

**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 ECONOMIC DEVELOPMENT**

February 14, 2024 at 11:00 a.m.  
State Capitol, Room 423

In consideration of  
**H.B. 2548 HD1**  
**RELATING TO ACCESSORY DWELLING UNITS.**

HHFDC supports HB 2548 HD1, 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.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

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

LUIS P. SALAVERIA  
DIRECTOR

SABRINA NASIR  
DEPUTY DIRECTOR

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 HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT  
ON  
HOUSE BILL NO. 2548, H.D. 1

**February 14, 2024**  
**11:00 a.m.**  
**Room 423 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, H.D. 1, 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, H.D. 1, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Thank you for your consideration of our comments.

Council Chair  
Alice L. Lee

Vice-Chair  
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore  
Tasha Kama

Councilmembers  
Tom Cook  
Gabe Johnson  
Tamara Paltin  
Keani N.W. Rawlins-Fernandez  
Shane M. Sinenci  
Nohelani U'u-Hodgins




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  
[www.MauiCounty.us](http://www.MauiCounty.us)

February 13, 2024

TO: The Honorable Representative Daniel Holt, Chair, and  
Members of the Committee on Economic Development

FROM: Alice L. Lee  
Council Chair 

SUBJECT: **HEARING OF FEBRUARY 14, 2024; TESTIMONY IN SUPPORT OF  
HB2548, HD1, RELATING TO ACCESSORY DWELLING UNITS**

I **support** this measure to establish the Accessory Dwelling Unit Loan Program under the Hawaii Housing Finance and Development Corporation.

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 accessory dwelling units is a critical part of addressing the housing shortage. Maui County has enacted legislation to promote the construction of ADUs, including by amending the Comprehensive Zoning Ordinance and launching the 'Ohana Assistance Program pilot project.
2. Loans of up to \$300,000 each, as proposed in this measure, will help to encourage residents to build ADUs on their properties.
3. At a proposed range of interest rates between 1% and 6%, an accessory dwelling loan would be a more affordable option for residents than traditional financing, which may be more difficult to secure.

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

ocs:proj:legis:24legis:24testimony:hb2548\_paf24-002(56)\_alkl



**Hawai'i YIMBY**  
Honolulu, HI 96814  
hawaiiyimby.com  
admin@hawaiiyimby.com

Wednesday, February 14, 2024

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

**RE: SUPPORT for HB 2548 HD1 - RELATING TO ACCESSORY DWELLING UNITS**

Aloha Chair Holt, Vice Chair Lamosao, and Members of the Committee,

On behalf of Hawai'i YIMBY, I'm writing to support HB 2548 HD1, 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

