



Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, March 12, 2024, 2:00 PM
State Capitol, Conference Room 329
in consideration of
Senate Bill No. 2727, SD2
RELATING TO CONDOMINIUMS

Chair Nakashima, Vice Chair Sayama and Members of the Committee:

Thank you for the opportunity to testify on SB 2727, SD2, relating to condominiums. The Hawai'i Green Infrastructure Authority (HGIA) **strongly supports** this bill which will allow condominiums to be eligible for the commercial property assessed financing program.

Act 183, SLH 2022 authorizing commercial property assessed financing also known as Commercial Property Assessed Clean Energy & Resiliency (C-PACER) in Hawaii was signed into law on June 27, 2022. C-PACER is a commercial financing program and the statute requires lender consent. Because this financing mechanism is a voluntary special assessment similar to a property tax, each County must pass an ordinance approving C-PACER and enter into a Memorandum of Agreement with HGIA.

The City & County of Honolulu passed Bill 56 on December 6, 2023 authorizing C-PACER to finance qualifying improvements on eligible properties. As the bill was being heard by the Committees and City Council, it became evident that this financing program could also benefit Condominiums in need of installing fire safety measures or upgrading resiliency, energy and/or water efficiency measures, by providing longer terms over the useful life of the equipment being installed, thereby making this financing option more affordable to condo owners.

Special assessments will not be placed on the real property tax bills of the individual condo owners and will therefore not interfere with mortgages over said units being sold in the secondary market. C-PACER may in fact help make condos become or remain insurable by providing the financing needed to make necessary upgrades and repairs, thereby assisting our local banks, credit unions and mortgage bankers, as their mortgages over units in these projects will be or remain eligible for sale in the secondary market.

In 2023, C-PACE financing helped bridge the financing gap on a Los Angeles County commercial real estate project, replacing more expensive debt and improving the cash flow of the project: <https://www.bizjournals.com/losangeles/news/2023/05/01/c-pace-financing-program-helps-bridge-la-cre-proje.html>.

Condo associations govern projects with more than five units, as such, it is important to describe eligible condominium regimes consisting of six or more units. Additionally, C-PACER financing can be used for more than fire safety measures. It can be used to harden buildings to become more resilient by re-piping, installing hurricane windows, water conservation and energy efficiency measures. Including a minimum height restriction will preclude shorter projects from accessing a more affordable financing option. Therefore, HGIA respectfully requests the definition of "Commercial property" be changed back to the SD1 version as follows:

SECTION 2. Section 196-61, Hawaii Revised Statutes, is amended by amending the definition of "commercial property" to read as follows:

"Commercial property" means any existing or new non-residential real property [~~not defined as a residential property, and shall include~~], including any property where there is a leasehold or possessory interest in the property [~~and~~], any multi-family dwelling or townhouse consisting of five or more units, and any condominium regime [having] consisting of six or more units [~~in a building that is not less than _____ feet in height~~], as well as agricultural property."

Thank you for this opportunity to testify in support of SB 2727, SD2.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
Web:

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
energy.hawaii.gov

Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Tuesday, March 12, 2024
2:00 PM
State Capitol, Conference Room 329 and Videoconference

In Support of
SB 2727, SD2

RELATING TO CONDOMINIUMS.

Chair Nakashima, Vice Chair Sayama, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports SB 2727, SD2, that allows condominiums to be eligible for commercial property assessed financing (C-PACER). This bill is similar to HB 2801, previously approved by this Committee.

HSEO's testimony is guided by its statutory duties under HRS §196-72, in which the Chief Energy Officer of the Hawai'i State Energy Office shall "coordinate the State's energy programs with ... the political subdivisions of the State, departments of the State" and "assist public agencies in the implementation of ... energy resilience."

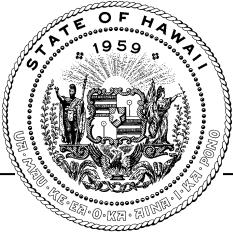
The increased financing resources made available by this measure could allow participants to improve their commercial facilities with loans for safety and energy upgrades, thus achieving several public objectives more quickly and potentially at a reduced cost. Nationwide, over \$4 billion have been invested in over 2,000 C-PACER projects,¹ and prior to 2019 only one C-PACER project defaulted.²

HSEO is supportive of the modification proposed by HGIA.

Thank you for the opportunity to testify.

¹ <https://www.epa.gov/statelocalenergy/commercial-property-assessed-clean-energy>

² <https://eta-publications.lbl.gov/sites/default/files/epace-special-assessmentv3.pdf>



**STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT**

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
INTERIM DIRECTOR

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Written Statement of
MARY ALICE EVANS, Interim Director

before the
HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Tuesday, March 12, 2024

2:00 PM

State Capitol, Conference Room 329

in consideration of
**BILL NO SB2727, SD2
RELATING TO CONDOMINIUMS.**

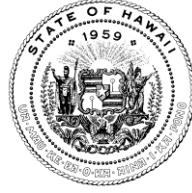
Chair Nakashima, Vice Chair Sayama, and Members of the House Committee on Consumer Protection and Commerce:

The Office of Planning and Sustainable Development (OPSD) **supports** SB2727, SD2, which allows high-rise residential condominium properties to be eligible for commercial property assessed financing.

Use of commercial property-assessed financing (C-PACER) to fund qualified capital improvements was authorized by the Legislature in Act 183, Session Laws of Hawaii 2022. C-PACER financing can help property owners finance the installation of critical fire safety, energy efficiency, renewable energy, water conservation, and resiliency measures at more attractive rates and terms than may be available with conventional financing.

However, the current statute does not clearly specify whether residential condominium properties can be considered commercial properties for the purpose of using C-PACER financing to make these types of improvements. This bill clarifies that intent and eligibility, so that condominium properties can use C-PACER financing to make their buildings safer and more sustainable.

Thank you for the opportunity to testify on this measure.



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
KA 'OIHANA PILI KĀLEPA
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JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Commerce and Consumer Protection
Tuesday, March 12, 2024
2:00 p.m.
Via Videoconference**

**On the following measure:
S.B. 2727, S.D. 2, RELATING TO CONDOMINIUMS.**

Chair Nakashima and Members of the Committee:

My name is Nadine Ando and I am the Director of the Department of Commerce and Consumer Affairs (Department). The Department supports this bill.

The purpose of this bill is to allow high-rise residential condominium properties to be eligible for commercial property assessed financing.

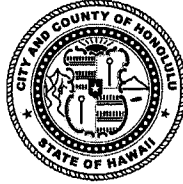
The Department appreciates and supports the intent of the bill to provide financing for projects for condominium associations with six or more units and encourages continued communication between condominium associations and their owners of financing undertaken for projects.

Thank you for the opportunity to testify on this bill.

DEPARTMENT OF BUDGET AND FISCAL SERVICES
KA 'OIHANA MĀLAMA MO'OHĒLU A KĀLĀ
CITY AND COUNTY OF HONOLULU

530 SOUTH KING STREET, ROOM 208 • HONOLULU, HAWAII 96813
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RICK BLANGIARDI
MAYOR
MEIA



ANDREW T. KAWANO
DIRECTOR
PO'O

CARRIE CASTLE
DEPUTY DIRECTOR
HOPE PO'O

March 11, 2024

The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice-Chair
and Members of the Committee on Consumer Protection & Commerce
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Nakashima, Vice-Chair Sayama and Committee Members:

SUBJECT: Testimony with Concerns on Senate Bill 2727 SD1 (2024)
Hearing: March 12, 2024 at 2:00 p.m.

The Department of Budget and Fiscal Services, City and County of Honolulu ("BFS") appreciates the opportunity to testify and provide comments on Senate Bill 2727 SD1 (2024) ("SB 2727"), Relating to Condominiums. SB 2727 would allow real property submitted to a condominium property regime ("condominium project") to qualify for commercial property assessed clean energy and resiliency ("C-PACER") financing by amending the definition of "commercial property" in Section 196-61, Hawaii Revised Statutes ("HRS").

BFS does not oppose the concept of including condominium projects in the list of commercial properties eligible for C-PACER financing, so long as the levying, collecting and foreclosing of C-PACER assessments are conducted by the condominium associations in accordance with HRS Chapter 514B. However, SB 2727's proposed amendment to the definition of "commercial property" does not so comply.

