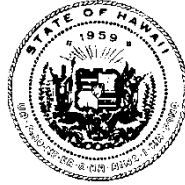


JOSH GREEN, M.D.  
GOVERNOR

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

### HOUSE COMMITTEE ON FINANCE

February 26, 2024 at 12:30 p.m.  
State Capitol, Room 308

In consideration of  
**H.B. 1833 HD1**  
**RELATING TO THE RENTAL HOUSING REVOLVING FUND.**

HHFDC **supports** HB 1833 HD1, 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 will help HHFDC to keep the financing pipeline going for affordable rentals in light of the private-activity bond cap constraint, which limits the use of Low-Income Housing Tax Credits (LIHTC) and, by extension, the ability of developers to use RHRF. This measure will allow HHFDC to offer a second annual 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 LIHTC-financed 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.

HHFDC requests an **amendment** to revert the lapse date of the funds to the original draft bill’s date of June 30, 2026. The ability to make financing awards over two funding rounds will help to ensure that limited State funds are efficiently deployed, as RHRF Tier II is not a recurring annual program.

Thank you for the opportunity to testify on this bill.



CATHOLIC CHARITIES HAWAII

**TESTIMONY IN SUPPORT OF HB 1833 HD1:  
RELATING TO THE RENTAL HOUSING REVOLVING FUND**

TO: House Committee on Finance  
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i  
Hearing: **Monday, 2/26/24; 12:30 PM; Room 308 & Videoconference**

Chair Yamashita, Vice Chair Kitagawa, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in Support of HB 1833 HD1**, which appropriates funds to the Rental Housing Revolving Funds for rental units in Tier 2 (workforce housing for households from 60% to 100% AMI). 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 over 75 years. CCH has programs serving elders, children, families, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawai'i. Creating affordable housing and ending homelessness are our top priorities.

Our workforce is moving out of state. **Over 38,000 local residents have left over the last 3 years at a cost of \$185 million to the State in lost tax revenue.** Yes, we need housing for workers and families with incomes at 60% AMI and below, and we also need to address workforce housing. With funding in 2022, awards went to build four projects with 759 units of affordable housing targeting families from 60% to 100% AMI.

We thank you for focusing on this most critical issue for our state. We need more affordable housing to help our residents remain in Hawaii. We need to help our ALICE families who are struggling with food and housing costs. We need to give our students a chance to return to Hawaii after college. **We need to focus on affordable housing for the future of Hawaii. Even in this tough budget year, we cannot stop. 26,000 affordable units are needed for our workforce.**

We thank the legislature for looking overall at ways to improve the lives of our local residents. From taxes to the cost of living to housing, bills are being considered to improve the lives of our residents. Creating safe, decent and affordable places to live is key.

We urge your support for HB 1833 HD1.

If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.



# PARTNERS IN CARE

*Oahu's Continuum of Care*

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*Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.*

## TESTIMONY IN SUPPORT OF HB 1833 HD1: RELATING TO THE RENTAL HOUSING REVOLVING FUND

TO: House Committees on Finance

FROM: Partners In Care (PIC)

**Hearing: Monday, 2/26/24; 12:30 PM; CR 308 or via videoconference**

Chair Yamashita, Vice Chair Kitagawa, and Members, Committee on Finance.:

Thank you for the opportunity to provide testimony **in support of HB 1833 HD1**, which allocates funds to the Rental Housing Revolving Fund (RHRF) to provide loans or grants to mixed-income rental projects or units in mixed-income rental projects for qualifying individuals and families. It also appropriates funds for finance specialist positions to assist with these loans and grants. Partners In Care (PIC) is a coalition of more than 60 non-profit homelessness providers and concerned organizations.

While Partners In Care's primary focus on on housing to end homelessness, we recognize that the severe shortage of affordable units impact on people of all levels of income. We support your overall commitment to prioritize the needs of all residents of Hawai'i for housing.

### **We urge you to fund workforce housing and give hope to the people of Hawai'i.**

The lack of affordable housing affects our shortage of doctors and other services, which can impact on medical care to the homeless and to the overall community. Neighbor Islands especially have a dire need for medical services. It is difficult to recruit workers in many professions due to the high cost of housing.

This bill would provide the financing to keep the pipeline going to construct new affordable rentals for the Tier 2 population, with incomes from 60% to 100% AMI. Many of these workers may be thinking of moving away due to high rents and no relief in sight. Our workforce needs attention and affordable housing is key.

Partners In Care urges your continued funding for these affordable rentals to help relieve the severe housing crisis that affects the majority of the population of Hawai'i.

February 26, 2024

**The Honorable Kyle T. Yamashita, Chair**

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

**RE: House Bill 1833 HD1, Relating to the Rental Housing Revolving Fund**

**HEARING: Monday, February 26, 2024, at 12:30 p.m.**

Aloha Chair Yamashita, Vice Chair Kitagawa, 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 Hawaii and its over 11,000 members. HAR **supports** House Bill 1833 HD1, 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. Effective 7/1/3000.

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawaii, the state needs up to 45,497, housing units to meet demand in Hawaii by 2030.<sup>1</sup> Ultimately, we have a housing supply problem, and investment is needed to meet our state's housing challenges. HAR 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 state's unique housing challenges.

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

<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>

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# Chamber of Commerce HAWAII

*The Voice of Business*

**Testimony to the House Committee on Finance  
Monday, February 26, 2024 at 12:30PM  
Conference Room 308 & Videoconference**

**RE: HB1833 HD1 RELATING TO THE RENTAL HOUSING REVOLVING FUND**

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports HB1833 HD1**, 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.

The Chamber not only prioritizes economic leadership but also advocates for "quality of life" and "high cost of living" issues impacting its members, their employees, and families. Housing stands as a paramount concern for the Chamber, in because of its impact on businesses and our economic recovery efforts. The need to produce over 10,000 housing units by 2025 was already pressing, but there have been exacerbating factors to consider when considering this figure. Immediate funding and robust governmental backing are indispensable to expedite the construction of these units, especially amidst rising construction costs. There exists a significant demand for affordable rental housing among working families, and this bill presents a vital opportunity to incentivize the development of such housing. It serves as another invaluable tool in our arsenal and merits expedited consideration.

Our business community and workforce is to benefit from support such as that which would be provided by this measure, and cannot increase its capacity without such supportive mechanisms.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

Thank you for this opportunity to testify in support of this measure.

**HB-1833-HD-1**

Submitted on: 2/25/2024 6:32:08 AM

Testimony for FIN on 2/26/2024 12:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT