

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
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Statement of DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

February 04, 2025 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 1200
RELATING TO WORKFORCE HOUSING.

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

HHFDC **supports** SB 1200, which establishes the Workforce Housing Regulatory Sandbox Program within the Hawai'i Housing Finance and Development Corporation (HHFDC) and establishes an Advisory Council within the Workforce Housing Regulatory Sandbox Program to advise on environmental and cultural practices within specific developments. It also requires annual reports to the Legislature, appropriates funds, and repeals 6/30/2030. HHFDC supports the measure so long as it does not adversely impact priorities identified in the Executive Budget Request for FY 2026.

There are systemic barriers that impede the production of affordable housing development in Hawaii. Addressing these barriers will require a comprehensive and coordinated approach that integrates stakeholder collaboration, regulatory reforms, infrastructure investments, and enhanced financing mechanisms.

HHFDC supports the regulatory sandbox that allows developers to test innovative housing solutions under relaxed permitting and regulatory requirements that could accelerate the creation of workforce housing while addressing broader housing shortages in the State.

HHFDC supports the \$5 million appropriation to seed the new program. HHFDC requests one full-time equivalent (1.0 FTE) I position to help with the administration of the new program.

Thank you for the opportunity to testify on this bill.



Testimony to the Senate Committee on Housing

Senator Stanley Chang, Chair

Senator Troy N. Hashimoto, Vice Chair

Tuesday, February 3, 2025, at 1:00PM

Conference Room 225 & Videoconference

RE: SB1200 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 Senate Bill 1200 (SB1200), 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.

SB1200 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Business Services. This bill promotes policies that drive economic growth, enhance workforce opportunities, and improve the quality of life for Hawaii's residents.

This bill establishes a regulatory sandbox to address Hawaii's workforce housing shortage by allowing developers to test innovative housing solutions with relaxed permitting and regulatory requirements. This program will help increase the supply of affordable housing, particularly for workers earning 60% to 140% of the area median income and reduce construction barriers while maintaining environmental and cultural integrity.

Administered by the Hawaii Housing Finance and Development Corporation, the sandbox will include an advisory council to guide the program's implementation. Developers will be incentivized to create affordable, sustainable housing with reduced timelines, while ensuring that units remain affordable for at least ten years and are occupied by full-time residents.

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.

We respectfully ask to pass Senate Bill 1200. Thank you for the opportunity to testify.

Feb 4, 2025, 1 p.m.
Hawaii State Capitol
Conference Room 225 and Videoconference

LATE

To: Senate Committee on Housing
Sen. Stanley Chang, Chair
Sen. Troy Hashimoto, Vice-Chair

From: Grassroot Institute of Hawaii
Ted Kefalas, Director of Strategic Campaigns

RE: SB1200 — RELATING TO WORKFORCE HOUSING

Aloha Chair Chang, Vice-Chair Hashimoto and other members of the Committee,

The Grassroot Institute of Hawaii **supports** [SB1200](#), which would establish a “regulatory sandbox” in the Hawaii Housing Finance and Development Corp. to approve innovative affordable housing projects.

The bill would establish an advisory council to oversee the sandbox. This council would have the authority to approve or deny any housing projects that apply, and to grant waivers from infrastructure capacity fees, land-use rules and permitting processes.

Regulatory sandboxes have been used across the world. They waive laws and rules for innovative business models, giving entrepreneurs the ability to test certain products or ways of doing business in an environment that attempts to balance regulatory oversight with creativity.

Such a sandbox for workforce housing in Hawaii would make sense, especially because Hawaii has the strictest land-use rules in the country.¹

Thank you for the opportunity to testify.

Ted Kefalas,
Director of Strategic Campaigns
Grassroot Institute of Hawaii

¹ Rachel Inafuku, Justin Tyndall and Carl Bonham, “[Measuring the Burden of Housing Regulation in Hawaii](#),” Economic Research Organization at the University of Hawai‘i, April 14, 2022, p. 6.

LATE

SB-1200

Submitted on: 2/3/2025 3:23:13 PM

Testimony for HOU on 2/4/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lauren Marumoto	Individual	Support	Written Testimony Only

Comments:

Dear Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

This bill establishes a regulatory sandbox to encourage creative, efficient housing solutions. By temporarily easing permitting and regulatory requirements, developers can test new approaches to boost affordable housing—particularly for workers earning 60% to 140% of the area median income. With Hawaii needing 50,000 new housing units by 2025, this initiative breaks down construction barriers while preserving the environment and cultural heritage. Administered by the Hawaii Housing Finance and Development Corporation, the program includes an advisory council for oversight.

By working together, we can expand housing opportunities and create a stronger future for Hawaii's workforce.

I respectfully ask to pass Senate Bill 1200. Thank you for the opportunity to testify.

Sincerely,

Lauren Marumoto

LATE

SB-1200

Submitted on: 2/3/2025 4:20:42 PM

Testimony for HOU on 2/4/2025 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mizuki Lee	Individual	Support	Written Testimony Only

Comments:

Testimony before the SENATE COMMITTEE ON HOUSING

sENATOR STANLEY CHANG, CHAIR

SENATOR TROY N. HASHIMOTO, VICE CHAIR

SB1200

Relating to Workforce Housing

Wednesday, February 14, 2024, at 9:15AM

Conference Room 325 & Videoconference

Submitted by Mizuki Lee

Dear Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

On behalf of Mizuki Lee, I am testifying in support of Senate Bill 1200, Relating to Workforce Housing. SB1200 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.

SB1200 takes a proactive and innovative approach to tackling Hawaii's housing crisis by supporting workforce housing development. It aligns with the 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the Business Services policy pillar, advancing policies

that drive economic growth, expanding workforce opportunities, and enhancing residents' quality of life.

Personal Testimonial

This bill establishes a regulatory sandbox to encourage creative, efficient housing solutions. By temporarily easing permitting and regulatory requirements, developers can test new approaches to boost affordable housing—particularly for workers earning 60% to 140% of the area median income. With Hawaii needing 50,000 new housing units by 2025, this initiative breaks down construction barriers while preserving the environment and cultural heritage. Administered by the Hawaii Housing Finance and Development Corporation, the program includes an advisory council for oversight.

By working together, we can expand housing opportunities and create a stronger future for Hawaii's workforce.

I respectfully ask to pass Senate Bill 1200. Thank you for the opportunity to testify.