The intent of SB 2727 is to allow condominium projects to be eligible for C-PACER financing, but that intent is contradicted by SB 2727's amendment. SB 2727 amends the "commercial property" definition to mean "any existing or new non-residential real property," then describes "non-residential real property" as "including" both residential and non-residential types of properties:

""Commercial property" means any existing or new non-residential real property [~~not defined as a residential property, and shall include~~], including any property where there is a leasehold or possessory interest in the property [~~and~~], any multi-family dwelling or townhouse consisting of five or more units, and any

The Honorable Mark M. Nakashima, Chair
The Honorable Jackson D. Sayama, Vice-Chair
and Members of the Committee on Consumer Protection & Commerce
March 11, 2024
Page 2

condominium regime having units in a building that is not less than _____ feet in height, as well as agricultural property."

BFS is concerned that the proposed amended definition of "commercial property" is confusing, includes terms that contradict one another, and may cause future disputes among financial institutions, mortgage companies, borrowers, litigants and the public in general. Therefore, BFS proposes the following amendments to clearly and concisely identify the eligible types of properties under the definition of "commercial property":

""Commercial property" means:

- (1) any existing or new non-residential real property [~~not defined as a residential property, and shall include~~], including any property where there is a leasehold or possessory interest in the property; [~~and~~]
- (2) any multi-family dwelling or townhouse consisting of five or more units;
- (3) any condominium regime with one or more buildings that are not less than _____ feet in height; and
- (4) [~~as well as~~] agricultural property."

BFS believes that the above-suggested delineation of the types of properties falling within the definition of "commercial property" in HRS § 196-61 is consistent with the intent expressed in SB 2727.

Thank you for the opportunity to provide testimony, and your attention to BFS's concerns with the definition of "commercial property" in SB 2727.

Sincerely,



Andrew T. Kawano
Director

APPROVED:



Michael D. Formby
Managing Director

SB-2727-SD-2

Submitted on: 3/8/2024 6:28:45 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brandon Madix	Palehua Townhouse Association	Support	Written Testimony Only

Comments:

Our association supports SB2727. Please pass this bill.

Mike Golojuch, Sr., President

SB-2727-SD-2

Submitted on: 3/8/2024 8:16:45 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mike Onofrietti	Island Insurance Companies	Support	Written Testimony Only

Comments:

Island strongly supports SB2727 which would allow condominium buildings to take advantage of C-PACER financing. Insurance has become increasingly expensive for condominium buildings due to insurability issues, mainly a lack of plumbing system updates and maintenance. Expensive life safety updates are also needed in many of these same buildings. C-PACER financing can be a lower-cost source of capital to perform these needed repairs and renovations.

Thank you for the opportunity to testify.

SB-2727-SD-2

Submitted on: 3/9/2024 5:31:14 AM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bali Kumar	PACE Loan Group	Support	Written Testimony Only

Comments:

I would like to testify in enthusiastic support of SB2727. As concerns grow about the resiliency of multifamily properties, condo associations should be able to ensure that their condo buildings are resilient against wildfire and storms, and this amendment to the C-PACER legislation would do just that.

As this is a *commercial* financing program and special assessments under this program will not be placed on the real property tax bill of individual condo owners, C-PACER will not interfere with mortgages over said units being sold in the secondary market.

Thank you for your consideration.

TESTIMONY OF ALISON UEOKA

COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Mark M. Nakashima, Chair
Representative Jackson D. Sayama, Vice Chair

Tuesday, March 12, 2024
2:00 p.m.

SB 2727, SD2

Chair Nakashima, Vice Chair Sayama, and members of the Committee on Consumer Protection & Commerce, my name is Alison Ueoka, President of Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **supports** the intent of the bill which is to allow condominium buildings to access C-PACER loans for the purpose of making their building more resilient. This can include installing fire sprinklers in individual units or re-piping their buildings. We believe that hundreds of condominium buildings are in need of such updates and repairs. Providing AOAOs financing options to improve their buildings will enhance insurability and can reduce insurance costs in the long run.

Thank you for the opportunity to testify.

SB-2727-SD-2

Submitted on: 3/9/2024 2:12:34 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Philip Nerney	CAI	Support	In Person

Comments:

SUPPORT

March 11, 2024

TO: Honorable Mark Nakashima, Chairperson and Members of the
Committee on Consumer Protection and Commerce
FROM: Carl Takamura, President, Parkland Gardens AOA Board of Directors
RE: SB 2727

As one of the approximately 350 residential units impacted by the tragic Marco Polo fire and the subsequent City's fire safety ordinance, our board has been diligently researching and gathering information regarding the cost and impact on both owners and residents of installing a fire sprinkler system in our building. We understand that it will cost over \$2 million to install such a system and this unanticipated expense will impose a very heavy burden upon our owners, especially those on fixed incomes.

This bill will enable residential high-rise buildings like Parkland Gardens to participate in C-PACER financing, which will help condominium properties finance the installation of fire safety projects at more attractive rates and terms that may be currently available. It will be of enormous assistance to the many owners, and their tenants, faced with both the cost and urgency of addressing the issue of fire safety in high-rise buildings.

We respectfully urge you to approve this vital proposal.

Mahalo,

Carl Takamura

Carl Takamura
President, Parkland Gardens AOA Board of Directors

March 12, 2024

The Honorable Mark M. Nakashima, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Conference Room 329 & Videoconference

RE: Senate Bill 2727, SD2, Relating to Condominiums

HEARING: Tuesday, March 12, 2024, at 2:00 p.m.

Aloha Chair Nakashima, Vice Chair Sayama, 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 Hawai'i and its over 11,000 members. HAR **supports** Senate Bill 2727, SD2, which allows high-rise residential condominium properties to be eligible for commercial property assessed financing.

In 2022, Act 183 was passed by the Legislature and signed into law which created a commercial property assessed financing program. This program lets commercial property owners seek financing from a lender to cover the expenses of approved upgrades. They then sign a financing contract with both the lender and the Hawai'i Green Infrastructure Authority. The costs for these upgrades are repaid through a special tax assessment collected by each county, separate from property value-based taxes. This financing program helps make qualifying improvements more affordable and assists property owners who wish to undertake such improvements. Some of the improvements that this financing tool can help are updated water and wastewater infrastructure, fortifying buildings and structures to withstand wind threats from hurricanes and windstorms, installing clean energy technologies, and many other improvements.

In 2018, Honolulu enacted an ordinance mandating fire safety evaluations for all existing high-rise residential buildings within three years, with a requirement to pass within seven years. Buildings must pass a rigorous Life Safety Evaluation (LSE) or install fire sprinklers. Older condominiums, not originally equipped with sprinklers, face significant costs for retrofitting or compliance with the LSE. Extending property assessed financing to condominiums offers a solution to this challenge. Additionally, this measure can assist older condominiums with aging infrastructure, such as pipes.

Mahalo for the opportunity to testify on this measure.



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Mike Mohr
Brad Nicolai
Mike Pietsch

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

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Page 1 of 1

Committee: House Committee on Consumer Protection & Commerce
Bill Number: SB 2727, SD2, Relating to Condominiums
Hearing Date and Time: March 12, 2024 at 2:00pm (Room 329)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Nakashima, Vice Chair Sayama, and Committee Members:

We write in support of SB 2727, SD2, Relating to Condominiums. The purpose of SB 2727, SD2 is to allow high-rise residential condominiums to be eligible for Commercial Property Assessed Clean Energy and Resiliency ("C-PACER") financing. One of the meaningful impacts of this bill is it has the potential to slash the cost of installing fire sprinklers in older condominiums by making sprinkler systems eligible for C-PACER financing. Not only will this make these buildings safer, but it will make it more likely residents of these condominiums will be able to *afford* to stay in their homes.

C-PACER is an alternative financing option that finances 100% of qualified capital improvement costs, with terms matching the useful life of the equipment installed. This makes payments more affordable than a typical equipment loan. And while C-PACER financing was passed by the legislature in 2022, this bill would extend C-PACER eligibility to condominiums.

While this will help condominium residents with the financing of a variety of improvements, the most acute issue this will address is the high cost of retrofitting many older condominiums in Hawai'i with fire sprinklers. More than 281 high-rise residential buildings, primarily condominiums developed before 1975, have failed to pass safety evaluations due to the lack of fire sprinklers or other safety requirements.

In some cases, condominiums have seen their annual insurance premiums jump because they have not yet installed fire sprinklers. This in turn hikes condominium assessments, which are passed on to residents to pay. Since the fire sprinkler retrofitting is primarily affecting older condominiums, a disproportionate number of lower-income residents are being affected by it. By using C-PACER financing, the cost of these retrofits can be extended across the useful life of the installed fire sprinkler system, dropping the assessment amounts. This, in turn, lowers the price paid by lower-income residents.

Finally, we note that this is a *commercial* financing program and special assessments under this program will *not* be placed on the real property tax bill of individual condominium owners. Therefore, C-PACER will not interfere with mortgages over those units being sold in the secondary market. This measure will simultaneously improve safety and affordability for local residents, and we are proud to support it.

