

JOSH GREEN, M.D.
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY PLEASE REFER TO:

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Statement of
DELMOND WON
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

March 30, 2023 at 10:05 a.m.
State Capitol, Room 211

In consideration of
H.B. 951 HD1 SD1
RELATING TO HOUSING.

HHFDC **strongly supports** H.B. 951 HD1 SD1. This measure appropriates general funds into the Rental Housing Revolving Fund (RHRF) and authorizes the use of up to half the funds for mixed-income Tier II rental projects for working individuals and families.

This measure will be instrumental in helping HHFDC to keep the financing pipeline going for affordable rentals in light of the private activity bond cap constraint. Through this measure, HHFDC can offer a second round of funding to the housing development community to build RHRF Tier II projects for individuals and families with household incomes between 60% and 100% of the area median income (AMI). These are our working families who earn too much to qualify to rent Low-Income Housing Tax Credit (LIHTC) units but cannot afford to buy their own homes—such as teachers, firefighters, police officers, and nurses.

Last year, HHFDC was able to implement the newly established Tier II pilot program, resulting in awards being made that totaled \$142 million and will finance nearly 760 units. HHFDC was able to implement this Tier II pilot program and demonstrate its ability to make the funds available on a competitive basis in three short months, awarding funds during the same year of the Legislature's appropriation.

Thank you for the opportunity to provide testimony.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 951 HD1 SD1: RELATING TO HOUSING

TO: Senate Committee on Ways and Means

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

Hearing: **Thursday, 3/30/23; 10:05 AM; CR 211 & via videoconference**

Chair Dela Cruz, Vice Chair Kith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in Strong Support** of **HB 951 HD1 SD1**, which allocates funds to the rental housing revolving fund. I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

Hawaii's developers are ready to build affordable rentals for our struggling families and elders. The Hawaii Housing Finance and Development Corporation (HHFDC) receives many more applications than they can fund to build new rentals. An additional allocation of funds to the RHRF will continue to create affordable rentals giving hope to stressed families. We support the Legislature in its focus upon affordable housing that would meet the immediate and ongoing needs of our residents.

The legislature is concerned about the ALICE population. Many are struggling, especially this year with the dramatic increases in the cost of living and rents. Creating affordable rentals is one major factor of the cost of living over which the Legislature has some control. Funding the Rental Housing Revolving Fund can create affordable rentals for our workforce as well as for lower income people to prevent homelessness. We are greatly concerned about our kupuna who are at great risk due to limited incomes. More long term elderly renters are coming to our Housing Assistance Program for Elders and face possible homelessness due to rent increases.

Hawai'i's people, communities, and especially our most vulnerable, depend on all of us to continue to pay attention to affordable housing especially as our economy improves. Even with a reduced state surplus this year, we urge your support for a significant allocation for the construction of new affordable rentals.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813, if you have any questions.



PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

TESTIMONY IN SUPPORT OF HB 951 HD1 SD1: RELATING TO HOUSING

TO: Senate Committee on Ways and Means
FROM: Partners In Care (PIC)
Hearing: **Thursday, 3/30/23; 10:05 AM; CR 211 & via videoconference**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in strong support** of **HB 951 HD1, SD1** which provides funds to the Rental Housing Revolving Fund (RHRF) to create mixed-income rental projects. Partners In Care (PIC), is a coalition of more than 60 non-profit homelessness providers and concerned organizations. We urge your continued prioritization of funding for affordable rental production to prevent homelessness and give hope to the people of Hawai'i.

We cannot afford to stop investing in affordable housing development. 60% of Hawaii's families pay more than one-third of their income on rent. Hit hard by the pandemic, many remain in financial jeopardy. Homelessness is a real concern. Building affordable rentals builds resiliency for the future, as well as bringing hope to Hawaii's families. The Rental Housing Revolving Fund (RHRF) is the major pathway for the State to promote the development of affordable rental units. RHRF has build thousands of units, yet 20,000 rentals are still needed by 2025 for Hawaii's lower income families (making \$61,000/year or less). More units are also needed across all levels of income.

