

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
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Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 07, 2025 at 9:00 a.m.
State Capitol, Room 430a

In consideration of
H.B. 1428
RELATING TO HOUSING.

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

HHFDC **supports** HB 1428, which appropriates funds for the Hawaii Housing Finance and Development Corporation (HHFDC) to allocate to housing counseling agencies certified by the United States Department of Housing and Urban Development (HUD) to provide housing counseling services. It also requires a report to the Legislature regarding services provided by the housing counseling agencies.

Housing counseling services empower residents with the knowledge and resources to secure and maintain affordable housing, which reduces the risk of eviction, foreclosure, and homelessness. More vulnerable ALICE households especially would benefit.

In 1993, HUD started to approve nonprofit housing counseling agencies statewide. These include the Hawaii Home Ownership Center and Hawaiian Community Assets. We note that local banks and real estate agents have also implemented homebuyer education programs to assist with the dissemination of information for interested individuals.

HHFDC is restarting its mortgage loan and downpayment assistance programs, which require the successful completion of HUD-certified counseling services. HHFDC appreciates the \$2.5 million appropriation to allocate to HUD-certified counseling agencies.

Thank you for the opportunity to testify on this bill.



TESTIMONY IN STRONG SUPPORT OF
HB1428 – Relating to Housing
House Committee on Housing
Friday, February 7, 2025 at 9:00am
Conference Room 430 via Videoconference

Aloha e Chair Evslin, Vice Chair Miyake, and members of the committee,

Hawaiian Community Assets (HCA) **strongly supports** HB1428, which appropriates funds for the Hawai'i Housing Finance and Development Corporation (HHFDC) to allocate to housing counseling agencies certified by the United States Department of Housing and Urban Development (HUD) to provide housing counseling services and requires a report to the Legislature regarding services provided by the housing counseling agencies.

Hawaiian Community Assets is the largest HUD-certified housing counseling agency in Hawai'i. Our mission is to build the capacity of low- and moderate-income communities to achieve and sustain economic self-sufficiency, with a particular focus on Native Hawaiians. To date, we have served over 22,287 Hawai'i residents with financial and homebuyer education.

HCA, in partnership with Hawai'i Community Lending (HCL), works with the Department of Hawaiian Home Lands (DHHL) and the Office of Hawaiian Affairs (OHA) to provide financial assessments, credit counseling, pre-purchase counseling, and community lending products for low- and moderate-income families. Through our partnerships with DHHL and OHA, we have served hundreds of Native Hawaiians in the past two years.

According to the Office of Hawaiian Affairs' (OHA) Office of Strategy Management, 57% of Native Hawaiians are homeowners, compared to 61% of non-Hawaiians.¹ Increased funding for housing counseling services will allow HCA to:

- Provide culturally responsive financial education to Native Hawaiians, equipping them with budgeting, credit management, and homeownership knowledge.

¹ Office of Hawaiian Affairs. "Empowering Native Hawaiians to Own Homes." *Ka Wai Ola*, 1 Oct. 2023, <https://kawaiola.news/oha/trustees/empowering-native-hawaiians-to-own-homes/>

- Support ALICE households by helping them develop financial plans, improve credit scores, and access resources for stable housing.
- Empower Native Hawaiians in navigating Hawai'i's complex and costly housing market.

HUD-certified housing counseling services are a proven, cost-effective strategy to ensure financial stability and housing security.² The \$2.5 million appropriation outlined in this bill is an investment in Native Hawaiian homeownership and we respectfully urge the committee to pass this bill and fund housing counseling programs to ensure Native Hawaiians have the tools and resources they need to secure and maintain stable housing.

Mahalo nui for the opportunity to testify in support of HB1428.

² U.S. Department of Housing and Urban Development. *Housing Counseling Works: 2023 Update*. HUD Office of Policy Development and Research, 2023, <https://www.huduser.gov/portal/publications/Housing-Counseling-Works-2023-Update.html>.