Sincerely,

Josh Wisch
President & Executive Director

SB-2727-SD-2

Submitted on: 3/10/2024 12:10:06 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Emery	Hawaii First Realty LLC	Support	Written Testimony Only

Comments:

SUPPORT.



Testimony of **Nicholas Zuba, Deputy Director, C-PACE Alliance, Inc.**

before the

HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Tuesday, March 12, 2024; Time: 2 PM HT

Conference Room 329 & Videoconference

Hawaii State Capitol

In **SUPPORT** of **Senate Bill No. 2727, SD 2**, RELATING TO CONDOMINIUMS

Chair Nakashima, Vice Chair Sayama, and Members of the Committee,

Thank you for the opportunity to testify in support of **Senate Bill No. 2727**, which allows condominiums to be eligible for Commercial Property Assessed Clean Energy & Resiliency (C-PACER) financing.

My name is Nicholas Zuba, and I am the Deputy Director of C-PACE Alliance, Inc., a nonprofit business association that advocates for best practices in C-PACE programs. More than 30 U.S. states and the District of Columbia have adopted a C-PACE statute, facilitating over \$5 billion in financing from private entities for more than 3,000 properties.

Act 183, Session Laws of Hawaii 2022, which authorized C-PACER, was signed into law on June 27, 2022. C-PACER is a voluntary program that helps commercial property owners finance clean energy and resiliency improvements for their commercial properties in Hawaii. The financing provides several benefits to commercial property owners in making these improvements, including long term repayment, lower interest rates, and non-accelerating financing. The financing is secured by a non-ad valorem special tax assessment that is placed on the commercial property owner's tax bill or stand-alone tax bill. Before an assessment can be placed on the commercial property, lender consent by the mortgage holder(s) is required, which is already stipulated in the current statute.

In order for C-PACER financing to be provided to commercial property owners throughout Hawaii, each County must pass an ordinance and sign a Memorandum of Agreement with the program's administrator, the Hawaii Green Infrastructure Authority (HGIA). While working with Honolulu County's Council and its Committees, it became clear that condominiums could also benefit from this program to install allowable improvements, while availing themselves to the benefits of C-PACER financing.

C-PACER is a commercial financing program that can permit non-profit associations, such as homeowner associations, to use C-PACER. In this scenario, the individual unit owners will not be assessed special assessments on their real property bills; rather, it will be assessed upon the association, therefore not interfering with any mortgagees on those individual properties. The associations will be responsible to assess and collect the C-PACER assessment with the unit owners.

Condominiums appear to have a great need and can benefit tremendously from C-PACER. This amendment would allow C-PACER to be utilized to help solve the state's most important safety issue – fire protection – while also providing the association and unit owners with an affordable financing option to enhance the sustainability and resiliency of their properties throughout Hawaii.

Thank you for the opportunity to testify in support of Senate Bill No. 2727. We urge this committee to expedite its passage.

11 Mar 2024

Nuveen, LLC
19 Old Kings Highway
Suite 210
Darien, CT 06820
nuveen.com/greencapital

Testimony of Gaby Gilbeau submitted to the House Committee on Consumer Protection & Commerce

[Support for Senate Bill 2727, SD2 relating to condominiums](#)

Thank you Chair Nakashima, Vice Chair Sayama and Members of the Committee for this opportunity to testify on SB2727, SD2, relating to condominiums.

Nuveen Green Capital is a national leader in sustainable commercial real estate financing solutions and an affiliate of Nuveen, the \$1T+ asset manager and wholly owned subsidiary of TIAA. We would like to share our **support** for Senate Bill 2727, SD2, which will make condominiums eligible for the commercial property assessed financing program.

C-PACE financing is a powerful tool for encouraging private investment in clean energy, energy efficiency, water conservation, and resiliency in the built environment. While facilitating sustainability efforts, the program reduces property owners' annual costs and provides dramatically better-than market financing for green new construction. As a leading C-PACE capital provider, our investments nationwide have resulted in an estimated \$1.62 billion and 2.6 million MWh in energy savings for program participants, created over 25,000 green-collar jobs, and reduced the carbon-equivalent of protecting 175 sq. miles of forest (roughly one-third the size of Oahu).

Nuveen Green Capital would like to see public benefits from C-PACE, like those mentioned above, realized for Hawaii via the C-PACE Program, as administered by the Hawaii Green Infrastructure Authority (HGIA). Through our efforts to establish the financing program in Honolulu, it became evident that C-PACE financing could be a valuable tool for installing fire safety, resiliency, energy and/or water efficiency measures in Hawaii's 1,600+ condominiums. With increasing costs of construction, inflation, supply chain issues and rising interest rates, C-PACE would expand the access these condominium buildings have to private capital to make critical infrastructure improvements.

Senate Bill 2727, SD2 would allow these condominium properties to access C-PACE capital for such projects without cost to the state or local governments: HGIA will be wholly responsible for billing and collection of C-PACE special tax assessments while private lenders such as Nuveen Green Capital will fund the investments. No state or local government dollars are placed at risk through this program.

We look forward to bringing C-PACE financing to Hawaii's condominiums upon the passage of Senate Bill 2727, SD2, and we thank this Committee for the opportunity to testify in support of this bill.

Thank you,

Gaby Gilbeau
Manager, Policy

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gaby.gilbeau@nuveen.com



Hawaii Solar Energy Association
Serving Hawaii Since 1977

**Testimony of the Hawaii Solar Energy Association (HSEA) Regarding SB2727 SD2, Relating to
Condominiums, Before the House Committee on Consumer Protection and Commerce**

Tuesday, March 12, 2024

Dear Chair Nakashima, Vice Chair Sayama, and committee members,

The Hawaii Solar Energy Association (HSEA) **supports SB2727 SD2**, which allows high-rise condominium properties to be eligible for commercial property assessed financing.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the state of Hawaii along with leading global cleantech manufacturers and service providers that invest and sell in our market. We employ thousands of residents in diverse green economy jobs that are innovating, designing, and building Hawaii's pathway to a renewable energy future. We advocate for policies that help Hawaii achieve critical climate and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy.

Investments in renewable energy, energy efficiency, and other resiliency measures can bring system energy costs down, save money on utility bills, provide clean and resilient sources of power, and protect our communities and precious environment. There remain several difficult-to-reach market segments in Hawaii, including commercial, multi-family, and low-to-moderate income (LMI) communities. C-PACER offers an innovative, cost-effective financing solution for these types of measures, and as an island community, we need to increase the pace of investment in these necessary public policy priorities and needs. Ensuring that C-PACER type financing is also available for high-rise condominiums makes good sense.

Thank you for hearing this bill and providing the opportunity to testify in **support** of SB2727 SD2.

Respectfully,

/s/ Rocky Mould

Executive Director



Testimony of

CastleGreen Finance, LLC

before the

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

March 12, 2024, Time: 2:00 P.M.
State Capitol, Conference Room 329

In **SUPPORT** of

Senate Bill No. 2727, SD 2

RELATING TO CONDOMINIUMS

Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

Thank you for the opportunity to testify in support of SB 2727, SD2 relating to condominiums. We urge the Committee to pass this bill which will allow condominiums to be eligible for the Hawaii commercial property assessed financing program.

Act 183, SLH 2022 authorizing commercial property assessed financing, also known as Commercial Property Assessed Clean Energy & Resiliency (C-PACER) in Hawaii was signed into law on June 27, 2022. Because this financing mechanism is a voluntary special assessment similar to a property tax, each County must pass an ordinance approving C-PACER. C-PACER is a commercial financing program, and the statute requires lender consent. The City & County of Honolulu passed Bill 56 on December 6, 2023 authorizing C-PACER to finance qualifying improvements on eligible commercial properties. Since that time it has become evident that condominiums could also benefit from C-PACER financing, given the existing need of such properties to make fire safety upgrades or other resiliency, energy, or water efficiency measure upgrades. Having a financing option like C-PACER available provides condominium owners with a financing option that may provide more attractive financing terms than conventional financing. C-PACER special assessments will not be placed on the real property tax bills of the individual condo owners.

As a C-PACE origination firm operating nationwide, in all areas with legislated and active C-PACE programs, CastleGreen provides access to private capital for energy efficiency, resiliency and renewable improvements that support the development of cleaner, safer and more efficient building stock. C-PACE financing has provided billions of dollars of private capital to property owners across the U.S.

