

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 FINANCE

February 25, 2025 at 10:00 a.m.  
State Capitol, Room 308

In consideration of  
**H.B. 432 HD1**  
**RELATING TO THE RENTAL HOUSING REVOLVING FUND.**

Chair Yamashita, Vice Chair Takenouchi, and members of the Committee.

HHFDC **supports** HB 432 HD1, which establishes the mixed-income subaccount within the Rental Housing Revolving Fund (RHRF) that targets workforce rental housing projects for persons and families with incomes at or below one hundred forty per cent of the area median income (AMI). It authorizes the Director of Finance to transfer funds from RHRF into the mixed-income subaccount and appropriates funds into and out of the mixed-income subaccount of RHRF and appropriates funds into and out of the RHRF mixed-income subaccount.

RHRF currently has two priority funding groups. Due to limited funding, funds are generally only available for first-priority ("Tier I") projects or units for households with incomes at or below 60% AMI.

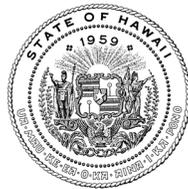
This bill is needed so that funding can be available for mixed-income rental projects or units, or "Tier II," without the need for legislation to finance projects outside the first priority. These are our working families who earn too much to qualify for Low-Income Housing Tax Credit (LIHTC) units but cannot afford to buy their own homes, such as teachers, firefighters, police officers, and nurses.

This bill will keep the financing pipeline going for affordable rentals in light of the private activity bond cap. The ability to fund Tier II projects in any given year will result in

quicker funding and development of housing. Tier II loans are more self-sustaining and able to revolve more quickly due to higher rental revenues and fewer subsidies needed.

This bill would also allow developers to be more certain of funding availability and begin working on projects. With earlier notification of funding availability, projects that are proposed and awarded funding will be more ready and break ground sooner after the award.

Thank you for the opportunity to testify on this bill.



JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LIEUTENANT GOVERNOR

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

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

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 HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 432, H.D. 1

**February 25, 2025**  
**10:00 a.m.**  
**Room 308 and Videoconference**

RELATING TO THE RENTAL HOUSING REVOLVING FUND

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

House Bill (H.B.) No. 432, H.D. 1: 1) establishes a mixed-income subaccount (MIS) within the Rental Housing Revolving Fund (RHRF) to provide financing for rental housing projects for persons and families with incomes at or below 140% of the area median income; 2) authorizes the Director of Finance to transfer up to an unspecified amount from the RHRF to the MIS for FY 26 and FY 27; 3) appropriates an unspecified amount of general funds for FY 26 and FY 27 to be deposited into the MIS; and 4) appropriates an unspecified amount of revolving funds out of the MIS for FY 26 and FY 27.

As a matter of general policy, B&F does not support the creation of any revolving fund or revolving fund subaccount, 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. 432, H.D. 1, it is difficult to determine whether the proposed MIS would be self-sustaining.

Thank you for your consideration of our comments.

**OFFICE OF HOUSING  
KE KE'ENA HO'OLĀLĀ KŪKULA HALE  
CITY AND COUNTY OF HONOLULU**

530 SOUTH KING STREET, ROOM 306 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-4675 • FAX: (808) 768-4242 • WEBSITE: [www.honolulu.gov/housing](http://www.honolulu.gov/housing)

RICK BLANGIARDI  
MAYOR  
ME/IA



KEVIN AUGER  
EXECUTIVE DIRECTOR  
PO'O HO'OKO

February 24, 2025

2025-HOU-032

The Honorable Kyle T. Yamashita, Chair  
The Honorable Jenna Takenouchi, Vice Chair  
and Members of the House Committee on Finance  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members:

**SUBJECT:** Testimony in Support of HB432 HD1 on the Rental Housing Revolving Fund  
Hearing: Tues., Feb. 25, 2025, 10:00 a.m. at the State Capitol, Rm. 308

The Office of Housing **supports** HB432, HD1, that would establish a Mixed-Income Subaccount within the Rental Housing Revolving Fund (RHRF) to support rental projects with affordable units for households earning up to 140% of the area median income (AMI). Preferences for projects would include housing developments with a diverse range of affordability and those located on State or county lands. Much of the RHRF is used to support Low Income Housing Tax Credit (LIHTC) project units for low-income households earning 60% AMI or below. While development of low-income housing must continue in order to reduce the severe cost-burden on these community members, there currently are very limited programs that support our moderate-income workforce households to afford rental or for-sale housing costs. The creation of a Mixed-Income Subaccount would help to bridge the gap that currently exists and allow more of our workforce – including our teachers, police officers, and medical staff – to remain here in Hawai'i.

Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin D. Auger", is written over a horizontal line.

Kevin D. Auger  
Executive Director

APPROVED:

A handwritten signature in black ink, appearing to read "Michael D. Formby", is written over a horizontal line.

Michael D. Formby, Managing Director Designate  
Office of the Managing Director



*Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.*

To: Representative Kyle T. Yamashita, Chair  
Representative Jenna Takenouchi, Vice Chair  
House Committee on Finance

From: Chevelle Davis, MPH Director of Early Childhood & Health Policy  
Hawai'i Children's Action Network Speaks!

Subject: Measure H.B. No. 432 H.D. 1 – Relating to Housing

Hearing: Tuesday, February 25, 2025, at 10:00 AM, Conference Room 308

**POSITION: STRONG SUPPORT**

Aloha e Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

Mahalo for the opportunity to submit testimony in **STRONG SUPPORT** of **H.B. No. 432 H.D. 1**, which would establish a mixed-income subaccount within the Rental Housing Revolving Fund (RHRF) to support rental housing development for workforce individuals earning between 60% and 140% of the Area Median Income (AMI).

At Hawai'i Children's Action Network (HCAN) Speaks!, we advocate for policies ensuring all children and families have the resources they need to thrive. One of the greatest barriers to family well-being is the lack of affordable housing, which disproportionately impacts working parents and their keiki.

Hawai'i's housing crisis is driving families out of the state. Our current housing finance system leaves a critical gap for working families who earn too much to qualify for low-income housing yet cannot afford market-rate homes. These include teachers, firefighters, healthcare workers, and other essential workers—people who are the backbone of our communities. Families struggle to stay in Hawai'i without truly affordable workforce housing, and children face instability that affects their education, health, and overall well-being.

Hawai'i's high housing costs are directly linked to declining populations and workforce shortages across key sectors. Housing unaffordability is the leading reason for out-migration, and this trend threatens the future of our state's economy and public services. Schools face growing teacher vacancies, hospitals struggle to retain healthcare workers, and local businesses cannot find employees. When families are forced to leave, our entire community suffers.

**H.B. No. 432 H.D. 1** is a meaningful step toward addressing Hawai'i's workforce housing gap. By establishing a dedicated subaccount within the RHRF, this bill ensures that middle-income rental projects receive the necessary funding—offering real solutions for families who want to stay, work, and raise their keiki in Hawai'i.

We urge the committee to **pass H. B. No. 432 H.D. 1** to support Hawai'i's working families' well-being and our state's future.

Mahalo for the opportunity to provide testimony on this critical measure.



# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice  
**Support for HB432 HD1 – Relating to Rental Housing Revolving Fund**

House Committee on Finance

Tuesday, February 25, 2025 at 10:00AM | Conf. Rm. 308 and via Videoconference

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Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee:

Mahalo for the opportunity to testify in strong support of HB432 HD1, which would establish a mixed-income subaccount within the Rental Housing Revolving Fund (RHRF) to support rental housing development for workforce individuals earning between 60% and 140% of Area Median Income (AMI).

HB432 HD1 addresses Hawaii's urgent housing crisis and its constraint on our communities' economic growth. Within our current housing finance system, government subsidized programs serve low-income households making below 60% AMI, while market-rate development serves high-income households. This leaves a significant gap for working families earning between 60-140% of AMI who don't qualify for low-income housing but cannot afford market rates.<sup>1</sup> The measure recognizes the need for targeted housing financing intervention to support mixed income development for our workforce.

Hawaii currently has the most expensive market-rate housing in the nation, with median sales costs exceeding \$1 million. The median income required to afford a median-priced home in Hawaii is nearly double the actual median household income.<sup>2</sup> Meanwhile, Hawaii ranks one of the worst states in the nation for middle class affordability.<sup>3</sup> According to the U.S. Bureau of Labor Statistics, those making 80-140% AMI in Hawaii include essential workers such as firefighters, teachers, and home healthcare workers, yet market-rate housing remains beyond what these individuals can afford.<sup>4</sup>

