

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

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

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

HOUSE COMMITTEE ON HOUSING

February 10, 2023 at 9:30 a.m.
State Capitol, Room 312

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

HHFDC ***strongly supports*** H.B. 951, which deposits \$300 million in general funds into the Rental Housing Revolving Fund (RHRF) and authorizes the use of up to half the funds for mixed-income rental projects for working individuals and families.

This measure will be instrumental in helping us keep the financing pipeline going for affordable rentals in light of the private activity bond cap. Through this measure, HHFDC can offer a second round of funding to the development community to offer RHRF Tier II to individuals and families with household incomes at 60%-100% of the area median income (AMI). 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.

Last year, HHFDC was able to implement the Tier II pilot program, which resulted in awards being made that totaled \$142 million to finance nearly 760 units. HHFDC was able to implement this Tier II pilot and demonstrated its ability to make the funds available on a competitive basis in three short months, awarding funds the same year it was appropriated by the Legislature.

Thank you for the opportunity to provide testimony.

February 10, 2023

The Honorable Troy N. Hashimoto, Chair

House Committee on Housing

State Capitol, Conference Room 225 & Videoconference

RE: House Bill 951, Relating to Housing

HEARING: Friday, February 10, 2023, at 9:30 a.m.

Aloha Chair Hashimoto, Vice Chair Aiu, 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, 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.

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 provided 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 <https://files.hawaii.gov/dbedt/economic/reports/housing-demand-2019.pdf>



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 951: RELATING TO HOUSING

TO: House Committee on Housing

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

Hearing: Friday, 2/10/23; 9:30 AM; via videoconference

Chair Hashimoto, Vice Chair Aiu, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in support** of HB 951, 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. Affordable housing is needed across the housing spectrum. An additional allocation of funds to the RHRF will continue to create affordable rentals giving hope to stressed families. We urge that the immediate and ongoing needs of our residents for affordable rentals should be a priority in allocating the current Budget surplus.

The legislature is concerned about the ALICE population and families up to 100% of the area median income. 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. With the large 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 bettylou.larson@catholiccharitieshawaii.org or (808) 373-0356 if you have any questions.





February 9, 2023

Representative Troy Hashimoto, Chair
Representative Micah Aiu, Vice Chair
Members of the Committee on Housing

RE: **HB 951 – RELATING TO HOUSING**
Hearing date – February 10, 2023 at 9:30 a.m.

Aloha Chair Hashimoto, Vice Chair Aiu and members of the committee,

Thank you for allowing NAIOP Hawaii to submit testimony in **SUPPORT of HB 951 – RELATING TO HOUSING**. NAIOP Hawaii is the Hawaii chapter of the nation's leading organization for office, industrial, retail, residential and mixed-use real estate. NAIOP Hawaii has over 200 members in the State including local developers, owners, investors, asset managers, lenders and other professionals.

HB 951 deposits funds into the Rental Housing Revolving Fund (RHRF) to be used to provide grants or loans to mixed-income rental projects or units qualifying individuals and families. Specifically, the measure allocates \$300 million for 2023-2024 to the RHRF provided that \$150 million of the allocation be utilized for projects or units in a mixed-income rental project for individuals and families with incomes above 60-140% AMI.

NAIOP strongly supports HB 951 which will provide much needed funding for the production of affordable rental projects. Currently, 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, housing units will need to be developed in mass quantities. The additional funding provided to the RHRF seeks to assist in accomplishing this goal.

In addition, the \$300 million in funding to RHRF in order to support the construction of additional new projects for local families in the 60-140% AMI range. These funds are one of the most effective sources of support to target building units for local families who desire to rent their units rather than purchase a unit. This funding is a vital step in ensuring that rental housing units continue to be produced.

Representative Troy Hashimoto, Chair
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Ultimately, Hawaii residents need housing units to be produced to allow our local families to continue to thrive here. NAIOP Hawaii is supportive of all policies which encourage the production of much needed housing stock.

Accordingly, NAIOP Hawaii strongly supports HB 951 which will ensure the continued production of homes for our residents. Thank you for the opportunity to testify on this measure.

Mahalo for your consideration,

A handwritten signature in black ink, appearing to read "Camp", written in a cursive style.

Jennifer Camp, President
NAIOP Hawaii



February 9, 2023

Representative Troy N. Hashimoto, Chair
Representative Micah P.K. Aiu, Vice Chair
Members of the Committee on Housing

RE: **HB 951 – RELATING TO HOUSING**
Hearing date – February 10, 2023 at 9:30 a.m.

Aloha Chair Hashimoto, Vice Chair Aiu 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 – RELATING TO HOUSING**. HCDC is an affordable housing developer with significant experience in Hawaii. HCDC currently has over 2,300 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 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 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.

In order to help save local families from being forced out of Hawaii, HCDC strongly urges the committee to pass HB 951. Mahalo for your consideration.

Aloha,

Moe Mohanna, President
Highridge Costa Development Corporation