PIC urges your support for a strong allocation to the RHRF to increase its capacity to create additional housing, and to prevent families from falling into homelessness.

Partners In Care is also very concerned about increasing homelessness for elders. Vulnerable elders on walkers sometimes come into emergency shelters. Besides continuing to be the most vulnerable to the COVID-19 pandemic, elders face significant health trauma from homelessness. **Studies predict almost a 300% increase in elderly homelessness over the next 10 years.** Even worse, these projections were prior to the pandemic which has hit older workers hard.

Housing is healthcare—and can prevent much more expensive institutionalization for Hawai'i seniors. Partners In Care urges your strong support for funding for affordable rentals. Besides the important economic impact, this funding will provide hope to our struggling families, elders and disabled persons.

Mahalo

March 30, 2023

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and Ways and Means Committee members,

On behalf of Housing Hawai'i's Future, I write in SUPPORT of HB 951, depositing funds into the rental housing revolving fund to be used to provide grants or loans to mixed-income rental projects or units qualifying individuals and families.

Housing Hawai'i's Future is a movement led by young locals who will create opportunities for Hawai'i's next generation by ending the workforce housing shortage.

The Rental Housing Revolving Fund is a vital source of capital for the development of housing for families earning between 60% and 100% AMI.

This gap group includes teachers, firefighters, police officers, nurses, and other members of our hard-working middle class.

Let's meet the housing needs of these families who work hard every day to better our community.

Please support HB 951.

Thank you,



Sterling Higa
Executive Director
Housing Hawai'i's Future

sterling@hawaiifuture.org

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March 31, 2023

The Honorable Donovan M. Dela Cruz, Chair

Senate Committee on Ways and Means

State Capitol, Conference Room 211 & Videoconference

RE: House Bill 951, HD1, SD1, Relating to Housing

HEARING: Thursday, March 30, 2023, at 10:05 a.m.

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 11,000 members. HAR **supports** House Bill 951, HD1, SD1, which deposits funds into the Rental Housing Revolving Fund to be used to provide grants or loans to mixed-income rental projects or units qualifying individuals and families. Effective 7/1/2050.

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawai'i, the state needs up to 45,497, housing units to meet demand in Hawai'i by 2030.¹ Ultimately, we have a housing supply problem, and investment is needed to meet our State's housing challenges. The Hawai'i Association of REALTORS® has historically supported mechanisms to help increase the supply of affordable rentals, such as the Rental Housing Revolving Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities. As such, this measure helps provide much needed funding for affordable rental and housing opportunities for Hawaii's residents which can help address the States unique housing challenges.

For the foregoing reasons, Hawai'i Association of REALTORS® supports this measure. Mahalo for the opportunity to testify.

¹ Department of Business, Economic Development & Tourism. (2019). *Hawaii Housing Demand 2020-2030*. <https://files.hawaii.gov/dbedt/economic/reports/housing-demand-2019.pdf>

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March 28, 2023

Senator Donovan M. Dela Cruz, Chair
Senator Gil S.C. Keith-Agaran, Vice Chair
Members of the Senate Committee on Ways & Means

RE: **HB 951, HD1, SD1 – RELATING TO HOUSING**
Hearing date – March 30, 2023 at 10:05 a.m.

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee,

My name is Moe Mohanna and I am President of Highridge Costa Development Company (“HCDC”). Thank you for allowing me to submit testimony in **STRONG SUPPORT of HB 951, HD1, SD1 – RELATING TO HOUSING**. HCDC is an affordable housing developer with significant experience in Hawaii. HCDC currently has over 2,900 affordable rental units in development or operation throughout Oahu and Maui, including downtown Honolulu, Kapolei, Waipahu and Kihei. We work closely with various state and local agencies to bring low- and moderate-income housing to communities Hawaii’s communities.

