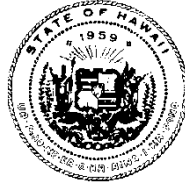


**JOSH GREEN, M.D.**  
GOVERNOR

**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**

January 25, 2024 at 1:00 p.m.  
State Capitol, Room 225

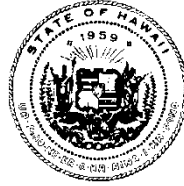
In consideration of  
**S.B. 2015**  
**RELATING TO HOUSING.**

HHFDC has comments on SB 2015, which amends the priority for which moneys in the Rental Housing Revolving Fund (RHRF) are to be used to favor projects that are owned by the State, any county, or any organization obliged to use all financial surplus generated by the project to construct more housing or rehabilitate or manage housing.

HHFDC's goal is to maximize the effectiveness of RHRF loans through a competitive application process to ensure that the State's resources are efficiently used, and therefore, HHFDC disfavors prioritizing groups of applicants. This proposal prioritizes a group of applicants without regard to the merits, financial feasibility, or (most importantly) readiness of the projects proposed by the applicants.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

**STATE OF HAWAII**  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

IN REPLY, PLEASE REFER TO:

Statement of  
**Hakim Ouansafi, Executive Director**  
**Hawaii Public Housing Authority**

Before the  
**SENATE COMMITTEE ON HOUSING**

**Thursday, January 25, 2024**  
**1:00 PM – Room 225, Hawaii State Capitol**

In consideration of  
**SB 2015**  
**RELATING TO HOUSING**

Honorable Chair Chang and members of the Senate Committee on Housing, thank you for the opportunity to provide testimony on Senate Bill (SB) 2015.

The Hawaii Public Housing Authority (HPHA) **strongly supports** SB 2015 which amends the priority for which moneys in the Rental Housing Revolving Fund (RHRF) are to be used.

Facing an aging public housing inventory with a capital improvement backlog upwards of \$870M, the HPHA continues to work expeditiously towards redeveloping and replacing its functionally obsolete public housing units. By funding the development of additional affordable and for-sale housing units, the HPHA can make huge strides in addressing Hawaii's affordable housing crisis.

The HPHA will integrate all newly developed housing units into mixed-income, mixed-use communities. This will be in addition to the one-for-one replacement of public housing units which will adhere to low-income affordability requirements set by the U.S. Department of Housing and Urban Development (HUD). Not only will this provide greater housing stability to our local families struggling to get by, but it will also benefit the overall social fabric of our

neighborhoods. Through the reduction of poverty-concentration, low-income households are empowered through easier access to better schools, healthcare, and job opportunities.

In July 2023, the HPHA selected Highridge Costa Development Company (HCDC) as the Master Developer for its upcoming Ka Lei Momi Project. Ka Lei Momi stands for “The Pearl Garland”. For the past six months, a tremendous amount of progress has been achieved in this ambitious public-private partnership (PPP) that aims to construct over 10,000 new additional affordable units over the next decade in addition to replacing decades old public housing units statewide. With access to federal tools and programs like Rental Assistance Demonstration (RAD), Choice Neighborhood Initiative (CNI), Section 18 Demolition/Disposition, and Moving to Work (MTW), the HPHA is well-positioned to utilize mixed-finance strategies through our PPP with HCDC where these new affordable units are so desperately needed thereby increasing the housing stock in Hawaii, assuring affordability for life, deconcentrating poverty and creating vibrant mixed-income mixed-use communities for generations to come.

The HPHA’s upcoming redevelopment activities planned for the next couple of years include the second phase of the Kuhio Park Terrace Low-Rises and Kuhio Homes redevelopment project that includes 304 units anticipated to break ground at the end of this year, the first phase of the School Street Senior Affordable Rental project that consists of 250 units which broke ground earlier this month, the first phase of the Mayor Wright Homes redevelopment project that includes 916 units of mixed-income rentals and a 99-year lease for-sale tower that is anticipated to break ground in late 2025, and the Kapaa affordable housing project that includes 124 units. The Kuhio Park Terrace Low-Rises and Kuhio Homes redevelopment project will look to replace 174 public housing units with a total of 650 total units, School Street Senior Affordable Rental project will build a total of 800 units, Kapaa affordable housing project will look to replace 36 public housing units with a total of 124 units, and the Mayor Wright Homes redevelopment project will look to replace 364 public housing units with a total of 2,448 units. This essential support will expedite the delivery of much-needed affordable housing, addressing the pressing needs of Hawaii.

By providing projects that are or will be State-owned with greater priority in the award of RHRF, the Legislature can help to ensure that local housing development is less profit-motivated and more focused on providing Hawaii’s residents with a greater number of affordable housing options.

