

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

**SYLVIA LUKE**  
LT. GOVERNOR



**DEAN MINAKAMI**  
EXECUTIVE DIRECTOR

## **STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
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### Statement of **DEAN MINAKAMI**

Hawaii Housing Finance and Development Corporation  
Before the

### **SENATE COMMITTEE ON JUDICIARY**

February 23, 2024 at 9:30 a.m.  
State Capitol, Room 016

In consideration of  
**S.B. 2066 SD1**  
**RELATING TO HOUSING.**

HHFDC has comments on SB 2066 SD1, which requires certain projects meeting the criteria of Section 201H-38(a)(1), Hawaii Revised Statutes (“HRS”), to be exclusively for sale or rent to qualified residents as defined in Section 201H-32, HRS, who are deemed to be moderate income households.

We appreciate that the SD1 eliminates the original draft’s restriction of unit sales and rentals to persons who own no other real property and instead uses the definition of “qualified resident” found in Section 201H-32, HRS.

Further clarification of this bill needs discussion as the interpretation of the bill appears to offer a second path for a project to qualify as a 201H project; however, the alternative is the same as the current qualification conditions but with an additional condition that all units be sold or rented to qualified residents who are deemed to be moderate income households.. Additionally, this bill provides no definition of “moderate income households.”

Thank you for the opportunity to testify on this bill.



COMMERCIAL REAL ESTATE  
DEVELOPMENT ASSOCIATION

HAWAII CHAPTER

February 22, 2024

Senator Karl Rhoads, Chair  
Senator Mike Gabbard, Vice Chair  
Senate Committee on Judiciary

RE: **SB 2066 SD1- Relating to Housing**  
**Hearing date: February 23, 2024 at 9:30 AM**

Aloha Chair Rhoads, Vice Chair Gabbard, and members of the committee,

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii providing **COMMENTS** on SB 2066 SD1. NAIOP Hawaii is the local 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.

SB 2066 SD1 requires certain housing projects that meet the criteria of Hawaii Revised Statute (HRS) Section 201H-38(a)(1)(A) through (C) to be exclusively for sale or rent to qualified residents as defined by HRS Section 201H-32 who are deemed to be moderate income.

Primarily, NAIOP Hawaii finds that this measure may be unnecessary and needs additional clarity based on the current language. The insertion of "either" (page 1, line 10) and "or" (page 4, line 8) appears to complicate what is required. Also, adding the undefined term of "moderate income" adds ambiguity. Furthermore, we are concerned that the new requirement proposed under this measure may negatively impact 201H projects in the longer term.

Thank you for the opportunity to present NAIOP Hawaii's concerns with SB 2066 SD1. We respectfully ask that this measure be held at this time for further discussion. NAIOP appreciates the Legislature's commitment to collaborating on this issue and look forward to working together.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Reyn Tanaka".

Reyn Tanaka, President  
NAIOP Hawaii