

DAVID Y. IGE  
GOVERNOR



DENISE ISERI-MATSUBARA  
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  
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IN REPLY REFER TO:

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

### HOUSE COMMITTEE ON HOUSING

February 8, 2022 at 9:30 a.m.  
State Capitol, Room 423

In consideration of  
**H.B. 2513**  
**RELATING TO RENTAL HOUSING REVOLVING FUND.**

HHFDC is in **strong support** of H.B. 2513, which requires that \$150 million of funds in the rental housing revolving fund be used to provide loans or grants to mixed-income rental projects or units for persons and families with incomes between sixty-one and one hundred per cent of the median family income. These projects and units may be referred to as workforce rental housing.

Historically, development of affordable rentals for this workforce gap has not been feasible. The subsidies will encourage more development, thereby providing more housing options to our state's working families.

HHFDC notes that the bill is ambiguous as to the timeframe relating to the use of the first \$150 million for workforce rental housing. We suggest that the new statutory material read as follows, with the clarifying language underscored.

“ provided that the first \$150,000,000 appropriated in fiscal year 2022 for such purpose shall be used for projects or units in a mixed-income rental project for persons and families with incomes between sixty-one per cent and one hundred per cent of the median family income.”

In addition, HHFDC requests that language be added to 1) allow HHFDC to apply any unused funds to [HRS 201H-202](#) (e)(1) A and B projects and 2) allow HHFDC to retain funds beyond the supplemental year.

Thank you for the opportunity to testify on this bill.



CATHOLIC CHARITIES HAWAI'I

**LATE**

**COMMENTS on HB 2513: RELATING TO THE RENTAL HOUSING REVOLVING FUND**

TO: House Committee on Housing

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

Hearing: **Tuesday, February 8, 2022; 9:30 am; via videoconference**

Chair Nakamura, Chair Hashimoto, and Members, Committee on Housing:

Thank you for the opportunity to provide **Comments on HB 2513**, which requires that a certain amount of funds (i.e. \$150 million) in the Rental Housing Revolving Fund be used to provide loans or grants to mixed-income rental projects for persons and families with incomes between 61% to 100% of the median family income. I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

Catholic Charities Hawai'i serves many elderly and family households that are in desperate need of an affordable rental unit. Struggling households up to the 60% AMI level are now the priority for funding for tax credit projects with the Rental Housing Revolving Fund. These are the working families of Hawaii. These are many of the ALICE population that struggle not only with rent but to also pay for food and other expenses. This is the fast growing elderly population living on fixed incomes. The Rental Housing Revolving Fund addresses these needs but each year there is insufficient funding. The State is falling behind in housing these households. Indeed, last year the Hawai'i Housing Finance and Development Corporation received funding requests to finance almost 2,700 units, but were only able to make awards up to \$151 million for 750 units.

We understand that housing studies show need at all levels of income. There are other ways to address this need. The federal Department of Housing and Urban Development (HUD) has changed its rules to allow income averaging, so that the housing needs of households up to 80% AMI can be addressed. This is a win-win solution that Hawai'i should focus upon. It would provide units to this higher income population which is also struggling, and also create more units for extremely low-income households. The average of the incomes in these projects would be 60% AMI, thus meeting tax credit requirements.

We urge you to work with HHFDC on other options to address our State's crisis in affordable housing. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.





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**LATE**

The State Legislature  
The House Committee on Housing  
Tuesday, February 8, 2022  
9:30 a.m.

TO: The Honorable Nadine Nakamura, Chair  
RE: Support for H.B 2513 , Relating to Rental Housing Revolving Fund

Aloha Chair Nakamura and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with over 140,000 members in Hawai'i. **AARP supports H.B. 2513** which requires some funds in the rental housing revolving fund be used to provide loans and grants to mixed-income rental projects or units for persons and families with incomes between sixty-one and one hundred percent of median family income.

This is an important bill as it sets aside money for housing projects, which are sometimes neglected due to policies being concentrated for very low or extremely low-income housing. The bill targets housing projects and units to families with incomes between 60-100% area median income, which means for a family of four that are low to moderate income household. Therefore, this creates a balanced approach.

There is almost no housing being built in the 60–80 percent AMI price range. That's because the pricing is above what that current Hawai'i Low-Income Housing Tax Credit (LIHTC) Program will fund, but below what private market developers are required to provide. (The LIHTC Program is a financing tool for private developers and non-profit entities to construct or rehabilitate affordable rental units.) The household income range for this "missing middle" category is \$81,900 to \$109,200.

According to the National Low-Income Housing Coalition, in Hawaii 63% of the low-income renter households are cost burdened, with 20% of the low-income renter households severely cost burdened. Furthermore, 45% of the middle-income renter households are cost burdened and 11% of the middle-income renter households are severely cost burdened. Renter households spending more than 30% of their income on housing costs and utilities are cost burdened, and those spending more than 50% of their income are severely cost burdened.

The Hawaii Housing Finance and Development Corp., state agency charged with developing and financing low- and moderate-income housing, finds that Hawai'i will need about 50,000 more housing units between 2020 and 2025. Hawai'i has the 2nd highest rent in the country out of 56 states and territories. The Fair Market Rent in Hawai'i ranges from \$1,469 for a 2-bedroom apartment in Hawai'i County, HI to \$2,073 for a 2-bedroom unit in urban Honolulu. This bill is a good step forward in addressing the housing needs of low-moderate income families.

Thank you very much for the opportunity to **support H.B. 2513.**

Sincerely,

A handwritten signature in black ink that reads "Keali'i S. López". The signature is written in a cursive style with a large, stylized initial 'K'.

Keali'i S. López  
State Director