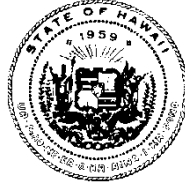


**JOSH GREEN, M.D.**  
GOVERNOR

**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

### **SENATE COMMITTEE ON HOUSING**

March 12, 2024 at 1:00 p.m.  
State Capitol, Room 225

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

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **supports** and requests an **amendment** to HB 1833 HD1 so long as it does not adversely impact priorities identified in the Exec. Suppl. Budget Request for FY2025. This bill 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: Senate Committee on Housing  
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i  
Hearing: **Tuesday, 3/12/24; 1:00 pm; Room 3082 & Videoconference**

Chair Chang, Vice Chair Hashimoto, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in Support of HB 1833 HD1**, which would appropriate 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: Tuesday, 3/12/24; 1:00 PM; CR 225 or via videoconference

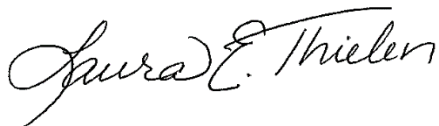
Chair Chang, Vice Chair Hashimoto and Members, Committee on Housing:

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 nonprofit homelessness providers and concerned organizations.

While Partners In Care's primary focus is on housing to end homelessness, we recognize that the severe shortage of affordable units impacts 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.

Sincerely,



Laura E. Thielen  
Executive Director  
Partners In Care

March 12, 2024

**The Honorable Stanley Chang, Chair**

Senate Committee on Housing

State Capitol, Conference Room 225 & Videoconference

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

**HEARING: Tuesday, March 12, 2024, at 1:00 p.m.**

Aloha Chair Chang, Vice Chair Hashimoto, 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.

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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>



**PACIFIC HOUSING  
ASSISTANCE CORPORATION**

888 Iwilei Road, Suite 200  
Honolulu, HI 96817

## **In Support of HB1833 HD1**

Hawaii Senator Stanley Chang, Housing Committee Chair  
Hawaii Senator Troy Hashimoto, Housing Committee Vice Chair  
Members of the Senate Housing Committee

Pacific Housing Assistance Corporation is in strong **support** of HB1833 HD1, 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.

However, we **oppose** changing the date on which funds from the Rental Housing Revolving Fund may be used for other rental housing projects and allowable contingencies for existing awardees to June 30, 2025 from June 20, 2026. Shortening the timeframe will decrease the likelihood that these difficult to find funds will be used for its intended purpose.

Thank you for the opportunity to submit testimony for HB1833 HD1 and ask for your continued support.

Sincerely,

Audrey E. Awaya  
Executive Director





# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON HOUSING  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225  
Tuesday, March 12, 2024, 1:00 P.M.**

To The Honorable Senator Stanley Chang, Chair  
The Honorable Senator Troy N. Hashimoto, Vice Chair  
Members of the committee on Housing

## **SUPPORT HB1833 HD1 RELATING TO HOUSING**

The Maui Chamber of Commerce wholeheartedly **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.

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 HD1**.

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.



March 11, 2024

Senator Stanley Chang, Chair  
Senator Troy Hashimoto, Vice Chair  
Members of the Committee on Housing

RE: **HB 1833 HD1 – RELATING TO RENTAL HOUSING REVOLVING FUND**  
**Hearing date – March 12, 2024 at 1:00 p.m.**

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

Thank you for allowing NAIOP Hawaii to submit testimony in **SUPPORT of HB 1833 HD1 – RELATING TO RENTAL HOUSING REVOLVING FUND**. 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 1833 HD1 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. Specifically, the measure allows for loans to mixed-income rental projects or units in mixed-income rental projects targeted for individuals and families with incomes above 60% and at or below 120% of the median family income for the State.

NAIOP strongly supports HB 1833 HD1 which will provide much needed funding to produce affordable 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 RHRF seeks to assist in accomplishing this goal.

HB 1833 HD1 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 Troy Hashimoto, Vice Chair  
March 11, 2024  
Page 2

Accordingly, NAIOP Hawaii strongly supports HB 1833 HD1 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 'Reyn Tanaka', with a long horizontal flourish extending to the right.

Reyn Tanaka, President  
NAIOP Hawaii

**HB-1833-HD-1**

Submitted on: 3/11/2024 9:27:33 AM

Testimony for HOU on 3/12/2024 1:00:00 PM

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

Comments:

SUPPORT!

MAHALO!