Testimony in Support of House Bill 1428 – Funding for HUD-Certified Housing Counseling Services

Date: February 6, 2025

Aloha Chair, Vice Chair, and Committee Members,

My name is **Chelsie Evans Enos**, and I serve as the **Executive Director of Hawaiian Community Assets (HCA)**. I am writing to express our **strong support** for House Bill 1428, which seeks to allocate **\$2.5 million in state funding to support HUD-certified housing counseling services** in Hawaii.

The Critical Need for Financial Education

Hawaii is currently experiencing a significant expansion in affordable housing initiatives. While these projects represent a step forward, the **success of affordable housing initiatives is not just about building units**—it depends on ensuring that residents **are financially prepared to secure and sustain their housing**. This is why the **majority of affordable housing developments that receive tax credits or other public funding require residents to complete financial education workshops provided by HUD-certified housing counselors**.

Hawaiian Community Assets (HCA) is the largest HUD-certified housing counseling agency in Hawaii, reaching **all counties and rural communities** across the state. **HCA is uniquely positioned to provide** the financial education required for affordable housing programs, **yet there is currently no dedicated state funding to support these essential services**.

The Role of HUD-Certified Housing Counseling Agencies

As Hawaii's **largest statewide HUD-certified housing counseling agency**, **HCA and its partners provide:**

- **Financial Education:** Budgeting, credit building, and financial planning.
- **Required Homebuyer and Renter Education:** Preparing residents for the responsibilities of homeownership or tenancy.
- **Eviction and Foreclosure Prevention:** Providing mediation and crisis resolution to prevent displacement.
- **One-on-One Housing Counseling:** Tailored support to help individuals and families achieve long-term housing stability.

These **wraparound services are vital** in ensuring that affordable housing units **remain occupied, stable, and sustainable**. Without proper financial education, **many households struggle to meet lease or mortgage obligations**, leading to increased **evictions, foreclosures, and homelessness**.



The Imperative for State Funding

Despite the clear benefits of HUD-certified housing counseling, **these services remain underfunded**, leaving thousands of Hawaii residents without the assistance they need. **House Bill 1428 provides a transparent and practical funding mechanism by allowing the State of Hawaii to equitably distribute funding to all eligible HUD-certified housing counseling agencies based on their service areas and data reported through HUD Form 9902.** This ensures **statewide access to financial education, housing counseling, and eviction prevention services.**

Projected Impact of \$2.5 Million in Funding

- **Services Provided:** Households statewide would receive comprehensive housing counseling services.
- **Homelessness Prevention:** Expanded **eviction and foreclosure prevention counseling** to keep families housed.
- **Financial Stability:** Support for **financial education workshops** and homebuyer training to promote **long-term financial resilience.**
- **Targeted Assistance:** Direct support to **ALICE (Asset Limited, Income Constrained, Employed) and below households**, ensuring that Hawaii's most vulnerable populations can access and sustain affordable housing.

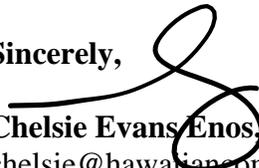
Conclusion

Hawaii is making critical investments in affordable housing development, but **without housing counseling services, these investments will not be fully realized.** By equipping residents with the **financial knowledge and tools needed to secure and maintain housing**, HUD-certified housing counseling ensures that **Hawaii's housing crisis is met with both structural and financial stability solutions.**

For these reasons, I **strongly urge** you to **pass House Bill 1428 and fully fund HUD-certified housing counseling services** in Hawaii.

Mahalo for your time and consideration.

Sincerely,


Chelsie Evans Enos, Executive Director
chelsie@hawaiiancommunity.net

HB-1428

Submitted on: 2/6/2025 1:01:51 PM

Testimony for HSG on 2/7/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Zara Nicholson	Individual	Support	Written Testimony Only

Comments:

Aloha e Chair Evslin, Vice Chair Miyake, and Members of the Committee,

My name is Zara Nicholson, and I strongly support HB1428, which provides funding for HUDcertified housing counseling services to help individuals and families achieve stable housing.

