



Testimony of
Gwen Yamamoto Lau
Executive Director
Hawai'i Green Infrastructure Authority
before the
HOUSE COMMITTEE ON FINANCE
Thursday, February 22, 2024, 10:00 AM
State Capitol, Conference Room 308
in consideration of
House Bill No. 2801, HD1
RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING

Chair Yamashita, Vice Chair Kitagawa and Members of the Committee:

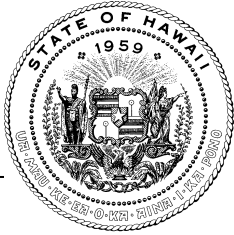
Thank you for the opportunity to testify on HB 2801, HD1, relating to commercial property assessed financing. The Hawai'i Green Infrastructure Authority (HGIA) **strongly supports** this bill which will allow condominiums to be eligible for the commercial property assessed financing program.

Act 183, SLH 2022 authorizing commercial property assessed financing also known as Commercial Property Assessed Clean Energy & Resiliency (C-PACER) in Hawaii was signed into law on June 27, 2022. C-PACER is a commercial financing program and the statute requires lender consent. Because this financing mechanism is a voluntary special assessment similar to a property tax, each County must pass an ordinance approving C-PACER and enter into a Memorandum of Agreement with HGIA.

The City & County of Honolulu passed Bill 56 on December 6, 2023 authorizing C-PACER to finance qualifying improvements on eligible properties. As the bill was being heard by the Committees and City Council, it became evident that this financing program could also benefit Condominiums in need of installing fire safety measures or upgrading resiliency, energy and/or water efficiency measures, by providing longer terms over the useful life of the equipment being installed, thereby making this financing option more affordable to condo owners.

Special assessments will not be placed on the real property tax bills of the individual condo owners and will therefore not interfere with mortgages over said units being sold in the secondary market. C-PACER may in fact help make condos become or remain insurable by providing the financing needed to make necessary upgrades and repairs, thereby assisting our local banks, credit unions and mortgage bankers, as their mortgages over units in these projects will be or remain eligible for sale in the secondary market.

Thank you for this opportunity to testify in support of HB 2801, HD1.



HAWAII STATE ENERGY OFFICE STATE OF HAWAII

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Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone:
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JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARK B. GLICK
CHIEF ENERGY OFFICER

(808) 451-6648
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Testimony of
MARK B. GLICK, Chief Energy Officer

before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 22, 2024
10:00 AM
State Capitol, Conference Room 308 and Videoconference

In Support of
HB 2801, HD1

RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING.

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee, the Hawai'i State Energy Office (HSEO) supports HB 2801, HD1, that allows condominiums to be eligible for commercial property assessed financing (C-PACER).

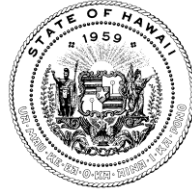
HSEO's testimony is guided by its statutory duties under HRS §196-72, in which the Chief Energy Officer of the Hawaii State Energy Office shall "coordinate the State's energy programs with ... the political subdivisions of the State, departments of the State" and "assist public agencies in the implementation of energy assurance and energy resilience."

HSEO is supportive because increased financing resources made available by this measure could allow participants to improve their commercial facilities with loans for safety and energy upgrades, thus achieving several public objectives more quickly and potentially at a reduced cost. Nationwide, over \$4 billion have been invested in over 2,000 C-PACER projects,¹ and prior to 2019 only one C-PACER project defaulted.²

Thank you for the opportunity to testify.

¹ <https://www.epa.gov/statelocalenergy/commercial-property-assessed-clean-energy>

² <https://eta-publications.lbl.gov/sites/default/files/epace-special-assessmentv3.pdf>



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
OFFICE OF THE DIRECTOR
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA

NADINE Y. ANDO
DIRECTOR | KA LUNA HO'OKELE

DEAN I HAZAMA
DEPUTY DIRECTOR | KA HOPE LUNA HO'OKELE

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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Finance
Thursday, February 22, 2024
10:00 a.m.
Via Videoconference**

**On the following measure:
H.B. 2801, H.D.1, RELATING TO COMMERCIAL PROPERTY ASSESSED
FINANCING.**

Chair Yamashita and Members of the Committee:

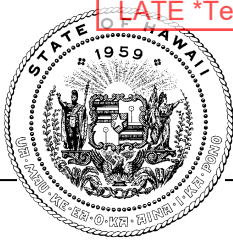
My name is Iris Ikeda, and I am the Commissioner of the Department of Commerce and Consumer Affairs (Department) Division of Financial Institutions (DFI). The Department offers comments on this bill.

