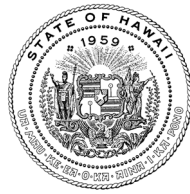


JOSH GREEN, M.D.  
GOVERNOR



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  
HONOLULU, HAWAII 96810-0150

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 SENATE COMMITTEE ON HOUSING  
ON  
HOUSE BILL NO. 1246, H.D. 1

**March 14, 2023**  
**1:01 p.m.**  
**Room 225 and Videoconference**

RELATING TO HOUSING

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

House Bill No. 1246, H.D. 1, amends Chapter 201H, HRS, to: 1) authorize the Hawai'i Housing Finance and Development Corporation (HHFDC) to issue bonds for regional state infrastructure projects; 2) allow bonds issued by HHFDC to be secured by income and revenues derived from infrastructure projects; 3) include proceeds from bonds issued for regional state infrastructure projects as an allowable revenue source for regional state infrastructure subaccounts of the Dwelling Unit Revolving Fund (DURF); and 4) include the repayment of bonds issued for regional state infrastructure projects as an allowable expense for regional state infrastructure subaccounts of the DURF. The bill also appropriates an undetermined amount of general funds to be deposited into the DURF and appropriates an undetermined amount out of the DURF in FY 24; and authorizes the Director of Finance to issue an undetermined amount of general obligation bonds to be deposited into the DURF and appropriates an undetermined amount out of the DURF in FY 25 for the purposes of the DURF.

B&F will need to work closely with HHFDC to ensure that any revenue bonds that are issued for regional state infrastructure projects have sufficient and steady projected revenues to cover the debt service prior to the issuance of the bonds. B&F and HHFDC will also have to work together to ensure that there is sufficient DURF ceiling appropriated each fiscal year to accommodate the payment of the debt service for the bonds.

Thank you for your consideration of our comments.

**LATE**

**HB-1246-HD-1**

Submitted on: 3/14/2023 1:05:50 PM

Testimony for HOU on 3/14/2023 1:01:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nani Medeiros	Testifying for Office of the Governor, Chief Housing Officer, State of Hawaii	Support	Written Testimony Only

Comments:

Mahalo for the opportunity to support HB 1246 HD1 and the intent. However, we prefer the amounts specified in the executive biennium request, mahalo.

March 14, 2023

**The Honorable Stanley Chang, Chair**

Senate Committee on Housing  
State Capitol, Conference Room 225 & Videoconference

**RE: House Bill 1246, HD1, Relating to Housing**

**HEARING: Tuesday March 14, 2023, at 1:01 p.m.**

Aloha Chair Chang, Vice Chair Kanuha, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 11,000 members. HAR **supports** House Bill 1246, HD1, which authorizes the Hawai'i housing finance development corporation to issue bonds for infrastructure projects and to finance the development of regional state infrastructure projects. Authorizes the issuance of general obligation bonds with the funds to be deposited into the dwelling unit revolving fund. Appropriates funds into and out of the dwelling unit revolving fund. Effective 6/30/3000.

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawai'i, the state needs up to 45,497, housing units to meet demand in Hawai'i by 2030.<sup>1</sup> Ultimately, we have a housing supply problem, and investment is needed to meet our State's housing challenges. Infrastructure is a critical aspect of housing and affordable housing development, and we advocate for the issuance of bonds to the Hawai'i Housing Finance and Development Corporation and Dwelling Unit Revolving Fund for infrastructure projects to address our state's housing requirements.

For the foregoing reasons, Hawai'i Association of REALTORS® supports this measure. Mahalo for the opportunity to testify.

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<sup>1</sup> Department of Business, Economic Development & Tourism. (2019). *Hawaii Housing Demand 2020-2030*. <https://files.hawaii.gov/dbedt/economic/reports/housing-demand-2019.pdf>



March 13, 2023

Senator Stanley Chang, Chair  
Senator Dru Mamo Kanuha, Vice Chair  
Members of the Committee on Housing

RE: **HB 1246 HD1 – RELATING TO HOUSING**  
**Hearing date – March 14, 2023 at 1:01 p.m.**

Aloha Chair Chang, Vice Chair Kanuha and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony in **SUPPORT of HB 1246 – RELATING TO HOUSING**. NAIOP Hawaii is the Hawaii chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders and other professionals.

