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Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

January 30, 2024 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 2469

RELATING TO THE RENTAL HOUSING REVOLVING FUND.

HHFDC supports SB 2469, which adds credit enhancement for construction loans as a permitted use of moneys in the Rental Housing Revolving Fund (RHRF).

In the current high interest-rate environment, the increased cost of construction financing has placed additional stress on Hawaii's already high housing development costs. Allowing RHRF to provide credit enhancement for construction loans will reduce the related financing costs (and therefore development cost) at very little risk to the fund given that HHFDC is intimately involved in the underwriting and funding of the construction-loan takeout financing.

Thank you for the opportunity to testify on this bill.