



LATE

TESTIMONY IN SUPPORT OF SB749
RELATING TO HOUSING
Senate Committee on Housing

January 30th, 2025

1:10 p.m.

Room225

The Office of Hawaiian Affairs (OHA) submits this testimony in **SUPPORT** of SB749. SB749 would require that rental housing projects receiving public financing under Hawai'i Revised Statutes § 201H-122 (subparts D and F) to maintain, in perpetuity, fifty per cent of the project's units for low-income tenants eligible for assistance under the Hawai'i Housing Finance and Development Corporation's (HFDC's) rental assistance program. This is a significant improvement from the current law which requires only 20% of units receiving public financing to remain in the rental assistance program housing stock for the long term.

As the legislature knows, Hawai'i has one of highest rental rates in the country. The median rent in Hawai'i is \$1,813. Across the state, 56% of households are rent-burdened (spending more than 30% of their income on rent) while 28% are severely rent-burdened (spending more than half their income on rent).¹ Furthermore, as of 2022, 44% of households in Hawai'i were ALICE (Asset limited income restricted employed) or living in poverty as "working poor."² The proposed raise in the percentage of units dedicated to long-term use by the HFDC's rental assistance program will provide a meaningful increase in the affordable rental units available to residents who are severely rent-burdened despite working multiple jobs.

This initiative to expand affordable housing is also in line with OHA's mission to improve the conditions of Native Hawaiians and ensure their equitable access to housing, education, healthcare, and economic opportunities.³ Increasing access to housing opportunities reduces housing instability. Stable housing is considered a crucial determinate of health and has impacts on physical and mental health. The proposed increase in the stock of affordable rental housing would thus aid those who need it the most across a range of social indicators.

OHA appreciates the opportunity to share our mana'o in support of SB749. Mahalo nui loa.

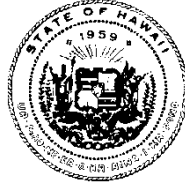
¹ Tyndall, J., Bond-Smith, D., Inafuku, R., Rhinebolt, V., Wood, C., & Kim, E. (2024). *The Hawai'i Housing Factbook 2024*. University of Hawaii Economic Research Organization (UHERO), p. 7, <http://uhero.hawaii.edu>

² Aloha United Way, Research Center: Hawai'i, (2024 Update), <https://www.unitedforalice.org/Hawaii>.

³ *Mana i Maui Ola*, OHA's 15-Year Strategic Plan, https://www.oha.org/wp-content/uploads/MiMO_StrategicPlan-1.pdf.

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Statement of
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Before the

SENATE COMMITTEE ON HOUSING

January 30, 2025 at 1:10 p.m.
State Capitol, Room 225

In consideration of
S.B. 749
RELATING TO HOUSING.

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC has comments on SB 749, which requires rental housing projects in the Rental Assistance Program (RAP) to maintain, in perpetuity, fifty per cent of the project's units for certain low-income tenants to be eligible for assistance under the Hawaii Housing Finance and Development Corporation's (HHFDC's) RAP.

The Legislature has not funded RAP in many years. Should new RAP funding be made available with the condition that 50% of the project units be affordable in perpetuity, HHFDC believes that developers will not participate in the program unless HHFDC offers extremely long-term (20 years minimum) rental assistance contracts, which would require a substantial up-front infusion of cash into the Rental Assistance Revolving Fund.

Thank you for the opportunity to testify on this bill.