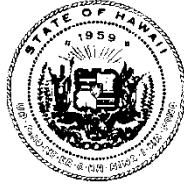


DAVID Y. IGE  
GOVERNOR



DENISE ISERI-MATSUBARA  
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

IN REPLY REFER TO:

Statement of  
**DENISE ISERI-MATSUBARA**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON FINANCE**

February 25, 2021 at 12:00 p.m.  
State Capitol, Room 308

In consideration of  
**H.B. 79, H.D. 1**  
**RELATING TO HOUSING.**

The HHFDC **offers the following comments on** H.B. 79, H.D. 1 which establishes an Affordable Homeownership Revolving Fund to provide loans to nonprofit community development financial institutions and nonprofit housing development organizations for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of affordable for-sale housing units.

Providing an affordable financing source for higher risk pre-development and acquisition activities could facilitate the development of affordable for-sale housing by nonprofit developers. Additionally, the development of homes under a self-help housing model for rural areas is a relatively cost-effective way to expand homeownership opportunities for lower-income families.

Thank you for the opportunity to testify.



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## TESTIMONY IN SUPPORT OF HB 79: RELATING TO HOUSING

TO: Committee Chair, Vice-Chair and Committee Members  
FROM: Brandee Menino, CEO, Hope Services Hawaii, Inc.  
Hearing: Thursday, 2/25/21; 12:00

Thank you for the opportunity to provide testimony **in strong support** of HB 79, to establish an Affordable Homeownership Revolving Fund within the Hawaii Housing Finance and Development Corporation to provide loans to nonprofit community development financial institutions and nonprofit housing development organizations for the development of affordable homeownership housing projects.

A lack of affordable housing is the single greatest cause of homelessness in Hawai'i, and our state's rising rents and stagnant wages have caused more new people to enter homelessness each year. In Hawai'i, a person earning minimum wage needs to work **153 hours per week to afford the rent for a 2-bedroom apartment**. This was the situation our former client from Kona, who asked to remain anonymous, faced as he worked a full-time job and two part-time jobs to support his wife and three children. After losing his part time jobs, he struggled to pay the rent, and his family was on the verge of eviction. This story is common in Hawai'i County, where, even before the pandemic, 55% of our residents fell beneath the ALICE threshold. Despite working, these ALICE households still spend more than 30% of their income on housing, leaving them without a safety net, and virtually zero chance of becoming homeowners.

With property values continuing to rise, and Hawaii becoming more attractive to those on the continent who can afford to wait out the pandemic here, our local people will continue to lose access to the housing market without safeguards.

Loans from this fund would allow qualifying nonprofit developers to help local people become homeowners--a dream currently out of reach for low-income families.

Homeownership is an integral part of the housing solution, because it allows our residents to not just survive, but thrive! Devoting resources to this fund would also help the revolving rental fund go further, **by freeing up units as renters become homeowners**. Additionally, community land trusts would ensure that these homes remain affordable for future generations.

By working together, we can create homes for current residents and future generations to live, learn, and thrive. I urge you to join us in that effort by **supporting HB 79**. Mahalo nui for your consideration.

Sincerely,

Brandee Menino,  
Chief Executive Officer

JOIN OUR COMMUNITY



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**HB-79-HD-1**

Submitted on: 2/24/2021 8:38:59 AM

Testimony for FIN on 2/25/2021 12:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Shirley David	St. Michael the Archangel Parish, Kailua Kona	Support	No

Comments:

Stongly support

**HB-79-HD-1**

Submitted on: 2/24/2021 9:31:58 AM

Testimony for FIN on 2/25/2021 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Patrick Hurney	Habitat for Humanity Hawaii Island, Inc.	Support	No

## Comments:

I strongly support Affordable Homeownership Revolving Fund for the following reasons:

- 1 in 5 households spend half or more of their income on housing, and \$38.76 per hour is the wage required to afford fair market rent for a two-bedroom apartment in the state of Hawaii.
- Shortage of 23,143 of affordable and available households for extremely low-income renters in Hawaii.
- This revolving fund would provide more funding to build more affordable housing for homeownership.
- Homeownership for low-income families is a pathway to economic growth.
- Homeownership benefits families and communities in many ways, including wealth building, better health care outcomes, reduced stress, improved academic and behavioral outcomes for children, and greater family engagement in civic and community activities. ~ Mahalo Patrick Hurney



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308  
THURSDAY, FEBRUARY 25, 2021 AT 12:00 P.M.**

To The Honorable Sylvia Luke, Chair;  
The Honorable Ty J.K. Cullen, Vice Chair; and  
Members of the Committee on Finance,

**SUPPORT HB79 HD1 RELATING TO HOUSING**

Aloha, my name is Pamela Tumpap. I am the President of the Maui Chamber of Commerce, in the county most impacted by the COVID-19 pandemic in terms of our dependence on the visitor industry and corresponding rate of unemployment. I am writing to share our support of HB79 HD1.

The Maui Chamber of Commerce has supported similar bills in the past. Given the extreme need for affordable housing and rentals that we all see and well understand, we hope this bill passes this year. This proposal is an excellent tool in the toolbox for getting affordable housing and rentals built and every tool helps. We hope to see other initiatives move forward as well.

In addition, we support increased funding for the Rental Housing Revolving Fund and Dwelling Unit Revolving Fund.

Mahalo for your consideration of our testimony and ask that you please pass this bill.

