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DEPARTMENT OF BUDGET AND FINANCE  
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FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS  
ON  
HOUSE BILL NO. 1351

**January 31, 2025  
2:00 P.M.  
Room 325 and Videoconference**

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED.

The Department of Budget and Finance (B&F) offers the following comments on Senate Bill (S.B.) No. 1351 which increases the limit of the State of Hawaii's liability from \$100,000,000 to \$500,000,000 for moneys borrowed by the Department of Hawaiian Home Lands (DHHL) or loans made to lessees that are guaranteed by DHHL.

Pursuant to Article VII, Section 13 of the Constitution of the State of Hawaii, DHHL is required to establish and maintain a reasonable reserve requirement (based upon program parameters) for each loan guaranteed under this section. DHHL must continue to fund and maintain a reasonable reserve in order to meet the State Constitutional requirements to administer a loan guaranty program.

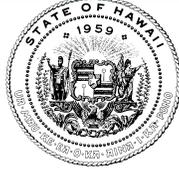
The increase in the State's liability will affect the amount of general obligation bonds the State can issue within the debt limit.

The State will need to appropriate general funds to cover the liability if the guarantee is called.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.  
GOVERNOR  
STATE OF HAWAII  
*Ke Kia'āina o ka Moku'āina 'o  
Hawai'i*

SYLVIA J. LUKE  
LT. GOVERNOR  
STATE OF HAWAII  
*Ka Hope Kia'āina o ka Moku'āina  
'o Hawai'i*



KALI WATSON  
CHAIRPERSON, HHC  
*Ka Luna Ho'okele*

KATIE L. LAMBERT  
DEPUTY TO THE CHAIR  
*Ka Hope Luna Ho'okele*

**STATE OF HAWAII**  
**DEPARTMENT OF HAWAIIAN HOME LANDS**  
*Ka 'Oihana 'Āina Ho'opulapula Hawai'i*

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF KALI WATSON, CHAIR  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS  
HEARING ON JANUARY 31, 2025 AT 2:00PM IN CR 325

**HB 1351, RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS  
AMENDED**

January 30, 2025

Aloha Chair Tarnas, Vice Chair Poepoe, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) **supports** this bill which increases the limit of the State's liability from \$100,000,000 to \$500,000,000 for moneys borrowed by DHHL or loans made to lessees that are guaranteed by DHHL.

DHHL's ability to deliver homesteads and home ownership opportunities to beneficiaries is directly tied to our ability to guaranty mortgage loans. As DHHL lands are inalienable, DHHL is required to guarantee mortgage loans made for homes on Hawaiian Home Lands when lenders do not have a loan assurance program. The increase in this ceiling will allow the Department to increase construction of affordable units and homeownership.

Thank you for your consideration of our testimony.

**HB-1351**

Submitted on: 1/30/2025 11:57:29 AM

Testimony for JHA on 1/31/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Marion K A Kapuniai	Individual	Support	Written Testimony Only

Comments:

Support!

Meets facilitating ACT 279.

Thank you, M Kapuniai

HB1351

Companion: SB1653

He Mele komo a he mele aloha no na kupuna o ke au i hala Aloha mai kakou.

Aloha,

My name is Cindy Freitas and I'm a Native Hawaiian descended of the native inhabitants of Hawai'i prior to 1778 and born and raised in Hawai'i.

I am also a practitioner who still practice the cultural traditional customary practices that was instill in me by my grandparents at a young age from mauka (MOUNTAIN TO SEA) to makai in many areas.

I'm in **SUPPORT of HB1351**

Increasing the **State's liability** for loans and moneys borrowed by the **Department of Hawaiian Home Lands** to **\$500,000,000** allows for the expansion of crucial housing, infrastructure, and cultural development projects for Native Hawaiians. To meet these ambitious goals, DHHL can tap into various financial mechanisms, including **bond issuance, loan guarantees, federal funding, and public-private partnerships.**

These initiatives have the potential to address long-standing housing shortages, empower Native Hawaiians, and create economic opportunities, while maintaining cultural integrity and environmental sustainability.

Mahalo,

\_\_\_\_\_/s\_\_\_\_\_  
Cindy Freitas