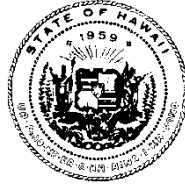


**JOSH GREEN, M.D.**  
GOVERNOR

**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 HOUSING**

February 09, 2024 at 10:00 a.m.  
State Capitol, Room 312

In consideration of  
**H.B. 1765**  
**RELATING TO HOUSING.**

HHFDC has comments on HB 1765, which requires certain projects meeting the criteria of Section 201H-38(a)(1), Hawaii Revised Statutes (HRS), to be exclusively for sale or rent to occupants who are Hawai'i residents who own no other real property.

Further clarification of this bill needs discussion, as the interpretation appears to offer a second path for a project to qualify as a 201H project. However, the alternative offered is the same as the current qualification conditions but with an additional condition that all units be sold or rented to Hawaii residents who own no other real property.

With respect to restricting unit sales and rentals to persons who own no other real property, this restriction would be punitive to certain persons, such as those who inherit a minority interest in real property, own an interest in a kuleana parcel, or have an interest in real property where a dwelling cannot be constructed (such as a commercial property).

This is why Chapter 201H, HRS, very carefully sets forth the qualifications for persons who may purchase or rent real property developed under HHFDC's housing development programs with the following definition in Section 201H-32:

"Qualified resident" means a person who:

- (1) Is a citizen of the United States or a resident alien;
- (2) Is at least eighteen years of age;
- (3) Is domiciled in the State and physically resides in the dwelling unit purchased or rented under this chapter;

(4) In the case of the purchase of real property in fee simple or leasehold, has a gross income sufficient to qualify for the loan to finance the purchase; or in the case of a rental, demonstrates an ability to pay rent as determined by the corporation and meets any additional criteria established by the corporation for the respective rental housing development for which the applicant is applying; and

(5) Meets the following qualifications:

(A) Is a person who either by the person's self, or together with spouse or household member, does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes or a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to the land; and

(B) Is a person whose spouse or household member does not own a majority interest in fee simple or leasehold lands suitable for dwelling purposes or more than a majority interest in lands under any trust agreement or other fiduciary arrangement in which another person holds the legal title to the land, except when husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to section 580-71;

provided that for purchasers of market-priced units in an economically integrated housing project, the term "qualified resident" means a person who is a citizen of the United States or a resident alien; is domiciled in the State and shall physically reside in the dwelling unit purchased; is at least eighteen years of age; and meets other qualifications as determined by the developer.

Thank you for the opportunity to testify on this bill.

**HB-1765**

Submitted on: 2/8/2024 7:12:58 PM

Testimony for HSG on 2/9/2024 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kelcy Durbin	Individual	Support	Written Testimony Only

Comments:

I support this bill.