I have seen firsthand how these services provide essential financial education, credit counseling, and homeownership support—especially for Native Hawaiians and low- to moderate-income households. Increased funding will:

- Expand financial education and homeownership guidance.
- Help families improve credit scores and access stable housing.
- Support Native Hawaiians navigating Hawai‘i’s challenging housing market.

HUD-certified counseling is a proven strategy for financial stability and homeownership. The \$2.5 million appropriation in HB1428 is an investment in stronger communities and housing security for Hawai‘i residents.

I respectfully urge the committee to pass HB1428 and support housing counseling programs.

Mahalo for your time and consideration.

Sincerely,

Zara Nicholson

zarannicholson@gmail.com

808-938-9749

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

I write to you today in strong support of HB1428, which aims to appropriate \$2,500,000 to the Hawai'i Housing Finance and Development Corporation (HHFDC) for allocation to HUD certified housing counseling agencies. I strongly urge Chair Evslin to recommend passing this bill unamended and for the committee members to vote AYE on this bill and advance it for further consideration.

While I am a HUD Certified Housing Counselor at Hawaiian Community Assets (HCA), this testimony is being submitted to you in my personal capacity, and I do not speak on behalf of HCA. Additionally, in my experience as a former mortgage loan officer and real estate agent as well as my engagement and commitment to housing issues as a Maui community member, I have seen firsthand how housing counseling services play a critical role in keeping our 'ohana housed and financially stable.

Maui's housing crisis has never been more dire. The expiration of FEMA rental assistance on March 1st will leave thousands of wildfire survivors struggling to afford their former housing payments and the soaring post-fire rental costs due to rental hyperinflation on Maui island. Rent hyperinflation has affected not only those directly impacted by the fire but has also displaced renters across the island. Housing counseling services will be essential in mitigating an avalanche of foreclosures and evictions: without intervention, we could see a significant increase in foreclosures and evictions. Housing counseling agencies, like HCA, will be on the frontlines helping these families navigate foreclosure mitigation, renter protections, and available assistance programs.

Unfortunately, the law in Hawai'i currently permits "dual tracking", where landlords can initiate eviction proceedings against tenants while both parties simultaneously engage in mediation, leaving tenants in uncertain and precarious situations. Housing counseling agencies are a crucial safeguard against displacement, ensuring that clients in our community receive clear guidance and assistance in navigating their housing options during mediation or eviction.

Investing in housing counseling helps reduce houselessness and strengthens Hawai'i's economy by stabilizing families and keeping them in their communities. Every dollar invested on housing counseling saves the state far more money in emergency housing and social services costs. Additionally, by ensuring that ALICE families have the tools they need to plan and transition into homeownership, housing counseling helps create a more financially resilient population that is less dependent on emergency government assistance.

Beyond the immediate housing crisis, this funding is also a strategic move to prepare Hawai'i for the rapidly evolving landscape of federal housing policy. As we have seen in recent weeks, the current Presidential administration and the majority members of Congress are focused on reducing the size of the federal government and decentralizing government funding and oversight to the states in a move towards a type of federalism that is more state directed. That means that states may bear more responsibility in providing housing programs. By strengthening HHFDC's role in supporting housing counseling agencies, Hawai'i can position itself to efficiently manage any potential future shifts in federal funding and reporting requirements, ensuring continued support for vulnerable households.

State investment in housing counseling will also bolster financial and operational stability for organizations like HCA, which primarily have relied on grants and donations to provide services. This funding would allow us to expand outreach, enhance service delivery, and ensure more households – especially ALICE ‘ohana – can access critical financial education, foreclosure prevention supports, and homebuyer readiness programs.

While I strongly support HB1248 as it is written and urge the Chair to recommend passing the bill unamended and for the committee to vote AYE and advance it for further consideration, I want to provide one recommendation that could improve the measure further. If any amendments are to be considered for this bill, I urge the committee to consider an amendment that would provide an additional appropriation of \$1,000,000 specifically towards Disaster Response housing services for HUD certified housing agencies.