HPHA redevelopment projects will provide the State with the following benefits:

- Allows the State to rehabilitate functionally obsolete public housing units; eliminate expensive repair and maintenance. Built in the 50’s and 60’s, the existing housing portfolio has reached the end of its useful life and urgently requires revitalization.
- Supports the Administration’s and Legislature’s Policy priority of providing access to permanent housing from homelessness and will allow the Agency to make a meaningful impact in support of legislative goals of developing more affordable housing units with

affordability for life, thereby expanding the existing supply of affordable and low-income housing in the State to urgently address the affordable housing crisis.

- HPHA redevelopment projects will be integrated into mixed-income, mixed-use communities. Not only does this provide greater housing stability to local families struggling to get by, but it also benefits the overall social fabric of our neighborhoods. By reducing poverty-concentration statewide, low-income households are empowered through easier access to better schools, healthcare, and job opportunities. The United State Department of Housing and Urban Development (HUD) encourages this approach through programs such as Rental Assistance Demonstration (RAD) and Mixed-Finance strategies through public private partnerships. This makes HPHA's potential redevelopment projects much more user-friendly in the private sector, better positioning HPHA properties to access the private capital and financing necessary to revitalize them.
- As the State's only Public Housing Agency with federal public housing, we can access greater federal support and funding to benefit the most disadvantaged populations in our State, using our Moving to Work designation and tools like RAD, Choice Neighborhood Initiative, and Section 18 Demolition/Disposition.
- As the proposed redevelopments will be located on parcels already owned by the HPHA, it excludes the cost of land from the development cost equation, creating an attractive incentive for private developers to partner with the State in this endeavor.
- Allows the State to ensure that every new housing unit that's built will remain affordable in perpetuity.
- The scale of this proposal makes it possible to establish contract(s) directly with key suppliers nationally, or access government pricing, resulting in significant cost savings for Hawaii taxpayers.
- HPHA's development projects serve the largest demographic of housing needed of 20% AMI and below that private developers can't accommodate.
- Leveraging capital resources through public/private partnerships, Transit Oriented Development (TOD) incentives and underutilized State assets in prime PUC areas and TOD areas creates an exceptional opportunity to deliver desperately need affordable housing to the state and to create more livable, vibrant, and integrated communities for health and well-being of our residents and taxpayers that can be enjoyed for generations to come.
- Encourages developers to enter into public/private partnerships to lower costs.

The HPHA values its strong partnership with the Hawaii Housing Finance and Development Corporation (HHFDC) and deeply acknowledges their unwavering support for our organization. We commit to maintaining our strong partnership with the HHFDC, ensuring that any concerns related to future HPHA State-owned projects are addressed amicably and effectively.

The HPHA appreciates the opportunity to provide testimony to the Committee in strong support of this measure. We thank you very much for your dedicated efforts.



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[facebook.com/AARPHawaii](https://facebook.com/AARPHawaii)

**The State Legislature  
Senate Committee on Housing  
Thursday, January 25, 2024  
Conference Room 225, 1:00 p.m.**

TO: The Honorable Stanley Chang, Chair  
RE: Support for S.B. 2015 -Relating to Housing

Aloha Chair Chang, and Members of the Committee:

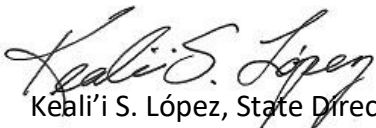
My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

**AARP supports S.B 2015 which prioritizes the use of surplus funds on projects to construct more housing, rehabilitate or manage housing.**

Hawaii's high cost of housing is making it unaffordable for many, but especially for those at low or fixed income. These residents are more vulnerable of becoming dependent on other family members for shelter, or face homelessness. The Habitat for Humanity's 2022 State of Home Affordability in Hawaii reports that 1 in 6 households spend half or more of their income on housing. According to the same report, in total, 80% of renters and 63% of homeowners are cost-burdened, paying more than 30% of their income on housing. AARP is keenly concerned about Hawaii's older residents. According to AARP/Statista analysis, close to 970 older adults (age 55+) are expected to be evicted in 2024 and more than 1500 older (55+) may experience homelessness in Hawaii this year. We need substantial funds to be dedicated to Hawaii's housing supply which include increasing as well as preserving the existing inventory with needed home repairs, and rehabilitation for residents to stay housed.

Thank you very much for the opportunity to testify in support **S.B. 2015**.

Sincerely,

  
Keali'i S. López, State Director



**LATE**

**HAWAII STATE SENATE  
COMMITTEE ON HOUSING  
Conference Room 225 & Videoconference  
State Capitol  
1:00 PM**

January 26, 2024

Subject: SB 2015, 2027, 2045 - RELATING TO HOUSING; SB 2043 - RELATING TO RENTAL HOUSING REVOLVING FUND

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

My name is Max Lindsey, Government Relations Committee Chair of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA Hawaii is in opposition to SBs 2015, 2027, 2027, and 2045. These bills would amend the Rental Housing Revolving Fund (RHRF).

Prioritizing HHFDC funding of affordable housing projects on government lands and limiting funding of affordable housing projects on private property will severely limit the number of projects needed to increase the supply of affordable housing. The current process ranks projects on various criteria to ensure government affordable housing funds are used as efficiently as possible. RHRF is a competitive program that has produced tens of thousands of affordable housing units from both the public and private sector. The proposed changes penalize development of private lands for affordable housing.

We appreciate the opportunity to provide our comments on this matter.

**LATE**

To: Senate Committee on Housing  
Re: **SB 2015 – Relating to Housing**  
Hawai'i State Capitol & Via Videoconference  
January 25, 2024, 1:00 PM

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members,

On behalf of Hawai'i Children's Action Network Speaks!, I am writing in **SUPPORT of SB 2015**. This bill amends the priority for which moneys in the Rental Housing Revolving Fund are to be used.

It is well established that housing instability has harmful effects on children's health and educational outcomes<sup>1</sup> and that the stresses of childhood poverty have both immediate and long-term effects on keiki's physical and mental health, behavioral self-control, academic achievement, and earnings as adults.<sup>2</sup>

A concerning 39% of all children in our state live in families that spend more than 30% of their income on housing, which is considered a high housing cost burden. That ranks Hawai'i at a dismal 49<sup>th</sup> place among the states for housing affordability, according to KIDS COUNT.<sup>3</sup>

Hawai'i Children's Action Network is a member of the current ALICE Initiative Cohort, which supports the upward mobility of ALICE (Asset Limited, Income Constrained, Employed) households by focusing on improving systemic economic inequities in Hawai'i.<sup>4</sup>

According to United for ALICE research, nearly half of children in Hawai'i live in households experiencing financial hardship. While almost 1 in 8 are in poverty, an additional one-third of families in Hawaii aren't officially poor but still don't earn enough to afford the basic life essentials.<sup>5</sup>

Mahalo for the opportunity to provide this testimony. Please pass this bill.

Thank you,

Nicole Woo  
Director of Research and Economic Policy

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<sup>1</sup> <https://housingmatters.urban.org/articles/how-housing-affects-childrens-outcomes>

<sup>2</sup> <https://www.apa.org/pi/ses/resources/indicator/2014/06/childhood-poverty>

<sup>3</sup> <https://www.hawaii-can.org/kids-count-2023-hawaii-profile>

<sup>4</sup> <https://www.hawaiicommunityfoundation.org/strengthening/alice-initiative>

<sup>5</sup> <https://www.auw.org/sites/default/files/pictures/ALICE-in-Focus-Children-Hawaii%20%283%29.pdf>

Council Chair  
Alice L. Lee

Vice-Chair  
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore  
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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)

January 24, 2024

TO: The Honorable Senator Stanley Chang, Chair, and  
Members of the Senate Committee on Housing

FROM: Alice L. Lee  
Council Chair

SUBJECT: **HEARING OF JANUARY 25, 2024; TESTIMONY IN SUPPORT OF SB2015,  
RELATING TO HOUSING**

Thank you for the opportunity to testify in **support** of this important measure. This measure amends the priorities for use of the Rental Housing Revolving Fund.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, 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. This measure prioritizes the use of Rental Housing Revolving Fund money to State or county-owned projects as well as to projects owned by organizations obliged to use all financial surplus generated by the project to construct more housing.
2. This measure will help ensure that taxpayer dollars will be used for publicly owned projects and private projects that recycle taxpayer funding, rather than projects owned by private entities for their own benefit.
3. Affordable housing must be a priority if Maui County and the rest of the State are to maintain our residents, workforce, and quality of life. Finding ways to expand housing opportunities can be accomplished if we work together and put all of our available resources to use. This measure, which enables the development of much-needed rental housing, makes progress toward that goal.

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

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**LATE**

**SB-2015**

Submitted on: 1/24/2024 10:13:16 PM

Testimony for HOU on 1/25/2024 1:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Seth Kamemoto	Individual	Comments	Written Testimony Only

Comments:

I do agree with the general theme that State and county projects should get priority for state funding. I am concerned with the "or any organization" clause, though. This appears to open the gates for potential abuse, especially if private non-profits can use this to jump in priority and consume these funds.

I'm also concerned, in general, that the new priority group (1) "Projects that are owned by the State, any county, or any organization obliged to..." are NOT BOUNDED by ANY affordability constraints. The current law appears bounded by 140%AMI at the high end, and I don't think we want any project (State/county owned or otherwise) using these funds to go any higher than that.

I also question why this new group is above the existing first group (the projects that already have LIHTC credits approved). My understanding of the current law is that we want the LIHTC projects to have adequate access to support funding, such as RHRF, to ensure that the project is adequately funded. Said the other way, we don't want LIHTC projects to fail simply because some other project took the required supporting funding. Maybe consider keeping LIHTC projects first, and adding this new group second?

Thank you for your consideration,  
Seth Kamemoto