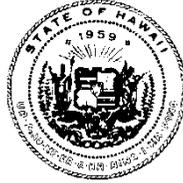


JOSH GREEN, M.D.
GOVERNOR

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

SENATE COMMITTEE ON HOUSING

March 12, 2024 at 1:00 p.m.
State Capitol, Room 225

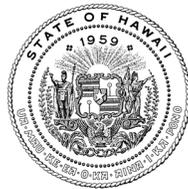
In consideration of
H.B. 2548 HD3
RELATING TO ACCESSORY DWELLING UNITS.

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

HHFDC **supports** HB 2548 HD3, so long as it does not adversely impact priorities identified in the Exec. Suppl. Budget Request for FY2025. This bill establishes the Accessory Dwelling Unit Loan Program under HHFDC to provide loans for the development of accessory dwelling units (ADUs) and establishes the Accessory Dwelling Unit Loan Revolving Fund to implement the program.

This bill promotes the development of ADUs, which will increase the inventory of below-market-rate rental units in the state.

Thank you for the opportunity to testify on this bill.



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HOUSING
ON
HOUSE BILL NO. 2548, H.D. 3

March 12, 2024
1:00 p.m.
Room 225 and Videoconference

RELATING TO ACCESSORY DWELLING UNITS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2548, H.D. 3, establishes the Accessory Dwelling Unit Loan (ADUL) Program (ADULP) under the Hawai'i Housing Finance and Development Corporation (HHFDC) to provide loan financing and grants to non-depository community development financial institutions; establishes the ADUL Revolving Fund (ADULRF) for the ADULP; authorizes HHFDC to establish fees to fund the ADULP; appropriates an unspecified amount of general funds for FY 25 to be deposited into the ADULRF; and appropriates an unspecified amount of revolving funds out of the ADULRF for FY 25. Revenues for the ADULRF would consist of legislative appropriations, repayment of loans, interest, fees, and funds from other sources.

As a matter of general policy, B&F does not support the creation of any revolving fund which does not meet the requirements of Section 37-52.4, HRS. Revolving funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund

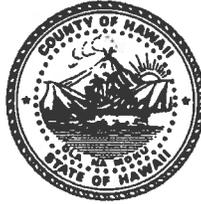
appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 2548, H.D. 3, it is difficult to determine whether the proposed revolving fund would be self-sustaining.

Thank you for your consideration of our comments.

Mitchell D. Roth
Mayor

Deanna S. Sako
Managing Director

Robert H. Command
Deputy Managing Director



Susan K. Kunz
Housing Administrator

Harry M. Yada
Assistant Housing Administrator

County of Hawai'i
Office of Housing and Community Development

1990 Kino'ole Street, Suite 102 • Hilo, Hawai'i 96720 • (808) 961-8379 • Fax (808) 961-8685
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Kona: (808) 323-4300 • Fax (808) 323-4301

March 11, 2024

TESTIMONY FOR COMMENT IN SUPPORT OF HOUSE BILL 2548, HD3
A BILL FOR AN ACT RELATED TO ACCESSORY DWELLING UNITS
COMMITTEE ON HOUSING

Sen. Stanley Chang, Chair

Sen. Troy N. Hashimoto, Vice Chair

Hearing Date: Tuesday, March 12, 2024, at 1:00 PM

Place of Hearing: Conference Room 225 & Videoconference

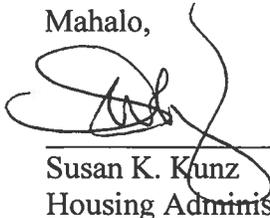
Aloha Honorable Chairs Chang and Hashimoto, and members of the Committee on Housing,

The Office of Housing and Community Development of the County of Hawai'i **supports HB2548, HD3**, which establishes the accessory dwelling unit loan program under the HHFDC to provide loans for the development of accessory dwelling units.

This proposed legislation promotes the development of ADUs, which will help to maximize the use of residential lots while increasing the inventory of affordable housing units to help alleviate Hawai'i's critical housing shortage.

Thank you for the opportunity to provide testimony in **support** of this measure.

Mahalo,



Susan K. Kunz
Housing Administrator





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facebook.com/AARPHawaii

**The State Legislature
Senate Committee on Housing
Tuesday, March 12, 2024
Conference Room 225, 1:00 p.m.**

TO: The Honorable Stanley Chang, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Support for H.B. 2548 HD3 -Relating to Accessory Dwelling Units.

Aloha Chair Chang, and Members of the Committee:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports H.B. 2548, HD3 which is to promote affordable housing by establishing an accessory dwelling unit (ADU) loan program under the Hawaii Housing Finance and Development Corporation.

