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GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON HOUSING
ON
HOUSE BILL NO. 2548

January 31, 2024
10:00 a.m.
Room 312 and Videoconference

RELATING TO ACCESSORY DWELLING UNITS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2548 establishes the Accessory Dwelling Unit Loan (ADUL) Program (ADULP) under the Hawai'i Housing Finance and Development Corporation (HHFDC) to provide loan financing and grants to non-depository community development financial institutions; establishes the ADUL Revolving Fund (ADULRF) for the ADULP; authorizes HHFDC to establish fees to fund the ADULP; appropriates an unspecified amount of general funds for FY 25 to be deposited into the ADULRF; and appropriates an unspecified amount of revolving funds out of the ADULRF for FY 25. Revenues for the ADULRF would consist of legislative appropriations, repayment of loans, interest, fees, and funds from other sources.

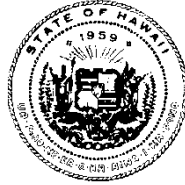
As a matter of general policy, B&F does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund

appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 2548, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Thank you for your consideration of our comments.

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
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Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

January 31, 2024 at 10:00 a.m.
State Capitol, Room 312

In consideration of
H.B. 2548
RELATING TO ACCESSORY DWELLING UNITS.

HHFDC **supports** HB 2548, which establishes the Accessory Dwelling Unit Loan Program under HHFDC to provide loans for the development of accessory dwelling units (ADUs) and establishes the Accessory Dwelling Unit Loan Revolving Fund to implement the program.

This bill promotes the development of ADUs, which will increase the inventory of below-market rental units in the state.

Thank you for the opportunity to testify on this bill.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
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Shane M. Sinenci
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Director of Council Services
David M. Raatz, Jr., Esq.


Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL

COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
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January 30, 2024

TO: The Honorable Representative Luke A. Evslin, Chair, and
Members of the House Committee on Housing

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF JANUARY 31, 2024; TESTIMONY IN SUPPORT OF
HB2548, RELATING TO ACCESSORY DWELLING UNITS**

Thank you for the opportunity to testify in **support** of this important measure. This measure establishes the Accessory Dwelling Unit Loan Program under the Hawaii Housing Finance and Development Corporation.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

1. Constructing more accessory dwelling units is a critical part of addressing the housing shortage. Maui County has taken many recent actions to make it easier to construct ADUs, including by amending the Comprehensive Zoning Ordinance and launching the 'Ohana Assistance Program pilot project. I welcome the State's support in this effort.
2. Providing up to \$300,000 for an accessory dwelling loan, as proposed in this measure, will encourage residents to build ADUs on their properties.
3. At the proposed interest rates of between 1% and 6%, an accessory dwelling loan would be more affordable for residents than similar bank loans.

For the foregoing reasons, I **support** this measure.



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**The State Legislature
House Committee on Housing
Wednesday, January 31, 2024
Conference Room 312, 10:00 a.m.**

TO: The Honorable Luke Evslin, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Support for H.B. 2548 -Relating to Accessory Dwelling Units.

Aloha Chair Evslin, and Members of the Committee:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports H.B. 2548 which is to promote affordable housing by establishing an accessory dwelling unit (ADU) loan program under the Hawaii Housing Finance and Development Corporation.

ADUs are a beneficial and needed option for people of all ages. ADUs can enable homeowners to provide needed housing for their parents, adult children, grandchildren or other loved ones. It also can allow older homeowners downsize on their own property while allowing a tenant or other family members to live in the primary residence. ADUs may be a welcomed source of supplemental income which may be essential for homeowners on fixed income; while also adding more rental units to the housing inventory for others. It is important that the State continues to support opportunities and avenues that will increase the housing inventory for Hawaii residents.

Thank you very much for the opportunity to testify in support **H.B 2548**.

Hawai'i State House of Representatives Testimony
HB2548 – Relating to Accessory Dwelling Units

RE: Strong support of HB2548

January 30, 2024

The Council for Native Hawaiian Advancement writes in **strong support** of HB2548 to establish an accessory dwelling unit (ADU) loan program under HHFDC. Multiple housing solutions are necessary to prevent further displacement and outmigration of Native Hawaiians and local families. ADUs are a critical, affordable option for individuals and families across the state and especially on Maui.