Hawaii is also one of the most expensive places to develop housing. With the highest costs of land and construction in any state,<sup>5</sup> combined with the nation's strictest regulatory process,<sup>6</sup> affordable housing developments in Hawai'i typically do not pencil out without subsidies. While RHRF funds can technically finance middle-income projects, these funds are prioritized for

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<sup>1</sup> <https://storymaps.arcgis.com/stories/4104adb1cf1d4ec88a110c9d783b620f>

<sup>2</sup> [https://uhero.hawaii.edu/wp-content/uploads/2024/02/WhyAreCondominiumsSoExpensiveInHawaii\\_Report.pdf](https://uhero.hawaii.edu/wp-content/uploads/2024/02/WhyAreCondominiumsSoExpensiveInHawaii_Report.pdf)

<sup>3</sup> [https://www.news-journal.com/hawaii-is-the-12th-worst-state-for-middle-class-affordability/article\\_64e79f23-6c41-53b3-aa8a-da80930a375f.html](https://www.news-journal.com/hawaii-is-the-12th-worst-state-for-middle-class-affordability/article_64e79f23-6c41-53b3-aa8a-da80930a375f.html)

<sup>4</sup> <https://storymaps.arcgis.com/stories/4104adb1cf1d4ec88a110c9d783b620f>

<sup>5</sup> lbed

<sup>6</sup> <https://uhero.hawaii.edu/wp-content/uploads/2022/04/MeasuringTheBurdenOfHousingRegulationInHawaii.pdf>



# HAWAII APPLESEED

## CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice  
**Support for HB432 HD1 – Relating to Rental Housing Revolving Fund**

House Committee on Finance

Tuesday, February 25, 2025 at 10:00AM | Conf. Rm. 308 and via Videoconference

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projects that also qualify for federal and state low-income housing tax credits.<sup>7</sup> Consequently, mixed-income projects struggle to access RHRF financing and have few other means of financial support.

This issue is critical as middle-income housing comprises nearly half of housing demand. Of the nearly 17,000 units needed for those making between 80-140% AMI, only about 3000 units, or one-third, of housing developments in the pipeline will satisfy that income criteria.<sup>8</sup>

Hawaii has experienced consistent net out-migration of working-age adults, with housing unaffordability cited as the primary reason.<sup>9</sup> This exodus has created severe workforce shortages across critical sectors. Worker shortages particularly impact healthcare facilities, schools, the service industry, and construction trades. Hawaii faces one of the worst physician shortages in the U.S., across all specialties;<sup>10</sup> The Department of Education reports significant teacher vacancies;<sup>11</sup> and DBEDT continues to report slow labor growth.<sup>12</sup>

Without intervention, these challenges will have long-term community consequences. The state will continue to see a decline in quality of public services, diminished healthcare access, and lower educational outcomes. If Hawaii does not invest in workforce housing now, it will continue to lose families, businesses, and economic opportunities, leading to lasting negative impacts on our communities and future generations.

By establishing a dedicated subaccount to fund mixed-income rental projects, HB432 HD1 provides a meaningful resource for middle-income housing projects. This ensures middle-income projects will receive funding - expanding housing choices beyond just luxury or low-income units, to directly address Hawaii's workforce housing gap.

Mahalo for the opportunity to testify.

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<sup>7</sup> [https://dbedt.hawaii.gov/hhfdc/developers/rhtf\\_html/](https://dbedt.hawaii.gov/hhfdc/developers/rhtf_html/)

<sup>8</sup> <https://hale.hawaii.gov/affordable-housing-pipeline-dashboard/>

<sup>9</sup> <https://uhero.hawaii.edu/wp-content/uploads/2024/05/HawaiiHousingFactbook2024.pdf>

<sup>10</sup> <https://pmc.ncbi.nlm.nih.gov/articles/PMC9036453>

<sup>11</sup> <https://www.hsta.org/news/recent-stories/teacher-shortage-differentials-will-continue-for-sy-2024-25>

<sup>12</sup> <https://dbedt.hawaii.gov/blog/23-67/>



**TO:** HOUSE COMMITTEE ON FINANCE  
The Honorable Kyle T. Yamashita, Chair  
The Honorable Jenna Takenouchi, Vice Chair, and  
Members of the Committee

**FROM:** Micah A. Kāne, CEO & President

**RE:** Testimony in Support for HB432 HD1, Relating to the Rental Housing Revolving Fund

Date: Tuesday, February 25, 2025 at 10:00am

Place: Hearing Room 308

The Hawai'i Community Foundation (HCF) supports HB 432 HD1, which establishes the Mixed-Income Subaccount within the Rental Housing Revolving Fund. Housing is a priority area within HCF's CHANGE Framework under the "C" sector of Community Centered Economy. Per UHERO, "median housing costs in Hawaii are more than 2.7 times the national level"<sup>1</sup> and median rents are the highest in the country.<sup>2</sup> ALICE families are more vulnerable because of our current housing market.

