

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



DEAN MINAKAMI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

Statement of DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

March 14, 2025 at 9:00 a.m.
State Capitol, Room 430

In consideration of
S.B. 1229 SD2
RELATING TO THE DWELLING UNIT REVOLVING FUND.

Chair Evslin, Vice Chair Miyake, and members of the Committee.

HHFDC supports SB 1229 SD2, which extends the Dwelling Unit Revolving Fund (DURF) Equity Pilot Program (DEP) to 6/30/26. It also gives preference to projects developed under governmental assistance programs pursuant to section 201H-36(a)(2).

Hawaii residents, including those in professions facing a shortage, such as teachers, healthcare workers, and law enforcement officers, are leaving the state due, in part, to the high cost of housing. Act 92, Session Laws of Hawaii 2023, established the DEP, which authorized the Hawaii Housing Finance and Development Corporation (HHFDC) to purchase equity in units in certain for-sale housing development projects, reducing the contribution made by eligible buyers, which makes homes more affordable.

Developers have shown strong interest in the DEP program. Projects participating in the program include Kuilei Place, the Flats at Sky Ala Moana, and the Park on Ke'eaumoku. To date, approximately \$7.4 million of the \$10 million authorized under the pilot program has been committed.

A number of for-sale housing projects have been stalled due to high interest rates and using the DEP program in conjunction with loans from DURF has the potential to move these projects forward.

Though we appreciate the Legislature's interest in extending the pilot program by two years, HHFDC **requests** that the program be made permanent to allow more eligible buyers to participate in the program over time.

Thank you for the opportunity to testify on this bill.

Council Chair
Alice L. Lee

Vice-Chair
Yuki Lei K. Sugimura

Presiding Officer Pro Tempore
Tasha Kama

Councilmembers
Tom Cook
Gabe Johnson
Tamara Paltin
Keani N.W. Rawlins-Fernandez
Shane M. Sinenci
Nohelani U'u-Hodgins



Director of Council Services
David M. Raatz, Jr., Esq.

Deputy Director of Council Services
Richelle K. Kawasaki, Esq.

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
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March 13, 2025

TO: The Honorable Luke A. Evslin, Chair
House Committee on Housing

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF MARCH 14, 2025; TESTIMONY IN SUPPORT OF SB1229, SD2, RELATING TO THE DWELLING UNIT REVOLVING FUND**

I **support** this measure to extend the Dwelling Unit Revolving Fund Equity Pilot Program to 6/30/2030 and give preference to projects developed under governmental assistance programs pursuant to section 201H-36(a)(2), HRS.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I **support** this measure for the following reasons:

1. The Dwelling Unit Revolving Fund Equity Program allows HHFDC to purchase a share of equity in for-sale housing units, reducing the financial burden on eligible homebuyers and making homeownership more accessible for local working families.
2. By providing affordable homeownership opportunities to individuals in professions facing shortages, this measure helps retain essential workers in Hawai'i's critical industries.
3. With \$7.4 million already committed to existing projects, making this program permanent will provide financial stability for housing development projects, especially in the face of rising interest rates.

Thank you for your consideration.



TO: HOUSE OF REPRESENTATIVES COMMITTEE ON HOUSING
The Honorable Luke A. Evslin, Chair
The Honorable Tyson K. Miyake, Vice Chair, and
Members of the Committee

FROM: Micah A. Kāne, CEO & President

RE: Testimony in Support for SB 1229 SD2, Relating to the Dwelling Unit Revolving Fund

DATE: Friday, March 14, 2025 at 9:00am

PLACE: Conference Room 430

The Hawai'i Community Foundation (HCF) supports SB 1229 SD2, which extends the Dwelling Unit Revolving Fund (DURF) Equity Program. Housing is a priority area within HCF's CHANGE Framework under the Community-Centered Economy sector. The HCF House Maui Initiative seeks to create a sustainable housing market for local families and the Equity Program is one path to help increase the volume of homes that are purchased by Hawai'i residents.

Per UHERO, "median housing costs in Hawaii are more than 2.7 times the national level"¹ and median rents are the highest in the country.² ALICE families are more vulnerable because of the current housing market. The unmet demand for attainable housing is at a critical level, which has contributed to a record outmigration of local residents. This reality is punctuated by the fact that more Hawaiians now live outside Hawai'i than within Hawai'i.