HB 1246 authorizes the issuance of general obligation bonds with the funds to be deposited into the Dwelling Unit Revolving Fund (DURF). Further the measure appropriates funds into and out of the DURF.

NAIOP strongly supports HB 1246 which will provide much needed funding to produce affordable housing for-sale and rental projects. Currently, Hawaii is in a housing crisis. In 2019, a study commissioned by DBEDT found that Hawaii will need an additional 50,156 homes by 2025. To meet this projection, housing units will need to be developed in mass quantities. The additional funding provided to DURF seeks to assist in accomplishing this goal.

Furthermore, the measure provides for additional funding to DURF in order to support the purposes of the funds. The fund is one of the most effective sources of support to target building units for local families who desire to purchase units in Hawaii.

HB 1246 will be a tool to increase the production of units and assist buyers in purchasing units. Ultimately, Hawaii residents need housing units to be produced to allow our local families to continue to thrive here. NAIOP Hawaii is supportive of all policies which encourage the production of much needed housing stock.

Senator Stanley Chang, Chair  
Senator Dru Mamo Kanuha, Vice Chair  
Members of the Committee on Housing  
March 13, 2023  
Page 2

Accordingly, NAIOP Hawaii strongly supports HB 1246 which will ensure the continued production of homes for our residents. Thank you for the opportunity to testify on this measure.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Jennifer Camp".

Jennifer Camp, President  
NAIOP Hawaii

*Expanding the range of opportunities for all by developing, managing and promoting quality affordable housing and diverse communities.*

**LATE**



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Testimony of EAH Housing | Hawaii Region  
RELATING TO HB1246 HD1

March 14, 2023 at 1:01 PM  
Written Testimony Only

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**Senate Committee on Housing**  
Chair Stanley Chang, Vice Chair Dru Kanuha,  
Members Henry Aquino, Karl Rhoads, and Brenton Awa

**Support**

HB 1246 HD1 authorizes the Hawaii Housing Finance Development Corporation to issue bonds to finance infrastructure projects in support of affordable housing. Infrastructure is a critical but costly element in producing housing, therefore this is a fundamental step for increasing the affordable housing inventory for Hawaii households.

Thank you for the opportunity to provide input and we ask for your favorable consideration in passing HB1246 HD1.

A handwritten signature in black ink that reads "Karen Seddon". The signature is written in a cursive, flowing style.

Karen Seddon, Regional Vice President  
EAH Housing

EAH Housing is a non-profit corporation founded with the belief that attractive affordable rental housing is the cornerstone to sustainable, healthy, and livable communities.

1001 Bishop Street, Suite 2880  
Honolulu, Hawaii 96813  
(808) 466-7774

March 14, 2023

Dear Chair Chang, Vice Chair Kanuha, and Members of the Housing Committee,

Housing Hawai'i's Future is a movement led by young locals who will create opportunities for Hawai'i's next generation by ending the workforce housing shortage.

On behalf of Housing Hawai'i's Future, **I write in SUPPORT of HB 1246**, authorizing the Hawai'i housing finance development corporation to issue bonds for infrastructure projects and to finance the development of regional state infrastructure projects.

We believe that housing is an essential public good. Therefore, the state and counties are obligated to provide the public infrastructure which is fundamental to good housing development.

This bill equips the Hawai'i Housing Finance Development Corporation with the statutory and financial resources it needs to finance infrastructure development.

**Please support HB 1246.**

Thank you,



Sterling Higa  
Executive Director  
Housing Hawai'i's Future

[sterling@hawaiisfuture.org](mailto:sterling@hawaiisfuture.org)

+1 (808) 782-7868