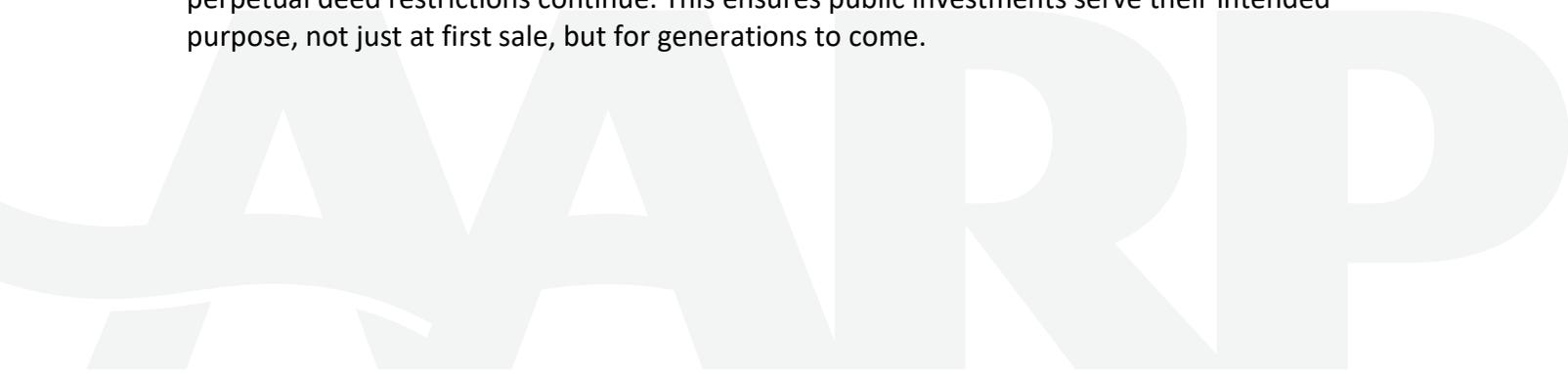
My name is Keali'i López, and I serve as State Director for AARP Hawai'i. AARP is the nation's largest nonprofit, nonpartisan social impact organization, dedicated to empowering people age 50 and older to choose how they live as they age. In Hawai'i, we represent more than 135,000 members who care deeply about housing stability, community preservation, and affordability.

On behalf of our members, **AARP strongly supports S.B. 2424 SD1.**

S.B. 2424 SD1 takes meaningful steps to ensure that housing developed with public support remains available to Hawai'i residents over the long term. By establishing **perpetual deed restrictions**, the measure requires resale only to **qualified residents**, ensures **Hawai'i domicile** for occupants, and limits rentals to **long-term, minimum one-year leases**. These provisions help prevent displacement, curb speculative use, and preserve housing for local families.

The bill also appropriately updates the definition of "qualified resident" by removing certain landownership prohibitions while retaining essential eligibility requirements. This balanced approach protects local access without creating unnecessary barriers for buyers.

Importantly, S.B. 2424 SD1 requires that **at least 80 percent of units** in applicable projects be initially sold to qualified residents and **owner-occupied for a minimum of one year**, after which perpetual deed restrictions continue. This ensures public investments serve their intended purpose, not just at first sale, but for generations to come.



AARP's housing policy emphasizes the need to **preserve housing for long-term residents and maintain community stability**. The perpetual deed restriction framework advances that goal by keeping publicly enabled homes in local hands and preventing displacement pressures that disproportionately affect older adults and fixed-income households.

Just as important, the bill **reduces unnecessary development and buyer costs** by eliminating duplicative income and ability-to-pay screening requirements and avoiding cost-increasing conditions. These changes help lower soft costs that are often passed directly to consumers, making homes more attainable without compromising accountability.

S.B. 2424 SD1 also **expands stable rental options** by allowing deed-restricted units to be rented on a long-term basis after the initial owner-occupancy period. This flexibility is especially important for older adults who may choose to downsize or transition from homeownership to renting while remaining in their communities.

Ensuring a reliable supply of affordable housing strengthens Hawai'i's workforce, supports local businesses, and sustains our overall economic health. Without stable housing options, young working families are forced to leave the state—raising a critical question: **Who will care for our aging parents and grandparents if future generations cannot afford to stay in Hawai'i?**

S.B. 2424 SD1 represents a thoughtful, balanced approach to housing policy protecting public investment, supporting local residents, and improving affordability.

For these reasons, **AARP Hawai'i respectfully urges the Senate Committee on Ways and Means to pass S.B. 2424 SD1.**

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



holomua

COLLABORATIVE

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.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Brad Nicolai
Mike Pietsch
Sunshine Topping

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

827 Fort Street Mall, 2nd Floor
Honolulu, Hawai'i 96813

+1 (808) 542-4089
info@holomuacollaborative.org

HolomuaCollaborative.org

Page 1 of 2

Committee: Senate Committee on Ways and Means
Bill Number: SB 2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation
Hearing Date and Time: March 3, 2026, 10:17am, Room 211
Re: Testimony of Holomua Collaborative – Support

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation. This bill would incentivize the development of housing dedicated to 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*.¹ 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 survey² 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.

¹ 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

² 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 enable lower-cost, faster 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 move up the ladder. 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.

SB2424 SD1 is an investment in our future. This program provides an opportunity to scale the development of local-only housing and 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 SB2424 SD1.

Sincerely,

Matthew Prellberg
Policy & Communications Director



March 3, 2026

Committee: Senate Committee on Ways and Means
Bill Number: SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation
Hearing Date and Time: March 3, 2026, 10:17am
Re: Testimony of HPM Building Supply in Support

Dear Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members:

I would like to submit this testimony in support of SB2424 SD1, 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 the workforce that HPM serves is comprised of skilled tradespeople, including carpenters, electricians, and plumbers, who are 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.

SB2424 SD1's approach of 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 SB2424 SD1, 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





TITLE GUARANTY
HAWAII

March 3, 2026

Testimony in support of SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members,

We write in support of SB2424 SD1, 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.

SB2424 SD1 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





Statement of
Meli James and Brittany Heyd
Cofounders
Mana Up

SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

We support SB2424 SD1, 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



Testimony in Support of SB2424 SD1, Relating to the Hawai'i Housing Finance and Development Corporation

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee,

We write in strong support of SB 2424 SD1, 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 SB 2424 SD1.

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

Brandon Kurisu
aio Family of Companies



TORI RICHARD

March 3, 2026

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee,

We write in support of SB 2424 SD1.

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 high housing costs pose to everyone working to make ends meet in Hawai'i.

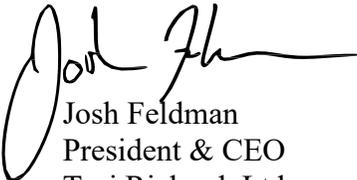
Our business is deeply committed to supporting Hawai'i's local workforce, and the growing housing crisis makes it increasingly difficult for our employees to remain in the islands. Attainable housing dedicated to local families is key to keeping talented, creative people in Hawai'i, and this bill offers 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. SB 2424 SD1 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 SB 2424 SD1, 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