HB 951, HD1, SD1 would appropriate money into the Rental Housing Revolving Fund (“RHRF”) to be used to provide grants or loans to mixed-income rental projects for qualifying families.

As you are well aware, Hawaii is in a housing crisis. In 2019, a study commissioned by DBEDT found that Hawaii will need an additional 50,156 homes by 2025. In order to meet this projection, development of housing, especially rental housing, must be expedited. Funding is especially needed for local families in the 60-140% AMI range. This is often referred to as the “Forgotten Middle” and includes young, working individuals or families, born and raised in Hawaii, but are struggling to continue to remain here due to the increased cost of living.

The RHRF fund is one of the most important, necessary and impactful tools the state has to allow for affordable rental housing to be developed throughout the state for the benefit of families and seniors in need of a safe home. The RHRF program has been well-managed by HHFDC and requires developers to compete for use of the funds to assure that the state is getting the most housing it can for this limited resource. Providing more funds to this program will allow many more deserving projects to proceed from the planning stage to reality. The additional funding provided to the RHRF is one of the most effective sources of support to target building units for local families who desire to continue to make Hawaii their home.



This bill is critical to help save local families from being forced out of Hawaii, HCDC strongly urges the committee to pass HB 951, HD1, SD1. Mahalo for your consideration.

Aloha,

A handwritten signature in blue ink, appearing to read "Moe Mohanna", is written over a horizontal line. The signature is fluid and cursive.

Moe Mohanna
President

*Expanding the range of opportunities for all by
developing, managing and promoting quality
affordable housing and diverse communities.*



Testimony of EAH Housing | Hawaii Region
RELATING TO HB951 HD1 SD1

March 30, 2023 at 10:05 PM
Written Testimony Only

Senate Committee on Ways and Means

Chair Donovan Dela Cruz, Vice Chair Gilbert Keith-Agaran,
Members Henry Aquino, Lynn DeCoite, Lorraine Inouye, Dru Mamo Kanuha
Michelle Kidani, Donna Mercado Kim, Chris Lee, Sharon Y. Moriwaki
Maile S.L. Shimabukuro, Glenn Wakai, and Kurt Fevella

Strong Support

HB951 HD1 SD1 adds funds into the Rental Housing Revolving Fund (RHRF) to be used for grants or loans to mixed-income rental projects or units for qualifying individuals and families. This measure appropriates funds into the RHRF and allows half of the allocation to be utilized for projects or units from Tier II of the RHRF.

This financial support for affordable rental housing is an essential measure in assuring that housing will continue to be produced, and accordingly will pave the way to an increase in the supply of housing to meet the demand of Hawaii households.

Thank you for the opportunity to provide input and we ask for your favorable consideration in passing HB951 HD1 SD1.

A handwritten signature in black ink that reads "Karen Seddon". The signature is written in a cursive, flowing style.

Karen Seddon
Regional Vice President
EAH Housing

EAH Housing is a non-profit corporation founded with the belief that attractive affordable rental housing is the cornerstone to sustainable, healthy, and livable communities.

1001 Bishop Street, Suite 2880
Honolulu, Hawaii 96813
(808) 466-7774

LATE

HB-951-SD-1

Submitted on: 3/29/2023 4:29:26 PM

Testimony for WAM on 3/30/2023 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristen Alice	Testifying for HOPE Services Hawai'i	Support	Written Testimony Only

Comments:

Hope Services Hawai'i strongly supports HB951.

LATE

HB-951-SD-1

Submitted on: 3/29/2023 4:29:26 PM

Testimony for WAM on 3/30/2023 10:05:00 AM

Submitted By	Organization	Testifier Position	Testify
Kristen Alice	Testifying for HOPE Services Hawai'i	Support	Written Testimony Only

Comments:

Hope Services Hawai'i strongly supports HB951.