Our firm has successfully provided impactful capital of nearly \$80 million for commercial projects located in Los Angeles County to finance resiliency and energy efficiency improvements for hotel renovations and the adaptive reuse of a vacant office to multifamily apartments. These projects were financed under the California Statewide Communities Development Authority's Open PACE Program which has been facilitating C-PACE transactions for over 10 years. Resiliency improvements, in locations subject to increased risk for seismic activity, flooding or wildfires, help save lives, reduce damage from severe weather or other environmental events, and minimize economic loss.

Thank you for this opportunity to support SB 2727, SD2 to allow condominiums to benefit from the use of C-PACER financing.



AOAO at Pat's at Punalu'u

53-567 Kamehameha Hwy, #100
Punalu'u, Hawai'i 96717

Testimony of

J. Allen DeLaney-Kolby

President for the AOAO at Pat's at Punalu'u
before the

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Tuesday, March 12, 2024, Time: 2:00 P.M.
State Capitol Conference Room 329 and Videoconference

In support of

Senate Bill No. 2727 SD2 RELATING TO CONDOMINIUMS

Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

Mahalo for the opportunity to testify to provide comments on SB 2727 SD2.

The Association of Apartment Owners at Pat's at Punalu'u, affectionately known as Pat's at Punalu'u, extends our heartfelt gratitude for granting us the privilege to provide testimony and offer our enthusiastic support for SB 2727 SD2. This bill will allow condominiums to be eligible for Commercial Property Assessed Financing Program (also known as C-PACER), administered by the Hawaii Green Infrastructure Authority. We assert that C-PACER represents a pivotal opportunity to assist condominium association owners in meeting the mounting challenges and regulatory demands caused by climate change and health, fire, and safety requirements.

We aspire to restore Pat's at Punalu'u to its former glory and contribute to revitalizing our neighboring communities. However, the path to achieving this vision is fraught with substantial costs associated in complying with evolving standards and regulations. Pat's at Punalu'u is currently grappling with insurance premiums that have soared by over 25%, necessitating costly upgrades to our windows, roof, elevators, and electrical systems to meet stringent hurricane code requirements. We have diligently assessed and secured loans to replace our aging wastewater treatment system with an environmentally friendly state-of-the-art alternative. While we do our utmost to shoulder these financial burdens, the relentless rise in inflation, surging construction costs in Hawaii, supply chain disruptions, and rapidly escalating insurance rates threaten our progress. Furthermore, insurance companies press us to expedite our efforts, threatening to withdraw coverage if we do not meet their timelines. Adding to our concerns are the imperative fire safety regulations and the potential requirement for sprinkler systems.

☎: 833-808-Pats (7287)

✉: president@patsatpunaluu.com

🌐: www.patsatpunaluu.com

a place to dream awhile...



AOAO at Pat's at Punalu'u

53-567 Kamehameha Hwy, #100
Punalu'u, Hawai'i 96717

The availability of funding "Equipment Financing" via special assessments similar to property tax payments, over an extended term, as facilitated by C-PACER, would significantly alleviate the financial strain on our owners. Among our community are numerous long-standing, fixed income kupuna whose dreams of living out their retirement at Pat's at Punalu'u hang in the balance. Without additional financing options like C-PACER, their dreams may be shattered.

As an AOAO on Oahu, we recognize that we are not alone in grappling with these formidable challenges. For example, the recent Maui wildfires and financial pressures on insurance companies and HECO will likely lead to substantial rate hikes that will impact the entire state. We express our gratitude for considering this initiative, which offers respite and viable avenues for us to explore.

In addition to the evident environmental advantages, the broad implementation of C-PACER has the potential to generate higher-paying jobs and yield a substantial positive economic impact on our North Shore community. The State's forward-thinking stance in adopting this financially sound method of financing will undoubtedly position the Legislature as conscientious leaders providing relief to condo owners.

We extend our most profound appreciation for this opportunity to wholeheartedly endorse this Bill. Pat's at Punalu'u enthusiastically supports this initiative, which promises a brighter, more sustainable future for our community, neighbors, and our beloved State. We urge the Legislature to do the same.

With utmost aloha,

FOR THE BOARD OF DIRECTORS'
OF AOAO OF PAT'S AT PUNALU'U

J Allen DeLaney-Kolby
President



Hawai'i Energy

45 North King Street, Suite 500 • Honolulu, Hawai'i 96817 • HawaiiEnergy.com • P: (808) 839-8880 • F: (808) 441-6068

Before the House Committee on Consumer Protection & Commerce
Tuesday, March 12, 2024 at 2:00 p.m.

Testimony in Support of SB2727 SD2: Relating to Condominiums

Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

Thank you for the opportunity to testify in support and provide comments on Senate Bill 2727 SD2.

Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency – the energy we do not use – is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

This bill would allow condominiums to benefit from Commercial Property Assessed Clean Energy & Resiliency (C-PACER) financing, a voluntary program authorized by Act 183, Session Laws of Hawaii 2022, that helps commercial property owners finance qualified capital improvement projects. C-PACER financing can be utilized to install critical fire safety, renewable energy, water conservation, energy efficiency, and resiliency measures at more attractive rates and terms than might be available through conventional financing. What became clear, however, during the necessary City & County of Honolulu process last year to approve the use of C-PACER financing, is that the current statute does not clearly specify whether residential condominium properties can utilize C-PACER financing. Senate Bill 2727 SD2 makes that specification clear.

Senate Bill 2727 SD2 has the potential to simultaneously improve both safety and affordability for our residents, and we are thankful for the opportunity to support it.

Sincerely,
Caroline Carl
Executive Director
Hawai'i Energy

I am grateful for the opportunity to share my experience of CPACE and the sustainable benefits it brings to the table for developers and property owners. CPACE financing is a game-changer in the pursuit of clean energy and achieving ESG (Environmental, Social, and Governance) goals, offering access to much-needed capital that was previously out of reach. As someone deeply committed to sustainable development, I cannot emphasize enough the positive impact CPACE financing has on our industry and the broader community.

1. **Unlocking Capital for Sustainable Projects:** CPACE financing enables developers and property owners to secure the necessary funds for clean energy initiatives and ESG-focused projects. These often require substantial upfront investments, which CPACE covers, ensuring that sustainable projects can get off the ground without the burden of immediate capital requirements.
2. **Reducing Financial Barriers:** Traditional financing options may not align with the long-term nature of clean energy and sustainability projects. CPACE financing eliminates this hurdle by offering terms that are favorable for developers and property owners. This allows them to focus on project execution without being encumbered by high-interest rates or short-term payback schedules.
3. **Enhancing Property Values:** Investing in clean energy and ESG improvements increases the attractiveness and value of properties. CPACE-financed upgrades, such as energy-efficient HVAC systems, solar installations, and water conservation measures, not only reduce operating costs but also make properties more desirable in the market.
4. **Lowering Operating Costs:** One of the most significant advantages of CPACE financing is the potential for substantial cost savings. Energy-efficient upgrades not only reduce utility bills but also decrease maintenance and operational expenses, ensuring long-term financial benefits for property owners and developers.
5. **Meeting ESG Commitments:** As the world becomes increasingly focused on sustainability and corporate responsibility, CPACE financing offers a clear pathway for developers and property owners to align with ESG goals. These initiatives enhance brand reputation, attract socially responsible investors, and foster goodwill within the community.
6. **Strengthening Environmental Stewardship:** CPACE financing empowers developers and property owners to contribute positively to environmental sustainability. By implementing clean energy solutions, reducing carbon footprints, and conserving resources, they actively participate in mitigating climate change and preserving the planet for future generations.
7. **Boosting Local Economies:** CPACE financing not only benefits individual projects but also stimulates economic growth in local communities. Sustainable development generates jobs, attracts businesses, and contributes to a thriving ecosystem where everyone can prosper.

In conclusion, CPACE financing is a catalyst for transformative change in the realms of clean energy and ESG goals. It provides the financial means to pursue environmentally responsible projects, elevating properties, businesses, and communities alike. As we stand on the precipice of a more sustainable future, CPACE financing offers a crucial bridge to turn vision into reality. I wholeheartedly recommend CPACE financing to all developers and property owners who seek to make a positive impact on our planet and society. Embrace CPACE, and together, we can build a greener, more sustainable world for all.



Testimony in Support of SB 2727, SD2 Relating to Condominiums

Aloha Chair Nakashima, Vice Chair Sayama, and Committee Members:

We write in support SB 2727, SD2 which allows high-rise condominiums to qualify for Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing. This will reduce the cost of installing fire sprinklers in older condominiums.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawai'i is at our core, and through our products and services, we work hard to make Hawai'i a better place for future generations. To do that, we need to make sure that future generations can afford to live in Hawaii. Hawaii has the highest housing costs in the country and alternative financing options make payments more affordable.