It is evident that current perspectives and efforts need to be expanded, and new creative solutions must be adopted. Hyper prioritization of major off-site infrastructure improvements that can effectuate housing, broad-based collaboration and regulatory reform are more critical now than ever. At the same time, the push to build new homes must be accompanied by systems and programs that allow families to afford the homes.

HCF supports the DURF Equity Program because the intent aligns with the HCF House Maui Initiative and creates additional pathways to homeownership. The program is designed to lower home costs for new buyers, by providing them with an interest-free loan for a portion of

¹ [UHERO 2023 Hawaii Housing Factbook](#) at page 1.

² [UHERO 2024 Hawaii Housing Factbook](#) at page 6.



the overall cost. They can pay off this loan at their own pace. If the homeowner decides not to stay in the home, then the proportion of the earned equity tied to the loan goes back to the state. Participants are members of the workforce that Hawai'i desperately needs, like teachers, police officers, and nurses. Also, the program includes limits so that the loans cannot go to landlords.

There is universal agreement that locals need more places to call home. Homes must be affordable so residents will be free from the pressure of leaving the island. SB 1229 SD2 can help make housing affordable and give families a chance to control their economic futures.



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 430
Friday, March 14, 2025 AT 9:00 A.M.

To The Honorable Representative Luke A. Evslin, Chair
The Honorable Representative Tyson K. Miyake, Vice Chair
Members of the Committee on Housing

SUPPORT SB1229 SD2 RELATING TO THE DWELLING UNIT REVOLVING FUND

The Maui Chamber of Commerce **SUPPORTS SB1229 SD2** which extends the Dwelling Unit Revolving Fund Equity Pilot Program to 6/30/2030; and gives preference to projects developed under governmental assistance programs pursuant to section 201H-36(a)(2), HRS.

Housing remains a top priority for the Maui Chamber of Commerce, especially as the crisis has intensified following the wildfires. The housing shortage continues to have a direct impact on businesses and economic revitalization. Even before the wildfires, Maui needed over 10,000 housing units by 2025, and that demand has only increased after the loss of 3% of our housing stock in Lahaina. This shortage is a key factor driving the escalating cost of housing.

The Equity Pilot Program is designed to reduce homeownership costs by providing eligible buyers with an interest-free loan for a portion of the total purchase price, which they can repay at their own pace. If the homeowner chooses not to remain in the home, the portion of earned equity tied to the loan is returned to the state, ensuring the sustainability of the program. This initiative directly supports Hawai'i's essential workforce, including teachers, police officers, and nurses, and includes safeguards to prevent landlords from accessing these loans.

This bill represents another valuable tool in the fight for affordable housing and should be fast-tracked for approval.

For these reasons we **SUPPORT SB1229 SD2** and respectfully request its passage.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



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Osa Tui, Jr.
President

Logan Okita
Vice President

Cheney Kaku
Secretary-Treasurer

Ann Mahi
Executive Director

TESTIMONY TO THE HAWAI'I HOUSE COMMITTEE ON HOUSING

Item: SB 1229 – Relating to the Dwelling Unit Revolving Fund

Position: Support with amendments

Hearing: Friday, March 14, 2025, 9:00 am, Room 430

Submitter: Osa Tui, Jr., President - Hawai'i State Teachers Association

Dear Chair Evslin, Vice Chair Miyake and members of the committee,

The Hawai'i State Teachers Association (HSTA) **supports** SB 1229, SD2 with a recommended amendment which extends the Dwelling Unit Revolving Fund Equity Pilot Program to 6/30/2030 and gives preference to projects developed under governmental assistance programs pursuant to section 201H-36(a)(2), HRS.

SB 1229, SD2 helps address the critical need for affordable housing for our teachers including health care workers, law enforcement officers and other professions facing a labor shortage. By enabling the Hawai'i Housing Finance and Development Corporation to purchase equity in for-sale housing it will help make homeownership more attainable for educators and other workers. This assistance is also crucial for retaining teachers and other essential workers in our state. We however recommend one amendment, amending the bill to make the dwelling unit revolving fund equity program **permanent**, instead of a pilot program ending in 2030, to provide long-term security for teachers and our keiki.