The demand for attainable local housing currently enveloping Hawai'i is at crisis levels. While efforts to address the housing crisis have shown progress, it is evident that the 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.

HCF supports the creation of the Mixed-Income Subaccount within the Rental Housing Revolving Fund because more can be done to help families who are struggling but are not in poverty. This subaccount will be designated for utilizing RHRF funds to support loans for mixed-income rental housing projects, specifically targeting initiatives for individuals and families with incomes at or below 140% of Area Median Income (AMI), which includes many ALICE families. This approach will provide an efficient mechanism to promptly and cost-effectively develop housing for local families while ensuring that funding is not diverted from other essential RHRF priority projects also serving the lowest income ALICE families.

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<sup>1</sup> [UHERO 2023 Hawaii Housing Factbook](#) at page 1.

<sup>2</sup> [UHERO 2024 Hawaii Housing Factbook](#) at page 6.



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Kama'āina want to stay in Hawai'i and HB 432 HD 1 can open that door and provide that hope. There is universal agreement that locals need more places to call home. Rent must be affordable and reasonable so residents will be free from the pressure of leaving the island. HB 432 HD 1 is an innovative solution that contributes to more housing for our community, and HCF is happy to support it.



**Hawai'i YIMBY**  
Honolulu, HI 96814  
hawaiiyimby.org  
info@hawaiiyimby.org

February 25, 2025

House Committee on Finance  
Hawai'i State Capitol  
Honolulu, HI 96813

**RE: SUPPORT for HB 432 HD1 - RELATING TO THE RENTAL HOUSING  
REVOLVING FUND**

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of HB 432 HD1** which would establish a mixed-income subaccount within the Rental Housing Revolving Fund that targets workforce rental housing projects for persons and families with incomes at or below 140% of the area median income. It authorizes the Director of Finance to transfer funds from the Rental Housing Revolving Fund into the mixed-income subaccount.

We believe in funding affordable housing and find workforce housing to be especially important as it provides working-class residents with an affordable place to live. Allowing funds into and out of the mixed-income subaccount of the rental housing revolving fund would provide flexibility for funding urgently needed projects that have continually been too far down on the priority list. Building homes for families that fall into these income brackets will greatly help with retaining a vibrant and diverse workforce, which is desperately needed across the state. It is important for us to continue to fund homes for our lower income residents, but we must target additional funds to our middle-income, working class families who struggle to compete for market-rate homes.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing



**Hawai'i YIMBY**  
Honolulu, HI 96814  
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shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,  
Damien Waikoloa  
Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega  
Chapter Lead, Hawai'i YIMBY





# holomua

COLLABORATIVE

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## OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

## OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

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## BOARD MEMBERS

Jason Fujimoto  
Meli James, *Board Chair*  
Micah Kāne  
Brandon Kurisu  
Brad Nicolai  
Mike Pietsch  
Sunshine Topping

## ADVISORY COMMITTEE

Josh Feldman  
Brittany Heyd  
Alicia Moy  
Ed Schultz

Josh Wisch  
*President & Executive Director*

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HolomuaCollaborative.org

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Page 1 of 2

**Committee:** House Committee on Finance  
**Bill Number:** HB 432 HD1, Relating to the Rental Housing Revolving Fund  
**Hearing Date and Time:** February 25, 2025, 10:00am (Room 308)  
**Re:** Testimony of Holomua Collaborative – Support

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of HB 432 HD1, Relating to the Rental Housing Revolving Fund.

Hawai'i's housing crisis continues to drive local families to move to the continent. In October 2024, a survey<sup>1</sup> gathering information about the day-to-day financial experience of local workers was released and it suggests this growing crisis has the potential to reach staggering levels. When nearly 1,500 local workers were asked if they may need to move to a less expensive state, only thirty-one percent answered a definitive “no,” while sixty-nine percent said “yes” or “unsure.” And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawai'i. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

The Rental Housing Revolving Fund (RHRF) provides equity gap low-interest loans to qualified owners and developers building affordable housing units. Funds may be used to provide a loan for the development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. Through the volume of dedicated funding provided to it by the Legislature, the RHRF has been instrumental in increasing the number of affordable housing units in Hawai'i.

