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GOVERNOR

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DEAN MINAKAMI
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STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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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. 572 SD1
RELATING TO HOUSING.

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

HHFDC **supports** SB 572 SD1, which adds loan funds administered by Nonprofit Community Development Financial Institutions (CDFIs) for certain for-sale affordable housing projects to the list of loan priorities for the Affordable Homeownership Revolving Fund (AHRF). It also expands the use of monies in the revolving fund to allow financing as matching funds for CDFIs to mobilize other funding sources.

AHRF was established via Act 227, SLH 2021, to offer loans to nonprofit CDFIs and nonprofit housing development organizations that develop affordable homeownership housing projects. Of the \$5 million appropriated for the program, there is \$3,128,687 left. The single applicant, Lima Ola, requested \$1,871,313 for the new construction of four three-bedroom units in Lihue, Kauai.

This bill would enable CDFIs to access additional capital from federal, private, and philanthropic sources. This effectively amplifies the impact of AHRF funds and increases the total resources available for more affordable for-sale housing projects. With more projects financed, AHRF can achieve faster fund recapture through loan repayments, ensuring the fund remains sustainable and can support future developments.

Thank you for the opportunity to testify on this bill.



March 13, 2025

HSG

Committee Meeting 9:00 a.m. – Friday March 14, 2025

SB 572 SD1 – STRONG 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 **STRONGLY SUPPORTS SB572 SD1** which amends section 201H-206 subsections (b) and (c) to clarify the allowable use of the Affordable Homeownership Revolving Fund by CDFIs to increase our available loan funds used for affordable homeownership projects throughout the state.

Access to low-interest capital allows CDFIs to offer our loans at more competitive rates and terms to developers creating affordable homes and increases our capacity to serve qualified residents who deserve homeownership opportunities. CDFIs are uniquely positioned within the communities we serve and make lending decisions that reflect the needs of those communities, resulting in more tailored, community-focused solutions.

Allowing CDFIs to access the AHRF for loan funds, will enable us to leverage funding from foundations, private individuals, corporations, and the US Treasury CDFI Fund to increase our capacity to serve Hawaiians.

I urge you to **PASS SB572 SD1**, which will expand the opportunities for missing middle housing to be built in Hawaii.

Mahalo for your time, leadership, and consideration. Please contact me at 808.780.1977 or emann@hawaiihabitat.org should you have any questions or need additional information.

Sincerely,

Erik Mann
Executive Director

Council for Native Hawaiian Advancement
91-1270 Kinoaiki St., Bldg. 1
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Hawai'i State House of Representatives

Committee on Housing

SB572 – Relating to Housing

RE: Strong support of SB572

March 14, 2025

As a Native community development financial institution (CDFI), the Council for Native Hawaiian Advancement (CNHA) writes in **strong support of SB572**, which seeks to clarify the allowable use of the Affordable Homeownership Revolving Fund by CDFIs to increase our available loan funds used for affordable homeownership projects throughout the state. In the face of increasing rates outmigration of our local people has increased to the highest rate in our history, this bill is necessary to build more affordable housing opportunities for our local people.

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, and the fallout from the wildfires has only exacerbated the situation. As a result, Native Hawaiians are increasingly forced to seek affordable housing out of state, leading to more Native Hawaiians residing outside of Hawai'i than within. This displacement threatens the survival of our Hawaiian culture and prevents future generations from building a future on their ancestral lands.

CDFIs use public funds to attract private capital with the goal of increasing affordable housing and economic development in our communities. Access to low-interest capital allows CDFIs to offer our loans at more competitive rates and terms to developers creating affordable homes and increases our capacity to serve qualified residents who deserve homeownership opportunities. CDFIs are uniquely positioned within the communities we serve and make lending decisions that reflect the needs of those communities, resulting in more tailored, community-focused solutions.

Allowing CDFIs to access the AHRF for loan funds, will enable us to leverage funding from foundations, private individuals, corporations, and the US Treasury CDFI Fund to increase our capacity to serve the community. This measure will help residents and Native Hawaiian families have the opportunity to build a future in Hawai'i. For these reasons, we humbly ask that you **PASS SB572**.

Me ka ha'aha'a,

Madelyn McKeague

Director of Advocacy, CNHA