Sincerely,

*Pamela Tumpap*

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

### **HB-79-HD-1**

Submitted on: 2/24/2021 4:33:50 PM

Testimony for FIN on 2/25/2021 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Gail Noeau	Habitat for Humanity Hawaii Island	Support	No

Comments:

Aloha Committee Chair

### **I STRONGLY SUPPORT HB79.**

HB79 recognizes the need for expanding the housing needs of our communities across the state to include the development of affordable, permanent homeownership units for Hawaii's low- and moderate-income households. **HB79 would create a revolving loan fund**, with funds being directed to the Hawaii Housing Finance and Development Corporation, which would then loan to non-profit organizations across the Hawaiian Islands. This fund would provide short-term loans to nonprofit developers - including self-help housing developers - that would be paid back into the fund upon closing mortgages on the homes. With this funding source, self-help housing developers, such as Habitat for Humanity, are able to provide affordable homeownership for low and very low-income families.

According to the 2015 Hawaii Housing Demand Study, from the Department of Business, Economic Development, and Tourism, the projected long-run estimate of demand for total new housing (for either rental or ownership) in Hawaii is between 64,700 to 66,000 for the 2015 to 2025 period. Approximately 74% of these units need to be affordable for households earning \$75,000 annually or less.

### **HB79 SUPPORT**

#### **Affordable Homeownership Revolving Fund**

#### **Talking Points**

- **1 in 5 households spend half or more of their income on housing, and \$38.76 per hour is the wage required to afford fair market rent for a two-bedroom apartment in the state of Hawaii.**
- **Shortage of 23,143 of affordable and available households for extremely low-income renters in Hawaii.**

- **This revolving fund would provide more funding to build more affordable housing for homeownership.**
- **Homeownership for low-income families is a pathway to economic growth.**
- **Homeownership benefits families and communities in many ways, including wealth building, better health care outcomes, reduced stress, improved academic and behavioral outcomes for children**

**HB-79-HD-1**

Submitted on: 2/24/2021 9:44:40 AM

Testimony for FIN on 2/25/2021 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David Deges	Individual	Support	No

Comments:

**HB79– STRONG SUPPORT**

Aloha Committee Chair

**I STRONGLY SUPPORT HB79.**

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**HB79 SUPPORT****Affordable Homeownership Revolving Fund****Talking Points**

- **1 in 5 households spend half or more of their income on housing, and \$38.76 per hour is the wage required to afford fair market rent for a two-bedroom apartment in the state of Hawaii.**
- **Shortage of 23,143 of affordable and available households for extremely low-income renters in Hawaii.**



- **This revolving fund would provide more funding to build more affordable housing for homeownership.**
- **Homeownership for low-income families is a pathway to economic growth.**
- **Homeownership benefits families and communities in many ways, including wealth building, better health care outcomes, reduced stress, improved academic and behavioral outcomes for children, and greater family engagement in civic and community activities.**

**HB-79-HD-1**

Submitted on: 2/24/2021 11:34:02 AM

Testimony for FIN on 2/25/2021 12:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Eve Cher	Individual	Support	No

Comments:

I support this bill

**HB-79-HD-1**

Submitted on: 2/24/2021 11:37:50 AM

Testimony for FIN on 2/25/2021 12:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Aaron esparza	Individual	Support	No

Comments:

I support this bill and want to share my experience working 3 years with DHS and foster families on Big Island.

**HB-79-HD-1**

Submitted on: 2/24/2021 1:19:44 PM

Testimony for FIN on 2/25/2021 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lori Ferrin	Individual	Support	No

Comments:

Aloha Committee Chair

**I STRONGLY SUPPORT HB79.**

HB79 recognizes the need for expanding the housing needs of our communities across the state to include the development of affordable, permanent homeownership units for Hawaii's low- and moderate-income households. **HB79 would create a revolving loan fund**, with funds being directed to the Hawaii Housing Finance and Development Corporation, which would then loan to non-profit organizations across the Hawaiian Islands. This fund would provide short-term loans to nonprofit developers - including self-help housing developers - that would be paid back into the fund upon closing mortgages on the homes. With this funding source, self-help housing developers, such as Habitat for Humanity, are able to provide affordable homeownership for low and very low-income families.

According to the 2015 Hawaii Housing Demand Study, from the Department of Business, Economic Development, and Tourism, the projected long-run estimate of demand for total new housing (for either rental or ownership) in Hawaii is between 64,700 to 66,000 for the 2015 to 2025 period. Approximately 74% of these units need to be affordable for households earning \$75,000 annually or less.

Hawaii is the most expensive state to live in, housing aside, and the state minimum wage does not even come close to providing an income that would allow an individual to be housed in today's market. Once an individual loses housing, the likelihood of becoming unemployed, experiencing a mental or physical health crisis or damage to credit and financial means that would prohibit them from accessing housing in the future.

This bill recognizes the importance of building future housing for Hawaii residents who make up the majority of the frontline and service workers we depend upon for health, food, and daily services, and they deserve access to stable housing.

Lori Ferrin

**HB-79-HD-1**

Submitted on: 2/24/2021 4:56:12 PM

Testimony for FIN on 2/25/2021 12:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Anna Mackey	Individual	Support	No

Comments:

Aloha Legislatures,

My name is Anna Mackey and I am resident of Hawaii island.. I am writing in support of HB79 because all people deserve affordable housing, There is currently an extreme need for more available, affordable housing in Hawai'i. Currently, 20% of households spend over 50% of their income on housing. This is NOT sustainable and contributes to the influx of homeless people throughout the state.â• Support HB79 to pave the way towards economic growth through homeownership for low income families.â• Beyond that, support many families and the community through wealth building, better health care outcomes, reduced stress, improved academic and behavioral outcomes for children, and greater family engagement in civic and community activities.â•