

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
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 2, 2024 at 10:00 a.m.
State Capitol, Room 312

In consideration of
H.B. 1833

RELATING TO THE RENTAL HOUSING REVOLVING FUND.

HHFDC supports HB 1833, which appropriates funds into and out of the Rental Housing Revolving Fund (RHRF) to provide loans or grants for mixed-income rental projects or units in mixed-income rental projects for qualifying individuals and families. It also appropriates funds for an unspecified number of finance specialist positions to assist with the provision of these loans and grants.

This measure would help HHFDC keep the financing pipeline going for affordable rentals in light of the private-activity bond cap constraint. Through this measure, HHFDC could offer a second round of RHRF funding to the housing development community to build “Tier II” projects for individuals and families with household incomes between 60% and 100% of the area median income. This population includes households who earn too much to qualify to rent Low-Income Housing Tax Credit units but may not be able to afford to buy their own homes — such as teachers, firefighters, police officers, and nurses.

During a three-month implementation in 2022, which was the first year that the Legislature provided Tier II funding, HHFDC awarded \$142 million in RHRF loans to help to finance nearly 760 units.

Thank you for the opportunity to testify on this bill.



Testimony Before the House Committee on Housing
Friday, February 2, 2024, 10:00 a.m. HST
Conference Room 312 & Via Video Conference
State Capitol, 415 South Beretania Street, Honolulu, HI 96813

Subject: Unwavering Support for HB1833 - Expanding Affordable Housing Opportunities for Hawaii's Workforce

Dear Chair Evslin, Vice Chair Micah P.K. Aiu, and Distinguished Members of the Committee:

As a steadfast advocate for the development of affordable housing on Kaua'i and across the state, the Kaua'i Chamber of Commerce is pleased to extend our full support for House Bill 1833. This pivotal legislation marks a significant advancement in our collective efforts to address the critical shortage of affordable rental housing for Hawaii's workforce, specifically targeting the needs of tier 2 households with incomes between sixty and one hundred twenty per cent of the area median income.

The necessity for an additional twenty-six thousand affordable rental units in Hawaii is a pressing issue that HB1833 addresses with strategic and thoughtful measures. By appropriating necessary funds into the rental housing revolving fund and setting aside a portion specifically for mixed-income rental projects, this bill directly responds to the high demand for affordable rental housing among working families on Kaua'i and across the state. The enhancement of the rental housing revolving fund's scope to support tier 2 households represents a commendable step towards inclusivity and diversity in our housing solutions, acknowledging the varied needs of our community.

The Kaua'i Chamber of Commerce is particularly encouraged by the bill's provision to increase the maximum area median income eligibility from one hundred to one hundred twenty per cent. This adjustment ensures that a broader segment of our workforce can access affordable housing options, thereby fostering a more vibrant and sustainable community. The allocation of funds for the hiring of finance specialist positions further demonstrates a commitment to effectively implement and manage these essential projects.

We recognize the challenges posed by high interest rates, escalating construction costs, and the pressing demand for affordable housing. In this context, HB1833 emerges as a crucial legislative effort to mitigate these barriers and enhance the viability of affordable rental housing projects. The bill's comprehensive approach not only addresses the immediate financial feasibility of these projects but also lays the groundwork for sustainable growth and development in the housing sector.

The Kaua'i Chamber of Commerce applauds the Legislature's dedication to serving the public interest through HB1833. We firmly believe that the appropriations and measures outlined in this Act are vital to meeting the housing needs of our island's workforce and contributing to the overall health and prosperity of our community.

We urge your support for HB1833 and look forward to witnessing the positive impacts of this legislation on our island's housing landscape. Together, we can make significant strides towards alleviating the affordable housing crisis and ensuring that Kaua'i remains a place where all individuals and families have the opportunity to live and thrive.

Thank you for considering our support for this essential bill. We are committed to collaborating with all stakeholders to achieve the objectives of HB1833 and address the housing needs of our community.

Sincerely,

Mark Perriello
President & CEO

February 2, 2024

The Honorable Luke A. Evslin, Chair

House Committee on Housing

State Capitol, Conference Room 312 & Videoconference

RE: House Bill 1833, Relating to the Rental Housing Revolving Fund

HEARING: Friday, February 2, 2024, at 10:00 a.m.

Aloha Chair Evslin, Vice Chair Aiu, 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 1833, which appropriates funds into and out of the rental housing revolving fund to provide loans or grants for mixed-income rental projects or units in mixed-income rental projects for qualifying individuals and families. Appropriates funds for an unspecified number of finance specialist positions to assist with these loans and grants.

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 2030.¹ Ultimately, we have a housing supply problem, and investment is needed to meet our State's housing challenges. The Hawai'i Association of REALTORS® has historically supported mechanisms to help increase the supply of affordable rentals, such as the Rental Housing Revolving Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities. As such, this measure helps provide much needed funding for affordable rental and housing opportunities for Hawaii's residents which can help address the States unique housing challenges.

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

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

REALTOR® is a registered collective membership mark which may be used only by real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON
HOUSING
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 312
Friday, February 2, 2024 AT 10:00 A.M.

To The Honorable Luke A. Evslin, Chair
The Honorable Micah P.K. Aiu, Vice Chair
Members of the Committee on Housing

SUPPORT HB1833 RELATING TO HOUSING

The Maui Chamber of Commerce wholeheartedly **SUPPORTS HB1833** which appropriates funds into and out of the rental housing revolving fund to provide loans or grants for mixed-income rental projects or units in mixed-income rental projects for qualifying individuals and families, and appropriates funds for an unspecified number of finance specialist positions to assist with these loans and grants.

Housing is a top priority for the Maui Chamber of Commerce and continues to be so as the crisis escalates following the wildfires and it directly impacts businesses and our economic revitalization. Before the wildfires, we needed over 10,000 units by 2025, but that number has only increased as 3% of our housing was lost in Lahaina. Urgent funding and strong political support are critical to have units built expeditiously as prices to build are continuing to increase. There is a strong demand for affordable rental housing for working families and this bill will help encourage the development of more rental housing.

This is another excellent tool in the toolbox and a bill that should be fast-tracked.

For these reasons, we **support HB1833**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



PACIFIC HOUSING
ASSISTANCE CORPORATION

888 Iwilei Road, Suite 200
Honolulu, HI 96817

In Support of HB1833

Hawaii Rep. Luke Evslin, Housing Committee Chair
Hawaii Rep. Micah Aiu, Housing Committee Vice Chair
Members of the Housing Committee

Pacific Housing Assistance Corporation is in strong **support** of HB183, which appropriates funds for the rental housing revolving fund, with a set aside for tier 2 mixed-income rental projects or units in mixed-income rental projects targeted at households with incomes between 60% and 120% of area median income in Hawaii.

Pacific Housing Assistance Corporation is a Hawaii non-profit organization with a 44-year history of developing and operating affordable housing for very low-to-moderate income families, seniors, and persons with special needs.

The tier 2 funding is critically important to support the creation of new housing for families who fall in the gap group. This gap group, our workforce, is often referred to as the missing middle. These households are those who do not qualify for affordable housing financed traditional government housing programs or with low-income housing tax credits as their incomes exceed the income limits but cannot afford market-rate rental housing.

Developing new gap group workforce housing is extremely difficult as there are very few sources of gap financing. The tier 2 funding is a much-needed financing source to assist in developing critically needed new workforce housing in our community.

Thank you for the opportunity to submit testimony for HB1833 and ask for your continued support.

Sincerely,

Audrey E. Awaya
Executive Director