ADUs are a beneficial and needed option for people of all ages. ADUs can enable homeowners to provide needed housing for their parents, adult children, grandchildren or other loved ones. It also can allow older homeowners downsize on their own property while allowing a tenant or other family members to live in the primary residence. ADUs may be a welcomed source of supplemental income which may be essential for homeowners on fixed income; while also adding more rental units to the housing inventory for others. It is important that the State continues to support opportunities and avenues that will increase the housing inventory for Hawaii residents.

Thank you very much for the opportunity to testify in support **H.B 2548, HD3.**

Hawai'i State Senate, Committee on Housing
HB 2548 – Relating to Accessory Dwelling Units

RE: Strong support of HB 2548

March 12, 2024

The Council for Native Hawaiian Advancement writes in **strong support** of HB 2548 to establish an accessory dwelling unit (ADU) loan program under HHFDC. Multiple housing solutions are necessary to prevent further displacement and outmigration of Native Hawaiians and local families. ADUs are a critical, affordable option for individuals and families across the state and especially on Maui.

As a Native Hawaiian organization, we deeply understand the importance of land, particularly when there is an ancestral or familial connection to it. For decades, we have seen more and more local families priced out of their generational homes; the fallout from the wildfires has only exacerbated the situation. We have seen early reports indicate that over 1,300 families have left Maui County, and we expect even more to leave if adequate measures are not taken. The outmigration crisis is worsening and the first step to prevent further displacement is to create more available, affordable housing.

Multiple, concurrent solutions are required to address the ongoing housing crisis in Hawai'i. By funding opportunities to invest in ADUs, the State creates more ways for local communities to stay affordable. ADUs are a good option for multigenerational families to stay together without overcrowding their homes, transitional or temporary residences for displaced individuals, and kūpuna caretaker housing. ADUs should be a more accessible option for residents and HB 2548 makes that happen.

We humbly ask that you **SUPPORT HB 2548** and continue your work towards more affordable housing.

Mālama pono,

Kūhiō Lewis

Chief Executive Officer, CNHA

About the Council for Native Hawaiian Advancement

CNHA is a member-based 501(c)3 non-profit organization with a mission to enhance the cultural, economic, political, and community development of Native Hawaiians. For more information, visit www.hawaiiancouncil.org/.



March 11, 2024

Senate Housing Committee Meeting - Tuesday March 12, 2024

LATE

HB 2548 HD3 – SUPPORT

Aloha committee chair, vice-chair and members,

I am submitting testimony in my capacity as Executive Director of Hawaii Habitat for Humanity Association (HHFHA). We are a nonprofit Community Development Financial Institution (CDFI) and Affiliate Support Organization for five direct service Habitat for Humanity Affiliates throughout the state, serving all four counties. Hawaii Habitat for Humanity Association **SUPPORTS HB 2548 HD3** which establishes an accessory dwelling unit loan program under the Hawaii Housing Finance Development Corporation.

Hawaii is in desperate need of affordable housing. This bill will provide a mechanism to allow for the creation of additional affordable homes that fill this space.

Community Development Financial Institutions in Hawaii have a history of managing assets and serving the needs of our Hawaiian and other underserved communities.

Hawaii Habitat for Humanity Association is part of the largest network of affordable homeownership developers in the nation. There has been a demonstrated history of success in other states with legislation geared at increasing the use of accessory dwelling units.

We urge you to **PASS HB 2548 HD3**, which will expand the opportunities for creating affordable housing that can be built in Hawaii.

Mahalo for your time, leadership and consideration. Please contact me at 808.847.7676 or emann@hawaiihabitat.org should you have any questions or need additional information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Erik Mann', with a long horizontal flourish extending to the right.

Erik Mann
Executive Director

HB-2548-HD-3

Submitted on: 3/11/2024 9:28:43 AM

Testimony for HOU on 3/12/2024 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!

MAHALO!

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
www.MauiCounty.us

March 11, 2024

TO: The Honorable Stanley Chang, Chair, and
Members of the Committee on Housing

FROM: Alice L. Lee
Council Chair 

SUBJECT: **HEARING OF MARCH 12, 2024; TESTIMONY IN SUPPORT OF HB2548, HD3, RELATING TO ACCESSORY DWELLING UNITS**

I **support** this measure to establish the Accessory Dwelling Unit Loan Program under the Hawaii Housing Finance and Development Corporation.

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. Constructing accessory dwelling units is a critical part of addressing the housing shortage. Maui County has enacted legislation to promote the construction of ADUs, including by amending the Comprehensive Zoning Ordinance and launching the 'Ohana Assistance Program pilot project.
2. Loans of up to \$300,000, as proposed in this measure, will help to encourage residents to build ADUs on their properties. As a result, the inventory of below-market-rate rental units will be increased, as the HHFDC has noted.
3. As AARP Hawaii stated in its testimony to the House Committee on Finance, "ADUs are a beneficial and needed option for people of all ages."

For the foregoing reasons, I **support** this measure.

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