Despite the RHRF's successes, the current prioritization of projects limits the breadth of projects and—ultimately—residents who can benefit from the RHRF. This is because the competitive bidding and statutorily mandated prioritization of projects has led to a narrow scope of projects being financed through the fund. Additionally, even with tax breaks and financial support it's not financially feasible for private developers to build rental homes for families making 60% to 140% of the area median income (AMI) absent additional public funding.

HB 432 HD1 proposes to create a mixed-income subaccount within the RHRF. This subaccount would be dedicated to using RHRF funds for loans to mixed-income rental housing projects, focused on projects for people and families with incomes at or below 140% AMI. This subaccount would be an efficient mechanism to quickly and cost-effectively develop housing for local working families (like our teachers and first responders) without needing to compete for funding with the other crucial RHRF priority projects.

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<sup>1</sup> <https://holomuacollective.org/survey/>



Page 2 of 2

Holomua Collaborative is proud to support this House Majority Package bill that will make a genuine impact on local working families hoping to stay in Hawai'i.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Joshua Wisch', is written in a cursive style.

Joshua Wisch  
President & Executive Director



**TO:** HOUSE COMMITTEE ON FINANCE  
The Honorable Kyle T. Yamashita, Chair  
The Honorable Jenna Takenouchi, Vice Chair, and  
Members of the Committee

**FROM:** Micah A. Kāne, CEO & President

**DATE:** February 25, 2025

**RE:** Testimony in Support for HB432 HD1, Relating to the Rental Housing Revolving Fund  
Date: Tuesday, February 25, 2025 at 10:00am  
Place: Hearing Room 308

The Hawai'i Community Foundation (HCF) **supports** HB432 HD1, Relating to the Rental Housing Revolving Fund.

This bill would establish the Mixed-Income Subaccount within the Rental Housing Revolving Fund. Housing is a priority area within HCF's CHANGE Framework under the "C" sector of Community-Centered Economy. Per UHERO, "median housing costs in Hawaii are more than 2.7 times the national level" and median rents are the highest in the country. ALICE families are more vulnerable because of our current housing market.

The demand for attainable local housing currently enveloping Hawai'i is at crisis levels. While efforts to address the housing crisis have shown progress, it is evident that the 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.

We support the creation of the Mixed-Income Subaccount within the Rental Housing Revolving Fund because more can be done to help families who are struggling but are not in poverty. This subaccount will be designated for utilizing RHRF funds to support loans for mixed-income rental housing projects, specifically targeting initiatives for individuals and families with incomes at or below 140% of Area Median Income (AMI), which includes many ALICE families. This approach will provide an efficient mechanism to promptly and cost-effectively develop housing for local families while ensuring that funding is not diverted from other essential RHRF priority projects also serving the lowest income ALICE families.



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Kama'āina want to stay in Hawai'i and HB 432 HD1 can open that door and provide that hope. There is universal agreement that locals need more places to call home. Rent must be affordable and reasonable so residents will be free from the pressure of leaving the island. HB 432 HD1 is an innovative solution that contributes to more housing for our community, and HCF is happy to support it.



TITLE GUARANTY  
HAWAII

February 25, 2025

**Testimony in support of HB 432 HD1, Relating to the Rental Housing Revolving Fund**

Aloha Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

We write in support of HB 432 HD1, Relating to the Rental Housing Revolving Fund, which would establish the Mixed-Income Subaccount within the Rental Housing Revolving Fund.

Title Guaranty of Hawai'i is the oldest and largest title company in the state. We have been owned and operated by a kama'āina family since 1896 and we are proud to employ over 250 residents who work in our branches across the state. As an organization that has worked for over a century to help connect local families with housing, we see firsthand the economic shift that is preventing local families from achieving the dream of homeownership.

By increasing the financing options available for mixed-income rental projects, this bill will directly address one of the most significant barriers to homeownership: the lack of affordable and stable rental housing as a stepping stone to long-term property ownership.

Our industry sees firsthand how the housing crisis forces many local families into an impossible cycle—unable to purchase a home due to soaring real estate prices but also struggling to find rental units that allow them to save for a down payment. Without sufficient affordable rental housing, many working professionals leave Hawai'i in search of economic stability elsewhere.