Mahalo.



STANFORD CARR DEVELOPMENT, LLC

▪ March 13, 2025

The Honorable Luke A. Evslin, Chair
The Honorable Tyson K. Miyake, Vice Chair
and Members of the House Committee on Housing

Re: Testimony – SB 1229, SD2 Relating to the Dwelling Unit Revolving Fund
Hearing: March 14, 2025 at 9:00 AM, Conference Room 329

Dear Chair Evslin, Vice Chair Miyake, and Committee Members:

Stanford Carr Development (SCD) supports SB 1229, SD2, which proposes extending the Dwelling Unit Revolving Fund (DURF) Equity Pilot Program to June 30, 2030, and giving preference to projects developed under HRS Section 201H-36(a)(2).

According to the University of Hawaii Economic Research Organization, Hawaii residents face the highest housing costs in the nation. The DURF Equity Program provides an option to increase the availability of homes for purchase by allowing the Hawaii Housing Finance and Development Corporation to acquire a share of equity in for-sale housing units, thereby reducing the financial burden on eligible Hawaii homebuyers.

The original version of SB 1229 proposed making the DURF Equity Program permanent. We urge your committee to amend the current SD2 to include language that establishes the program's permanency.

Thank you for the opportunity to express our support for this measure.

Respectfully,

A handwritten signature in black ink, appearing to read "Stanford S. Carr", is positioned below the word "Respectfully,". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stanford S. Carr

Castle & Cooke
Homes Hawaii, Inc.

House Committee on Housing
Representative Luke A. Evslin, Chair
Representative Tyson K. Miyake, Vice Chair

Friday, March 14, 2025
9:00 am
Confrence Room 430

Aloha Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing,

Castle & Cooke Homes Hawaii, Inc., is in **support** of SB1229, SD2, which extends the Dwelling Unit Revolving Fund (DURF) Equity Pilot Program until June 30, 2030, and gives preference to projects developed under government assistance programs pursuant to 201H-36(a)(2).

As one of Hawai'i's longstanding homebuilders, Castle & Cooke is committed to delivering high-quality housing that meets the needs of local families. The high cost of housing is forcing residents to leave the state, and the DURF Equity Pilot Program helps address this issue. By allowing the Hawai'i Housing Finance and Development Corporation to purchase equity in certain for-sale housing projects, the program reduces the financial burden on eligible buyers, making homeownership more accessible for essential workers like teachers, police officers, and healthcare workers.

This measure promotes affordable homeownership and helps to retain critical workforce members in Hawai'i. We respectfully urge your support for SB1229, SD2. Mahalo for your time and consideration.

Sincerely,



Alan Arakawa for Garret J. Matsunami, President
Vice President, Residential Operations
Castle & Cooke Homes Hawaii, Inc.

Aloha Chair, Vice-Chair, and esteemed members of the Committee,

As a dedicated real estate agent working in Hawaii, I am writing to express my strong support for SB1229, which proposes to extend the DURF Equity Pilot Program until June 30, 2030. I have witnessed first hand how this program has proven to be a vital tool in supporting the development of housing, benefiting developers and making homeownership accessible to those in shortage industries that fall into the gap. These employees often times earn too much to qualify for affordable housing but need assistance to obtain a market priced unit. The DURF Equity Pilot Program provides the perfect solution.

Extending the program until 2030 will allow it to continue addressing the pressing need for housing, giving developers and homebuyers the confidence that this support will remain available in the near future.

However, while the extension is a positive step forward, I urge the legislature to consider making the DURF Equity Pilot Program a permanent fixture. Permanency in this program would provide long-term certainty and stability for everyone involved in the housing market, fostering an environment where developers can plan and execute more housing projects without fear of losing crucial financial support. This stability, in turn, will benefit our Hawai'i residents by ensuring a steady supply of affordable housing options.

In conclusion, extending the DURF Equity Pilot Program until 2030 is necessary and welcome, but making the program permanent is crucial for the sustained development of affordable housing in Hawaii. Let us work together to ensure a stable and promising future for our residents by providing lasting support for affordable housing efforts.

Thank you for your time and consideration.

Sincerely,
Jonie L. Williams