C-PACER financing covers 100% of improvement costs, with terms matching the equipment's life, making payments more affordable than typical loans. Extending C-PACER financing to condominiums helps finance a variety of improvements, including addressing the high cost of retrofitting older condominiums with fire sprinklers. This benefits lower-income residents, as these retrofits can now be paid over the sprinkler system's life, reducing assessment amounts.

It's important to note that C-PACER is a commercial financing program that can permit non-profit associations, such as homeowner associations, to use C-PACER. When used this way, as envisioned in this bill, individual unit owners will not be assessed special assessments on their real property bills; rather, it will be assessed upon the association to administer with unit owners.

Mahalo for the opportunity to submit testimony in support,

A handwritten signature in black ink that reads "Brandon H. Kurisu".

Brandon Kurisu
aio Family of Companies





**Testimony to
House Committee on Consumer Protection and Commerce
March 12, 2024
2:00pm
Conference Room 329 & VIA videoconference
Hawaii State Capitol
SB 2727, SD2**

Aloha Chair Nakashima, Vice Chair Sayama, and members of the Committee,

We write in support of SB 2727, SD2 which extends Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) financing to high-rise condominiums. This allows them to cover 100% of improvement costs, with repayment terms aligned to the equipment’s lifespan. One of the most immediate benefits of this would be a significant reduction in the expense of installing fire sprinklers in older condominiums. This cost reduction directly benefits lower-income residents by spreading the retrofit expenses over the sprinkler system’s operational life, ultimately lowering assessment amounts.

Established in 1904, Hawaii Gas serves over 70,000 customers on all islands through its utility pipeline infrastructure and propane business, all of whom depend on the company for sustainable, reliable, and affordable gas for water heating, cooking, drying, and other commercial and industrial applications. The company employs some 350 professionals, over 75% of whom are under collective bargaining. As an organization well-versed in the infrastructure required to keep older buildings throughout our state operating, we understand the importance of fire sprinkler systems. And we understand the expense of retrofitting older condominiums with them.

Notably, some older condominiums have faced rising annual insurance premiums due to the absence of fire sprinklers. Consequently, these increased costs are passed on to residents through condominium assessments. Since retrofitting predominantly impacts older condominiums, a disproportionate number of lower-income residents bear the burden. By leveraging C-PACER financing, the cost of fire sprinkler retrofits can be minimized, thus alleviating the assessment burden for these residents.

An essential point to note is that C-PACER, a commercial financing program, allows non-profit associations (such as homeowner associations) to utilize it. When employed in this manner, as outlined in SB 2727, SD2 individual unit owners will not face special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not impact any existing mortgages on those individual properties. The associations will assume responsibility for assessing and collecting the C-PACER assessment from the unit owners.

In summary, SB 2727, SD2 represents an intelligent and innovative solution, aimed at retaining local residents in Hawai‘i by ensuring their continued affordability.



HAWAI'I COMMUNITY FOUNDATION

Testimony in Support of SB 2727, SD2 Relating to Condominiums

From: Micah Kāne, Chief Executive Officer & President - Hawai'i Community Foundation

Re: Support for Commercial Property Assessed Financing

The Hawai'i Community Foundation supports SB 2727, SD2, which extends Commercial Property Assessed Clean Energy and Resiliency ("C-PACER") financing to high-rise condominiums, aiming to reduce the cost of installing fire sprinklers in older condos. This measure not only enhances building safety but also increases the likelihood that residents can afford to stay in their homes.

Providing housing for local families is a key area within HCF's CHANGE Framework under the "C" sector of Community and Economy. Among households that accumulate wealth in Hawai'i, 60.3% own their own homes, underscoring how critical home ownership is to local families being able to afford to stay in their home state. Of course, homeownership is just part of the challenge we face. 54.7% of local *renters* are burdened by housing costs as well. And for our local resident living in older condominiums, a particular challenge they face is the high cost of retrofitting those condominiums with fire sprinkler systems.

C-PACER provides an alternative financing option covering 100% of capital improvement costs, with repayment terms aligned to the equipment's lifespan, making payments more manageable than typical loans. It addresses the immediate challenge of the high expense of retrofitting older Hawai'i condominiums with fire sprinklers. Over 281 high-rise residential buildings, primarily developed before 1975, lack fire sprinklers or other safety features and have failed safety evaluations. Some condominiums face rising annual insurance premiums due to this, leading to increased assessments passed on to residents. C-PACER financing can spread retrofit costs over the sprinkler system's useful life, reducing assessment amounts and benefiting lower-income residents.

Importantly, C-PACER is a commercial financing program that can also be utilized by non-profit associations, such as homeowner associations. This bill ensures that individual unit owners are not directly assessed on their property bills; instead, the assessment is placed on the association, avoiding interference with any mortgages on the individual properties.

SB 2727, SD2 is a smart solution that contributes to a more affordable housing market for our community, and HCF is happy to support it.



March 12, 2024

Committee: House Committee on Consumer Protection and Commerce
Bill Number: SB 2727, SD2, Relating to Condominiums
Hearing Date and Time: March 12, 2024, 2:00pm
Re: Testimony of HPM Building Supply in Support

Aloha Chair Nakashima, Vice Chair Sayama, and members of the Committee,

We support SB 2727, SD2, which expands Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing to high-rise condominiums. This bill aims to reduce the cost of installing fire sprinklers in older condos by making sprinkler systems eligible for C-PACER financing. Not only will this enhance building safety, but it will also increase the likelihood that residents can afford to remain in their homes.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawaii and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities one home at a time. As an organization dedicated to connecting local families with housing, we know how dire the housing cost situation in Hawai'i has become for local families.

This bill could reduce home costs, especially for residents in older condominiums. C-PACER offers an alternative financing option covering 100% of capital improvement costs, with repayment terms aligned to the equipment's lifespan, making payments more manageable than typical loans. It will provide immediate help with the high expense of retrofitting older Hawai'i condominiums with fire sprinklers. Over 281 high-rise residential buildings, primarily developed before 1975, lack fire sprinklers or other safety features and have failed safety evaluations. Some condominiums face rising annual insurance premiums due to this, leading to increased assessments passed on to residents. C-PACER financing can spread retrofit costs over the sprinkler system's useful life, reducing assessment amounts and benefiting lower-income residents.

This bill also aligns with HPM's values of Heart, Character, and Growth. By supporting our communities' families, we invest in our future. We show that we care about the future generations and our current workforce shaping it. Our company's value of Heart is caring for one another as a community.

Sincerely,

Dennis Lin
Community Relations Administrator



Statement of
Meli James
President
HVCA

SB 2727, SD2, Relating to Condominiums

Aloha,

We support SB 2727, SD2, which extends Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) financing to high-rise condominiums, covering 100% of improvement costs with repayment terms aligned to the equipment’s lifespan. This significantly reduces the cost of installing fire sprinklers in older condominiums, benefiting lower-income residents by spreading the retrofit expenses over the sprinkler system’s operational life and lowering assessment amounts.

The Hawaii Venture Capital Association (HVCA) is a local nonprofit that stands as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. Our organization helps to foster entrepreneurship through education and exposure to key members in our business community in order to support our islands’ emerging entrepreneurs, all while sustaining a vibrant and successful business community. To keep these types of entrepreneurs in Hawai’i and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford. Sometimes that means older condominiums, where they are faced with the costs of retrofitting them.

Specifically, some older condominiums face rising annual insurance premiums due to the absence of fire sprinklers, passing these costs on to residents through condominium assessments. Since retrofitting primarily impacts older condominiums, a disproportionate number of lower-income residents bear the burden. By using C-PACER financing, the cost of fire sprinkler retrofits can be minimized, alleviating the assessment burden for these residents.

Importantly, C-PACER allows non-profit associations, like homeowner associations, to utilize it. When used this way, individual unit owners will not face special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not affect existing mortgages on those properties. The associations will be responsible for assessing and collecting the C-PACER assessment from the unit owners.

SB 2727, SD2 is a good solution to keep local residents in Hawai’i by making sure they can afford to stay.



President
HVCA

Statement of
Meli James
Cofounder
Mana Up

SB 2727, SD2, Relating to Condominiums

Aloha,

We support SB 2727, SD2, which extends Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) financing to high-rise condominiums, covering 100% of improvement costs with repayment terms aligned to the equipment’s lifespan. This significantly reduces the cost of installing fire sprinklers in older condominiums, benefiting lower-income residents by spreading the retrofit expenses over the sprinkler system’s operational life and lowering assessment amounts.

Mana Up is a statewide initiative that helps provide entrepreneurs in Hawai‘i with the resources and tools to grow their business and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai‘i. To keep these types of entrepreneurs in Hawai‘i and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford. Sometimes that means older condominiums, where they are faced with the costs of retrofitting them.

