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Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS

February 11, 2025 at 2:00 p.m.
State Capitol, Room 325

In consideration of
H.B. 1408 HD1
RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS.

Chair Tarnas, Vice Chair Poepoe, and members of the Committee.

HHFDC **supports** HB 1408 HD1, which allows the Department of Hawaiian Home Lands (DHHL) to utilize the Dwelling Unit Revolving Fund (DURF) as collateral when the Department acts as an eligible borrower for a loan agreement under section 184A of the Housing and Community Development Act of 1992, as amended. It also appropriates funds. HHFDC supports the measure so long as it does not adversely impact priorities identified in the Executive Budget Request for FY 2026.

HHFDC recognizes that native Hawaiians suffer from longstanding socioeconomic hardships that include housing problems of affordability, overcrowding, and structural inadequacy. HHFDC supports efforts to help DHHL with its constitutional mandate.

The appropriation for DHHL's use as collateral when acting as an eligible borrower of a loan guaranteed by the United States Department of Housing and Urban Development will help DHHL develop residential homestead lots and housing units.

Thank you for the opportunity to testify on this bill.

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

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TESTIMONY OF KALI WATSON, CHAIR
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON JUDICIARY & HAWAIIAN AFFAIRS
HEARING ON FEBRUARY 11, 2025 AT 2:00PM IN CR 325

HB 1408, HD 1, RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS

February 10, 2025

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

The Department of Hawaiian Home Lands (DHHL) **strongly supports** this bill which 1) allows the Department of Hawaiian Home Lands to utilize the Dwelling Unit Revolving Fund as collateral when the Department acts as an eligible borrower for a loan agreement under section 184A of the Housing and Community Development Act of 1992, as amended and 2) appropriates funds.

Congress established the Section 184A Native Hawaiian Housing Loan Guarantee Program in 2000 in order to provide access to sources of private financing on Hawaiian Home Lands. DHHL is an eligible borrower under the program and can use these funds to develop rental housing or to build single-family homes. Once the housing is developed, the native Hawaiian who is eligible to purchase the home can either assume the Section 184A loan or secure other financing to purchase the home.

A loan guaranteed under Section 184A must be secured by collateral authorized under and not prohibited by Federal or State law and determined by the lender and approved by HUD to be sufficient to cover the amount of the loan. The Hawaiian Homes Commission Act, 1920, as amended, limits what can be utilized as collateral to secure loans made by government agencies or private lending institutions to the Department. Appropriating \$75 million in Fiscal Year 2026 and another \$75 million in Fiscal Year 2027 into the dwelling unit revolving fund for collateral would allow DHHL to secure private financing to develop rental housing or to build single-family homes.

Thank you for your consideration of our testimony.