By funding mixed-income rental developments, HB 432 HD1 will ensure that more residents have access to stable, reasonably priced housing, allowing them to establish financial security and eventually transition to homeownership. This will create a healthier real estate market and a stronger local economy.

We urge you to pass HB 432 HD1 and take a meaningful step toward keeping Hawai'i's people and businesses thriving.

Sincerely,

Mike B. Pietsch  
President and Chief Operating Officer  
Title Guaranty of Hawai'i





**February 25, 2025**

**Committee:** House Committee on Finance  
**Bill Number:** HB432 HD1, Relating to the Rental Housing Revolving Fund  
**Hearing Date and Time:** February 25, 2025, 10:00am  
**Re:** Testimony of HPM Building Supply in Support

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members:

I would like to submit this testimony in support of HB432 HD1, Relating to the Rental Housing Revolving Fund.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawai'i and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities.

We strongly support HB 432 HD1, which will establish a mixed-income subaccount within the Rental Housing Revolving Fund (RHRF) to ensure that rental housing for working families can be built. Without additional financial support, many developers cannot afford to construct housing for families earning below 140% of the area median income (AMI). This legislation will help overcome those financial barriers, ensuring a steady pipeline of rental housing projects that will benefit working families.

A thriving housing sector means more than just economic growth—it means keeping local workers in Hawai'i. We have seen firsthand how rising housing costs have forced skilled workers to leave the islands in search of affordable living elsewhere. When these workers leave, businesses across all industries struggle to hire and retain employees. By expanding rental housing options, HB 432 HD1 helps stabilize our workforce, ensuring that businesses have the labor force they need to grow and serve our communities.

We urge you to pass this legislation. Mahalo for your time and consideration

Sincerely,

Jason Fujimoto  
Chairman & CEO





**Testimony to  
House Committee on Housing  
February 25, 2025  
10:00 AM  
Conference Room 308 & VIA videoconference  
Hawai'i State Capitol  
HB 432 HD1**

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

We write in support of HB 432 HD1. This bill will increase our housing supply for local working families in Hawai'i.

Established in 1904, Hawai'i Gas serves over 70,000 customers on all islands through its utility pipeline infrastructure and propane business, all of whom depend on the company for sustainable, reliable, and affordable gas for water heating, cooking, drying, and other commercial and industrial applications. The company employs some 350 professionals, over 75% of whom are under collective bargaining.

The stability of our local workforce is directly tied to the ability of local families to live and work in Hawai'i. Housing instability has a direct impact on the workforce's ability to remain in the state and to continue supporting the essential infrastructure that allows businesses like ours to thrive and serve the public.

Our company relies on a dedicated workforce of technicians, engineers, and support staff who ensure that the gas services we provide are safe, reliable, and accessible to all residents. However, the rising cost of housing makes it increasingly difficult for these essential workers to remain in the state. Setting aside funding from the Rental Housing Revolving Fund to be used for the development of projects for households at or below 140% of the area median income will help ensure that local families can secure housing in Hawai'i, thereby providing a stable and skilled workforce that is essential to industries like ours.

We urge you to support HB 432 HD1, as it represents an investment in Hawai'i's workforce, housing infrastructure, and long-term prosperity.

Thank you for the opportunity to testify.



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Statement of  
**Meli James and Brittany Heyd**  
Cofounders  
Mana Up

HB432 HD1, Relating to the Rental Housing Revolving Fund

Aloha Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

We support HB432 HD1, which establishes the Mixed-Income Subaccount within the Rental Housing Revolving Fund to reserve funding of rental developments for household at or below 140% AMI.

Mana Up is a statewide initiative that helps provide entrepreneurs in Hawai'i with the resources and tools to grow their business and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai'i. To keep these types of entrepreneurs in Hawai'i and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford.

A thriving business ecosystem depends on talent, but we are losing too many of our brightest minds to the continent because they cannot afford to live in Hawai'i. Young professionals, startup founders, and skilled workers—the very people driving innovation in our state—are being priced out. Many of the entrepreneurs we support have expressed frustration that, despite their business success, they struggle to find stable, reasonably priced housing. Without affordable rental options, we risk stifling innovation and weakening the future of our economy. HB 432 HD1 addresses this by expanding rental housing opportunities for individuals and families earning up to 140% AMI, ensuring that more working professionals can afford to stay and contribute to our economy.