Specifically, some older condominiums face rising annual insurance premiums due to the absence of fire sprinklers, passing these costs on to residents through condominium assessments. Since retrofitting primarily impacts older condominiums, a disproportionate number of lower-income residents bear the burden. By using C-PACER financing, the cost of fire sprinkler retrofits can be minimized, alleviating the assessment burden for these residents.

Importantly, C-PACER allows non-profit associations, like homeowner associations, to utilize it. When used this way, individual unit owners will not face special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not affect existing mortgages on those properties. The associations will be responsible for assessing and collecting the C-PACER assessment from the unit owners.

Being that at Mana Up, we help local entrepreneurs grow their product companies and scale globally with the mission to expand the economy and create jobs for locals so they can support the high cost of living here, we are happy to support this bill. SB 2727, SD2 is a good solution to keep local residents in Hawai‘i by making sure they can afford to stay.

Sincerely,



Meli James | Cofounder, Mana Up

TORI RICHARD

March 12, 2024

Aloha Chair Nakashima, Vice Chair Sayama, and members of the Committee,

I am writing in support of SB 2727, SD2, which extends Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing to high-rise condominiums. This bill is crucial for reducing the cost of installing fire sprinklers in older condominiums, which is vital for ensuring future generations in Hawaii have affordable housing options.

Tori Richard has manufactured in Honolulu for over 60 years, and we continue to proudly do so today. As a long-time medium-sized Hawaii employer, we recognize the challenge high housing costs pose to everyone working to make ends meet in Hawaii, including our employees. This bill is a good way to address those housing costs and keep local working families in Hawaii.

Hawaii's high housing costs are a significant challenge, and the expense of retrofitting older condominiums with fire sprinklers has exacerbated this issue. C-PACER financing, covering 100% of improvement costs with terms aligned to the equipment's lifespan, offers a more affordable payment structure than typical loans. This financing option will not only help address the high cost of fire sprinkler retrofitting but also benefit lower-income residents by spreading the costs over the sprinkler system's life, reducing assessment amounts.

It's worth noting that C-PACER is a commercial financing program that can also be used by non-profit associations, such as homeowner associations. Under this bill, individual unit owners will not be directly assessed special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not impact any existing mortgages on those individual properties. The associations will be responsible for assessing and collecting the C-PACER assessment from the unit owners.

We appreciate the opportunity to submit testimony in support of this bill.

Sincerely,



Josh Feldman
President & CEO
Tori Richard, Ltd.

1891 NORTH KING STREET
HONOLULU, HAWAII 96819



Email: communications@ulupono.com

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, March 12, 2024 — 2:00 p.m.

Ulupono Initiative supports SB 2727 SD2, Relating to Condominiums.

Dear Chair Nakashima and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports SB 2727 SD2, which allows high-rise residential condominium properties to be eligible for commercial property assessed financing (CPACE).

Ulupono believes that the Hawai'i Green Infrastructure Authority is well positioned to support the state with an expanded CPACE program, which will provide an additional tool for condominiums and commercial entities to finance infrastructure such as renewable energy projects, cesspool conversions, and agricultural water systems. Property owners can use this financing to cover costs of projects using no public dollars or taxpayer funds for said financing. According to the U.S. Department of Energy, more than 37 states plus the District of Columbia have CPACE-enabling legislation and more than \$2 billion in projects have been financed.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i

SB-2727-SD-2

Submitted on: 3/11/2024 12:34:33 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Eric B Johnson	Contessa Condominium	Support	Written Testimony Only

Comments:

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION Senator Jarrett Keohokalole, Chair Senator Carol Fukunaga, Vice Chair Re. SB 2727 The Contessa Condominium (144 untis) is in support of SB 2727. The C-PACER option for financing is desperately needed to help comply with Ordinance 22-2. Many of our owners are elderly and are on fixed incomes and cannot afford the massive assessment to comply with the mandated Ordinance 22-2. Some of our owners are also ALICE, (asset limited, income constrained and employed) and are in the same situation as our elderly. SB 2727 will give a lifeline to them as well as our other owners. We are in favor of SB 2727 Eric B Johnson, President Contessa AOAO



LATE

DATE: March 12, 2024

TO: Representative Mark M. Nakashima
Chair, Committee on Consumer Protection & Commerce

FROM: Mihoko Ito / Tiffany Yajima

RE: **S.B. 2727, S.D.2 – Relating to Condominiums**
Hearing Date: Tuesday, March 12, 2024 at 2:00 pm
Conference Room: 329

Dear Chair Nakashima, Vice Chair Sayama, and Members of the Committee on Consumer Protection & Commerce:

We submit this testimony on behalf of the Hawaii Bankers Association (HBA). HBA represents seven Hawai'i banks and one bank from the continent with branches in Hawai'i.

HBA submits **comments** on S.B. 2727, S.D.2 Relating to Condominiums and suggests amendments if the Committee is inclined to move this measure forward.

S.B. 2727, S.D.2 allows condominiums to be eligible for commercial property assessed financing (C-PACE), which was established by Act 183, Session Laws of Hawaii 2022 to allow commercial property owners to access financing for qualifying improvements on their property. Repayment of the amounts financed occurs through a voluntary assessment, similar to a real property tax. C-PACE is a non-accelerating, senior lien secured by the property, which is secured by being recorded as a senior lien.

We support the intent of this measure which allows condominiums to utilize the C-PACE loan program because it continues to require the prior written consent of existing lenders on any loans or mortgages pursuant to HRS 196-64.5. A key component of Hawaii's C-PACE program is that, prior to entering into a C-PACE financing contract, the parties must obtain written consent by each holder or loan servicer of other existing mortgages or loans.

While HBA appreciates the need for condominiums to access C-PACE as a financing mechanism, we are cautious where there is any intention to have this program apply in residential settings because of the potential for it to impact the residential mortgage market.

Upon review of the language in the S.D.2, we believe that the bill should be amended to clarify the definition of "commercial property" so that C-PACE is only be available for use by commercial properties, condominium associations and agricultural properties. Accordingly, we would ask for the bill to be amended as follows:

"Commercial property" means any existing or new non-residential real property [~~not defined as a residential property, and shall include~~], including any property where there is a leasehold or possessory interest in the property **and such property is used for a commercial, industrial, retail, or other business purpose, [and], any multi-family dwelling or townhouse consisting of five or more units, and any condominium ~~regime~~ association that meets the requirements of section 514B-103 and consists of more than five units, having units in a building that is not less than _____ feet in height,** as well as agricultural property."

Thank you for the opportunity to provide testimony on this measure.



LATE

Testimony to the House Committee on Consumer Protection & Commerce
Tuesday, March 12, 2024, 2:00 PM
Conference Room 329

Comments on SB 2727, Relating to Condominiums

To: The Honorable Mark Nakashima, Chair
The Honorable Jackson Sayama, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 47 Hawaii credit unions, representing over 864,000 credit union members across the state.

HCUL offers the following comments on SB 2727, Relating to Condominiums. This bill allows condominiums to be eligible for commercial property assessed financing (C-PACE).

While we understand that the intent of this measure is to provide a method of financing for certain improvements, we have been concerned about this particular type of loan being secured by the property itself, which means it is a senior lien. C-PACE, unlike residential PACE, requires written consent by each holder and servicer of existing mortgage loans.

We understand that SB 2727 proposes to use the C-PACE model to apply the loan program to condominium properties. We would like to ensure that the prior written consent provision remains intact, as this would protect the mortgagor and the mortgagee. Additionally, we have concerns with regards to the definition of "commercial property". We concur with the language put forth by the Hawaii Bankers Association on this matter.

Further, we would note that many Hawaii financial institutions, including credit unions, currently offer specialized, low-cost loans for certain home improvements.

Thank you for the opportunity to provide comments on this issue.

Heritage House

6710 Hawaii Kai Drive
Honolulu, Hawaii 96825
(808) 386-9066

LATE

March 11, 2024

The House Committee on Consumer Protection & Commerce
Representative Mark Nakashima, Chair
Representative Jackson Sayama, Vice Chair

RE: SB 2727, SD2

On behalf of the owners and members of the Board of Directors of Heritage House Condominium, located in Hawaii Kai, I am writing in support of Senate Bill 2727, SD2

The recent impetus requiring installation of fire sprinkler systems in older condominiums has created substantial worry for many residents of such buildings concerning their ability to pay for the upgrades needed to install sprinklers within their apartments. Many owners are retired senior citizens living on fixed incomes. Or some owners may have recently purchased their apartments and are working hard to manage daily living expenses plus make monthly mortgage payments. In short, having to come up with the estimated \$30,000 to \$40,000 for this upgrade to their apartment may require many owners to sell their homes or else assume years long loan payments which they can ill afford.