As a Native Hawaiian organization, we deeply understand the importance of land, particularly when there is an ancestral or familial connection to it. For decades, we have seen more and more local families priced out of their generational homes; the fallout from the wildfires has only exacerbated the situation. We have seen early reports indicate that over 1,300 families have left Maui County, and we expect even more to leave if adequate measures are not taken. The outmigration crisis is worsening and the first step to prevent further displacement is to create more available, affordable housing.

Multiple, concurrent solutions are required to address the ongoing housing crisis in Hawai'i. By funding opportunities to invest in ADUs, the State creates more ways for local communities to stay affordable. ADUs are a good option for multigenerational families to stay together without overcrowding their homes, transitional or temporary residences for displaced individuals, and kūpuna caretaker housing. ADUs should be a more accessible option for residents and HB2548 makes that happen.

We humbly ask that you **SUPPORT HB2548** and continue your work towards more affordable housing.

Mālama pono,

Madelyn McKeague

Policy Manager, CNHA

About the Council for Native Hawaiian Advancement

CNHA is a member-based 501(c)3 non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians. For more information, visit www.hawaiiancouncil.org/.



Hawai'i YIMBY
Honolulu, HI 96814
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Wednesday, January 31, 2024

House Committee on Housing
Hawai'i State Capitol
Honolulu, HI 96813

RE: SUPPORT for HB 2548 - RELATING TO ACCESSORY DWELLING UNITS

Aloha Chair Evslin, Vice Chair Aiu, and Members of the Committee,

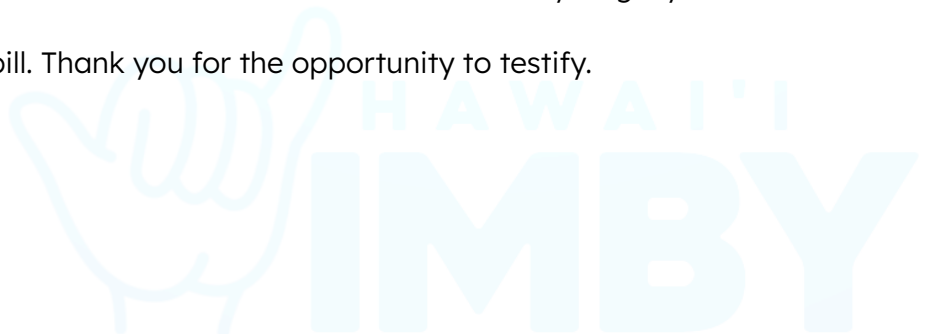
On behalf of Hawai'i YIMBY, I'm writing to support HB 2548, which could help address a barrier to the financing of ADUs. The financing aspect can be an insurmountable challenge when a borrower does not qualify through traditional financing. This may be especially burdensome on borrowers on a fixed income, or projects that require major upgrades, such as wastewater improvements.

Although not the only solution, ADUs can play a significant part in addressing the housing shortage. ADUs can help individual homeowners better utilize the land they already own, whether it be to grow their family or house and care for their kūpuna.

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 urge your support for this bill. Thank you for the opportunity to testify.

Sincerely,
Damien Waikoloa
Co-Lead, Hawai'i YIMBY



HB-2548

Submitted on: 1/29/2024 3:09:54 PM

Testimony for HSG on 1/31/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
David Fukuzawa	Individual	Support	Written Testimony Only

Comments:

Dear Honorable Legislative Representative,

I am writing to support Bill HB2548. I think this is a good bill to help us with affordable housing situations in our state.

Sincerely,

David Fukuzawa

HB-2548

Submitted on: 1/30/2024 10:42:49 AM

Testimony for HSG on 1/31/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Dan Gardner	Individual	Support	Written Testimony Only

Comments:

My Wife and I support this bill which would help reduce the shortfall of affordable housing in Hawaii.

Dan Gardner, Honolulu, daniel.dano.gardner