Passing HB432 HD1 is an investment in our future. It will not only help alleviate the housing crisis but also support Hawai'i's innovation economy by making it possible for entrepreneurs and skilled workers to build their lives here. We urge the committee to pass this measure to provide real housing solutions for local professionals, strengthen our small business ecosystem, and create a more sustainable economy.

Mahalo for your time and consideration.

Sincerely,

Meli James | Cofounder, Mana Up  
Brittany Heyd | Cofounder, Mana Up

# TORI RICHARD

February 25, 2025

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

We write in support of HB 432 HD1 and the creation of the Mixed-Income Subaccount in the Rental Housing Revolving Fund.

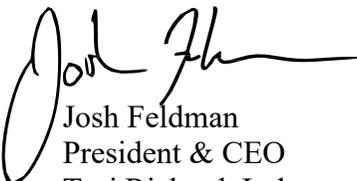
Tori Richard has manufactured in Honolulu nearly 70 years, and we continue to proudly do so today. As a long-time medium-sized Hawai'i employer, we recognize the challenge high housing costs pose to everyone working to make ends meet in Hawai'i.

Our business is deeply committed to supporting Hawaii's local workforce, but the growing housing crisis makes it increasingly difficult for our employees to remain in the islands. Attainable housing is key to keeping talented, creative people in Hawai'i, and this bill offers a much-needed solution to that challenge.

Many of our employees are struggling to find attainable places to live. As their employer, I see firsthand the impact this has on their lives. When workers are forced to move away or leave the state altogether, it hurts our ability to operate and expand. The Rental Housing Revolving Fund has been an effective tool to get affordable housing built, but due to statutory prioritization and competitive bidding, not enough housing is being developed for a significant portion of our population -- households making below 140% Area Median Income. Dedicating funding to develop rental housing for this population without impacting the development of other affordable housing will allow our state to build to the needs of our local workforce.

I urge you to support HB 432 HD1, as it is essential to the future of our business and the local economy. Thank you for your consideration.

Sincerely,



Josh Feldman  
President & CEO  
Tori Richard, Ltd.

1891 NORTH KING STREET  
HONOLULU, HAWAII 96819

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**HB-432-HD-1**

Submitted on: 2/23/2025 9:18:54 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kiana Otsuka	Individual	Support	Written Testimony Only

Comments:

Dear Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

My name is Kiana Otsuka, and I am an O‘ahu resident writing in **strong support of HB432 HD1**, which would establish a mixed-income subaccount within the Rental Housing Revolving Fund (RHRF) to support rental housing development for workforce individuals earning between 60% and 140% of Area Median Income (AMI).

Within our current housing finance system, government subsidized programs serve low-income households making below 60% AMI, while market-rate development serves high-income households. This leaves a significant gap for working families earning between 60-140% of AMI who don't qualify for low-income housing but cannot afford market rates. The measure recognizes the need for targeted housing financing intervention to support mixed income development for our workforce.

Hawai‘i’s rental market has reached a critical tipping point, with costs spiraling beyond what working families can afford, ranking 4th most expensive state for renters in the nation. The combination of limited affordable housing supply, stagnant wages, and minimal tenant protections has created a perfect storm that threatens the stability of our communities.

Those most vulnerable in our current system include the 56% of renters who spend more than 30% of their income on rent, single mothers with children (the demographic most often evicted), kūpuna on fixed social security income, and households with high healthcare, childcare, and foodcare costs.

Please pass this bill to ensure middle-income housing projects will receive funding and expand housing choices beyond just luxury or low-income units, to directly address Hawaii's workforce housing gap.

Thank you for the opportunity to testify.

Mahalo,

Kiana Otsuka

**HB-432-HD-1**

Submitted on: 2/24/2025 10:23:48 AM

Testimony for FIN on 2/25/2025 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Stacey Alapai	Individual	Support	Written Testimony Only

Comments:

Please support HB432 to address the gap in housing assistance. We hear this all the time - "we make too much money to qualify for benefits, but not enough to survive". This bill would address this gap to support mixed incomes.

**HB-432-HD-1**

Submitted on: 2/24/2025 12:02:49 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Brenda DuFresne	Individual	Support	Written Testimony Only

Comments:

I support this

**HB-432-HD-1**

Submitted on: 2/24/2025 4:33:38 PM

Testimony for FIN on 2/25/2025 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Doris Matsunaga	Individual	Support	Written Testimony Only

Comments:

Save Medicaid Hawaii supports HB432 HD1