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IN REPLY REFER TO:

Statement of  
**DENISE ISERI-MATSUBARA**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON HOUSING**

February 9, 2021 at 1:00 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 840**  
**RELATING TO RENT TO BUILD EQUITY.**

The HHFDC ***offers the following comments*** on S.B. 840, which would require developers of housing projects receiving General Excise Tax (GET) exemptions or 201H expedited approvals from HHFDC to enter into rent-to-build equity agreements with project tenants for all units leased after January 1, 2022. The bill also requires that such agreements provide tenants with a prorated share of 20 percent of the sale price of any sales price derived from a developer's sale of the project.

HHFDC notes that housing projects already in the development pipeline, or currently placed in service, were financed based on revenue projections that do not include rent-to-build equity agreements. Accordingly, we suggest that if the committee moves this bill forward, that it be amended to apply prospectively to housing projects approved after the bill's effective date.

Thank you for the opportunity to testify.