As you may be aware, in recent years HUD has established Disaster Recovery Programs that aim to support disaster relief, long-term recovery, economic revitalization, restoration of infrastructure and housing, and mitigation as provided through housing counseling services at HUD certified housing agencies for communities in disaster recovery. As part of the disaster response on Maui, HCA has established a Disaster Recovery program that provides foreclosure prevention, rental assistance navigation, and long-term housing planning for fire survivors. Even before this program was formalized, HCA was on the frontlines, stepping up to provide urgent housing supports to fire victims.

A \$1,000,000 appropriation itemized toward Disaster Response housing counseling for HUD certified housing counseling agencies would ensure that every county across the state – not just Maui County – would have the resources available to assist residents in future disasters. This funding would allow agencies to help renters and homeowners recover from hurricanes, flooding, earthquakes, tsunamis, fires, volcanic eruptions, and other crises by providing essential financial and housing assistance when it is most needed. In my opinion, this is a crucial funding investment to build disaster resilient communities.

However, I do not want to see an amendment of this kind result in the permanent deferral of HB1248 during the 2025 session. Please proceed conscientiously.

I strongly urge Chair Evslin to recommend passing this bill unamended and for the committee members to vote AYE on HB1248 as written – or to consider an amendment of an addition of \$1,000,000 for Disaster Response housing counseling if it would not result in deferral of the bill - to ensure that Hawai‘i residents continue to receive the essential housing supports we need.

Mahalo for your time and consideration.

Mālama Pono,
Candace Shaw
177 Alea Place
Makawao, HI 96768

HB-1428

Submitted on: 2/6/2025 4:08:35 PM

Testimony for HSG on 2/7/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Waiʻaleʻale Liʻi Sarsona	Individual	Support	Written Testimony Only

Comments:

TESTIMONY IN STRONG SUPPORT OF

HB1428 – Relating to Housing

Aloha e Chair Evslin, Vice Chair Miyake, and Members of the Committee,

I strongly support HB 1428, which provides funding for HUD-certified housing counseling services to help individuals and families achieve stable housing.

I have seen firsthand how these services provide essential financial education, credit counseling, and homeownership support—especially for Native Hawaiians and low- to moderate-income households. Increased funding will:

- Expand financial education and homeownership guidance.
- Help families improve credit scores and access stable housing.
- Support Native Hawaiians navigating Hawai‘i’s challenging housing market.

HUD-certified counseling is a proven strategy for financial stability and homeownership. The \$2.5 million appropriation in HB 1428 is an investment in stronger communities and housing security for Hawai‘i residents.

I respectfully urge the committee to pass HB1428 and support housing counseling programs.

Mahalo for your time and consideration.

Sincerely,

Waiʻaleʻale Liʻi Sarsona

HB-1428

Submitted on: 2/6/2025 8:56:27 PM

Testimony for HSG on 2/7/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello Chair Evslin, Vice Chair Miyake, and Members of the Committee,

My name is Nanea Lo, and **I strongly support HB1428**, which provides funding for HUD-certified housing counseling services to help individuals and families achieve stable housing.

As a Kanaka Maoli and advocate for housing justice, I have seen firsthand how these services provide essential financial education, credit counseling, and homeownership support—especially for Native Hawaiians and low- to moderate-income households. Increased funding will:

- Expand financial education and homeownership guidance.
- Help families improve credit scores and access stable housing.
- Support Native Hawaiians navigating Hawai‘i’s challenging housing market.

In my work with community organizations and advocacy efforts, I see the struggles our people face in remaining on their ancestral lands due to rising costs and systemic barriers. HUD-certified counseling is a proven strategy for financial stability and homeownership, ensuring that more families can stay rooted in their communities. The \$2.5 million appropriation in HB1428 is an investment in stronger communities and housing security for Hawai‘i residents.

I respectfully urge the committee to pass HB1428 and support housing counseling programs.

Me ke aloha ‘āina,
 Nanea Lo
 Mō‘ili‘ili, HI 96826
 Sierra Club of Hawai‘i Executive Commission Member
 Board Member, Hawai‘i Workers Center
 Honolulu Tenants Union Member
 Kanaka Maoli / Lineal Descendant of the Hawaiian Kingdom