Senate Bill 2727, SD2 creates commercial property-assessed financing (C-PACE), which provides access to lower interest financing. This may assist many of those identified above who will face financial hardships due to the installation of fire sprinklers.

Currently, condos are burdened with the doubling of insurance rates and deductibles, specifically due to the fire sprinkler issue. These costs are passed on to the owners via higher maintenance fees. Therefore, the loan assistance to install sprinklers will indirectly facilitate the reduction in insurance premiums in the future.

Representative Mark Nakashima
Representative Jackson Sayama

While requiring the installation of fire sprinklers in older buildings was designed to prevent the tragic loss of life and major fire damage experienced in the infamous Marco Polo fire, it appears little thought was made concerning the economic impact to the owners of such buildings. Senate Bill 2727, SD2 may be a start in that direction, and we support your concern and efforts to pass such legislation.

Sincerely,

Thomas Riddle, President
Heritage House Board of Directors

SB-2727-SD-2

Submitted on: 3/9/2024 11:10:44 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Edwina Spallone	Individual	Support	Written Testimony Only

Comments:

Aloha,

I trongly support SB2727.

Mahalo, Edwina Spallone

SB-2727-SD-2

Submitted on: 3/10/2024 1:54:35 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Greg Misakian	Individual	Oppose	Remotely Via Zoom

Comments:

I oppose SB2727 SD2.

On first read it sounds great, until you research and determine there are some major issues with these loans, and numerous complaints throughout the U.S., including a reversal of the decision to allow these types of loans in a major City and County (headline below).

Los Angeles County Ends PACE Program Marred by Fraud, Abuse, and Unaffordable Loans
May 20, 2020 — Press Release - National Consumer Law Center

Up front investigation by our legislators will help to reduce problems later.

Mahalo,

Gregory Misakian

Kokua Council, 2nd Vice President

Waikiki Neighborhood Board, Sub-District 2 Vice Chair

SB-2727-SD-2

Submitted on: 3/10/2024 5:42:28 PM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jeff Sadino	Individual	Support	Written Testimony Only

Comments:

I support this Bill.

SB-2727-SD-2

Submitted on: 3/11/2024 6:38:15 AM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jonathan Billings	Individual	Support	Written Testimony Only

Comments:

I support.



In Alliance with **Apollo**

300 Colorado St., Suite 2000, Austin, Texas 78701

O: 512.599.9037 ♦ **FAX:** 512.532.0792

Testimony of
Michael Yaki
Senior Vice President & Sr. Counsel
Petros PACE Finance LLC
before the
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, March 12, 2024, 2 pm
State Capitol, Conference Room 329
in consideration of
SB 2727, SD2
RELATING TO CONDOMINIUMS

Chair Nakashima, Vice Chair Sayama, and Members of the Committee:

Thank you for the opportunity to testify on SB2727,SD2, relating to condominiums. I am writing on behalf of Petros PACE Finance, the nation's largest originator of commercial PACE financing in the country, and a leader in developing and innovating commercial PACE policy and programs.

We are writing in strong support of the principles underlying SB2727,SD2.

The City & County of Honolulu passed Bill 56 on December 6, 2023, authorizing C-PACER to finance qualifying improvements on eligible properties. As the bill was being heard by the Committees and City Council, it became evident that this financing program could also benefit Condominiums in need of installing fire safety measures or upgrading resiliency, energy and/or water efficiency measures, by providing longer terms over the useful life of the equipment being installed, thereby making this financing option more affordable to condo owners.

First, thank you for your support of HB 2088, which established C-PACER financing in Hawaii. I am pleased to report that interest is strong and we hope to report the first uses of C-PACER in the Hawaiian Islands before the end of the year.

Second, we participated in meetings organized by the Hawaii Green Infrastructure Authority to meet with condominium association owners to hear their concerns about the need for affordable financing to meet new fire and safety measures for their existing buildings. There is an existing challenge to helping condominiums because while there are common areas that utilize, for example, fire sprinkler systems, we are limited to only looking at multifamily structures as commercial providers. We believe the language proposed will allow C-PACER capital providers like us to work with condominium associations by creating an assessment "anchor" for the C-

PACER financing to the condominium association, which owns the structure/common area. Since the association is a corporate entity, not residential unit, SB2727,SD1 bypasses this concern.

It is important to distinguish that because the CPACER assessment will attach to a parcel owned by a condo or homeowner association, it is attaching to a parcel owned by a corporate entity. This is not residential PACE. No unit will have a CPACER assessment on its property since that is prohibited by current law and not changed in this legislation. CPACER will be the same as any debt incurred by a condo or homeowner association for repair or upgrades to common areas -- a debt of the association, not an individual unit owner.

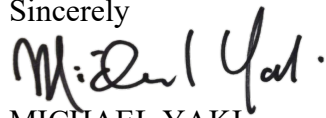
Finally, I wish to address the mistaken and wholly misplaced concerns raised by some who are invoking Los Angeles County's ("LAC") repeal of their PACE program as evidence of "issues" with commercial PACE.

First, the LAC program was residential only. There was no LAC commercial program. Secondly, the LAC program was its own independent program where LAC used their own bonding authority under California law. Residential PACE is already prohibited under current Hawaii law.

Commercial PACE, on the other hand, has continuously operated throughout LAC to the current day. Over 78 individual cities inside of LAC have authorized CPACE programs to operate. We have financed multiple projects, including just last year, within the boundaries of Los Angeles County. Any representation to the contrary is simply, unequivocally, false.

Thank you for your attention, and we are available to assist in any way.

Sincerely



MICHAEL YAKI

Senior Vice President & Sr. Counsel

Policy and Programs

Petros PACE Finance, LLC

Testimony of **THOMAS A. NIDA**
Retired Executive Vice President/Market Executive
City First Bank, Washington, DC
before the
COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Tuesday, March 12, 2024
Time: 2:00 P.M.
State Capitol Conference Room 329 and Videoconference

In SUPPORT of
SB 2727, SD2
RELATING TO CONDOMINIUMS

Committee Chair Nakayama, Vice Chair Sayama, and Members of the State House
Committee on Consumer Protection & Commerce

Thank you for the opportunity to testify and provide comments in support of SB 2727, SD2
to include eligible condominium properties in the C-PACER program.

A successful C-PACER program can provide the following benefits:

- 1) Benefits to the County
 - a) Program costs can be covered by program revenues.
 - b) Increased property values.
 - c) Funding is all from private capital sources.
- 2) Benefits to Commercial Property Owners
 - a) Increased property values from improved net operating income.
 - b) C-PACER is an operating expense, not additional debt, with payments that can be more than offset by reduced utility costs.
 - c) Up to 100% financing for eligible energy improvements and mandated safety improvements.
 - d) No personal guarantees from the property owners.
- 3) Benefits to local financial institutions
 - a) An enhanced competitive position against larger money center banks and other financial organizations to provide both commercial mortgage loans and C-PACER loans to meet their customer needs.
 - b) Better control of C-PACER funding to ensure eligible improvements are completed.
 - c) Improved collateral positions on C-PACER projects funded.
- 4) Benefits to the Environment/Sustainability/GHG reduction
 - a) Reduced power and water consumption from long term capital investment to improve energy efficiency of commercial properties.
 - b) Support for municipal goals to reduce GHG.
- 5) Stimulus to energy efficient commercial construction, both for new construction and renovations, adding construction new construction jobs and additional business from local building materials suppliers.

As a senior banker, who last year retired after 56 years in the industry, I have been actively involved with the C-PACE program in Washington, DC, since 2016, and have provided C-

PACE funding for educational facilities, healthcare facilities, multifamily properties, and retail properties, with no delinquencies, defaults, or losses. Our C-PACE lending continues to expand as an active part of our commercial lending. Further, to date with over 3,000 closed C-PACE loans totaling more than three billion dollars across the country, there have been no tax foreclosures on properties with C-PACE loans, a reflection of the success of C-PACE programs where they have been enacted. I am currently working with the Community Development Bankers Association to help establish active C-PACE lending programs for its members across the country.

Thank you for this opportunity to testify in strong support of SB 2727, SD2.

**House of Representatives
The Thirty-Second Legislature
Committee on Consumer Protection and Commerce
Tuesday, March 12, 2024
2:00 p.m.**

To: Representative Mark M. Nakashima, Chair
Re: SB 2727 SD 2, Relating to Condominiums

Aloha Chair Mark Nakashima, Vice-Chair Jackson Sayama, and Members of the Committee,

I am Lila Mower, president of Kokua Council, one of Hawaii’s oldest advocacy groups with over 800 members and affiliates in Hawaii.

I also serve on the board of the Hawaii Alliance for Retired Americans, with a local membership of over 20,000 retirees.

And I am the leader of a coalition of hundreds of property owners, mostly seniors, who own and/or reside in associations throughout Hawaii and served as an officer on three condominium associations’ boards.

This testimony is regarding **SB 2727 SD 2 with concerns not addressed earlier** when you heard HB 1692.

A commercial property is owned by a *single entity* and an unreleased condominium project is owned by the declarant, i.e., developer, *a single entity*, but a residential condominium—including those that are subject to the City and County of Honolulu’s mandatory life safety evaluation (CCH LSE)—is an association of divisible units that are each owned by a separate entity upon sale or release from the declarant.

Thus, in the proposed measure, to whom does “*commercial property owner*” refer?

In Hawaii, many condominium associations do not have a specific tax map key (TMK) for their undividable and aggregate commonly owned property (e.g., driveway, lawn, and pool areas) although some associations have unique TMKs for specific units such as a manager’s office and a resident manager’s apartment.

The Commonwealth of Virginia excludes condominiums from C-PACE financing for that reason:

“**Eligible properties**” means all assessable commercial real estate...**other than a residential dwelling with fewer than five dwelling units or a condominium** as defined in § 55.1-2000 used for residential purposes. Common areas of real estate owned by a cooperative or a property owners' association described in Subtitle IV (§ 55.1-1800 et seq.) of Title 55.1 that **have a separate real property tax identification number are**

eligible properties. Eligible properties shall be eligible to participate in the C-PACE loan program.”¹

Similarly, an international investment provider headquartered in Michigan, Plante Moran, reiterates that C-PACE financing may not be suitable for condominium associations:

“Concerns about C-PACE financing

- Lender Approval/Pushback – Because unpaid C-PACE assessments can create a senior lien on the property, C-PACE financing often requires lender consent for any property with a mortgage. This can add time and cost to the financing process. C-PACE assessments can also limit refinance options due to these senior liens. The Federal Housing Finance Agency (FHFA) has directed Fannie Mae and Freddie Mac not to purchase or refinance mortgages with C-PACE liens.
- Limits Sale Options – Properties that have C-PACE assessments attached to them can be more difficult to sell, as the new owner has to agree to pay the additional assessments.
- Property-Specific Financing – **C-PACE loans are structured uniquely for individual properties** and require cost/savings analysis specific to that property, making it difficult to utilize for a portfolio strategy.”²

Further, Whitney Satin of Convex, a firm that provides a secure platform for the commercial services industry, reported:

“Earlier this summer, *Last Week Tonight with John Oliver*³ featured a story about a relatively new program designed to help property owners finance green renovations: Property Assessed Clean Energy (PACE)...

It naturally raised questions about C-PACE from commercial contractors and property owners. And since more and more states are passing legislation to enable C-PACE, it’s a good time to learn about how to navigate C-PACE financing and avoid its pitfalls...

John Oliver criticized PACE funding for incentivizing predatory behavior from contractors and administrators. He shared the stories of contractors who misleadingly described PACE as “free government money,” targeted homeowners without the means to repay the lien (including the elderly and people with cognitive disabilities), and administrators who approved those projects with virtually no oversight...

¹ <https://law.lis.virginia.gov/vacode/title15.2/chapter56/section15.2-958.3/>

² <https://www.plantemoran.com/explore-our-thinking/insight/2023/plante-moran-reia/about-c-pace-financing-pros-and-cons-of-energy-efficiency-loan-programs>

³ <https://www.theguardian.com/tv-and-radio/2021/jun/21/john-oliver-last-week-tonight-pace-loans>

A C-PACE lien can be an issue when building owners try to sell their property since buyers are likely to balk at a massive property tax bill for improvements that are no longer state-of-the-art.”⁴

Those comments echo concerns I addressed in my testimony to HB 1692, copied here:

LACK OF CONSUMER PROTECTIONS

- Because C-PACE is structured as a tax assessment instead of a loan, borrowers may not have the same consumer protections of disclosures about financing costs that traditional lenders must provide.
- Without those disclosures, directors, community association managers, and other advisors, who are not experienced in or may only have superficial knowledge of financing, may not know what to ask, including inquiring if the rates and terms that are offered are competitive (and may not know how to compare), about penalties, restrictions, and other limitations.
- Unlike traditional financing, most C-PACE programs do not require a third-party assessment of the costs of improvements (i.e., appraisal).
- Those who are naïve may have a false sense of security about C-PACE, wrongly assuming that it is a federal (or state) loan program and wrongly believing that there are consumer protective terms that may not exist.
- Additionally, there may be individuals who influence the board’s decision to borrow who may have undisclosed conflicts of interests, including pecuniary interests which may be hidden in the undisclosed financing costs, or financial interests in the capital improvements that are to be funded by C-PACE.

These include contractors who use C-PACE as a sales tactic to lure business and use the financing option to generate more business (greater and additional improvements) than needed. There is also the possibility of “kickbacks.”

ADVERSE AFFECT ON THE REAL ESTATE MARKET

- Because C-PACE runs with the land (i.e., property), C-PACE may make it more difficult for owners who desire to sell or for purchasers who desire to purchase in an already difficult real estate market. Sellers may have to discount their units compared to comparable units in associations without C-PACE.

⁴ <https://www.convex.com/blog/a-guide-to-c-pace-financing-eligibility-and-controversies/>

- Because C-PACE takes priority over other lienholders except for government tax liens, those lienholders (mostly mortgagors) will have to consent. In the past, Fannie Mae (FNMA) and Freddie Mac (FLMC) indicated that they will not purchase mortgages with C-PACE superior liens. If this is still correct, the marketability of properties with C-PACE will be affected, reversing the purpose of utilizing C-PACE to fund needed improvements for borrowers and their properties to qualify for Fannie Mae or Freddie Mac mortgage financing.

I applaud and encourage the legislature's efforts to study alternative funding options for capital improvements of condominium associations, especially in response to CCH LSE, rising insurance premiums despite reduced coverage or loss of insurance coverage, but the proposed financing in this measure does not appear to be a good fit for condominium associations and their unit owners.

Mahalo for the opportunity to address my concerns regarding SB 2727 SD 2.

SB-2727-SD-2

Submitted on: 3/11/2024 8:42:04 AM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Raelene Tenno	Individual	Support	Written Testimony Only

Comments:

Supporting SB2727 SD2. Condo's need this funding type to fund Fire sprinklers and any other energy efficiency methods to coincide with the City and County of Honolulu's Benchmarking requirement.

SB-2727-SD-2

Submitted on: 3/11/2024 10:17:45 AM

Testimony for CPC on 3/12/2024 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lourdes Scheibert	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose measure SB2727 SD2. On research, I found this:

How are PACE loans paid back? Property owners that voluntarily choose to participate in a PACE program repay their improvement costs over a set time period-typically 10 to 20 years -- though property assessments, which are secured by the property itself and paid as addition to the owner' property tax bill.

This takes me back to the early 2000s when the **SHARED SAVINGS** program was introduced. In this scheme, a contractor, for instance, would install solar panels at no upfront cost to the homeowner. The savings made on their HECO bill would be split, with the homeowner being charged 50% of the savings to cover the project's cost. This was a time when oil was priced at \$100 a barrel. The homeowner was committed to this contract for 20 years. However, when the price of oil plummeted, the savings became negligible. Despite this, the homeowner remained obligated to pay the full cost of the project for the agreed 20 years.

I add, most construction contracts were inflated with materials and labor. The solar contractor certainly saw a swift return on investment. Meanwhile, the homeowner is bound by contract for a duration of 20 years.

Read the testimony of Lila Mower, president of Kokua Council, one of Hawaii's oldest advocacy groups, dated 2/6/2024 comments explaining 1) Lack of Consumer Protection and 2) Adverse Affect on the Real Estate Market.

If you think condominium non-judicial foreclosures was a scandal? You need to read "Los Angeles County Ends PACE PROGRAM Marred by Fraud, Abuse and Unaffordable Loans"

It's crucial that a Legislative study committee thoroughly exams this PACE PROGRAM.

Condo owners and Board of Directors, exercise caution. It's advisable to opt for a conventional bank loan from financial institutions that have been reliably serving you for ages.

Aloha,

Lourdes Scheibert

Condominium Owner

SB-2727-SD-2

Submitted on: 3/11/2024 9:36:49 PM

Testimony for CPC on 3/12/2024 2:00:00 PM



Submitted By	Organization	Testifier Position	Testify
Stephen DiRico	Individual	Support	Written Testimony Only

Comments:

I support SB2727