The purpose of this bill is to allow condominiums to be eligible for commercial property assessed financing.

The Department appreciates and supports the intent of the bill to provide financing for projects for condominium associations with six or more units.

The Department points out that disclosure should be provided to owners prior to the financing since unit owners may see a senior lien placed on their property and sale of their units may be more difficult with a senior lien in place. In addition, the restriction on condominium mortgages may have an impact on the ability to get a mortgage from banks and financial institutions.

Thank you for the opportunity to testify and offer comments on this bill.



LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

STATE OF HAWAII
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
INTERIM DIRECTOR

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Statement of
MARY ALICE EVANS, Interim Director

before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 22, 2024

10:00 AM

State Capitol, Conference Room 308

in consideration of
BILL NO HB2801, HD1
RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING.

Chair Yamashita, Vice Chair Kitagawa, and Members of the House Committee on Finance:

The Office of Planning and Sustainable Development (OPSD) **supports** HB2801, HD1, which allows condominiums to be eligible for commercial property assessed financing.

Use of commercial property-assessed financing (C-PACER) to fund qualified capital improvements was authorized by the Legislature in Act 183, Session Laws of Hawaii 2022. C-PACER financing can help property owners finance the installation of critical fire safety, energy efficiency, renewable energy, water conservation, and resiliency measures at more attractive rates and terms than may be available with conventional financing.

However, the current statute does not clearly specify whether residential condominium properties can be considered commercial properties for the purpose of using C-PACER financing to make these types of improvements. This bill clarifies that intent and eligibility, so that condominium properties can use C-PACER financing to make their buildings safer and more sustainable.

Thank you for the opportunity to testify on this measure.

**BOARD OF WATER SUPPLY
KA 'OIHANA WAI
CITY AND COUNTY OF HONOLULU**

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Phone: (808) 748-5000 • www.boardofwatersupply.com

RICK BLANGIARDI
MAYOR
MEIA

ERNEST Y. W. LAU, P.E.
MANAGER AND CHIEF ENGINEER
MANAKIA A ME KAHU WILIKI

ERWIN KAWATA
DEPUTY MANAGER
HOPE MANAKIA



NĀ'ĀLEHU ANTHONY, Chair
KAPUA SPROAT, Vice Chair
BRYAN P. ANDAYA
JONATHAN KANESHIRO
EDWIN H. SNIFFEN, Ex-Officio
GENE C. ALBANO, P.E., Ex-Officio

February 22, 2024

The Honorable Kyle T. Yamashita, Chair
and Members
House Committee on Finance
Hawaii State Capitol, Room 308
Honolulu, Hawaii 96813

Dear Chair Yamashita and Members:

**SUBJECT: House Bill 2801, HD1: Relating to Commercial Property Assessed
Financing**

The Honolulu Board of Water Supply (BWS) supports House Bill (HB) 2801, House Draft (HD) 1, relating to Commercial Property Assessed Financing (C-PACE), which allows condominiums to be eligible for commercial property assessed financing.

On December 6, 2023, the City and County of Honolulu (City) passed into law Ordinance 23-34 (Bill 56, CD1, FD1), which allows financing for clean energy improvements, certain infrastructure necessary to upgrade the handling of sewage from cesspools to septic systems, aerobic treatment units, or connections to sewer systems, efficiency technology improvements, resiliency measures, and other improvements approved by the Hawaii Green Infrastructure Authority (HGIA). C-PACE is a financing mechanism that is a voluntary special assessment that the City may consider as a viable option for owners of a qualifying property to make qualifying improvements. C-PACE may benefit condominiums obtain financing over longer terms to make upgrades and repairs in need of installing fire safety measures. Ordinance 23-34 allows the City to enter into a Memorandum of Agreement with HGIA to help commercial property owners and homeowner associations finance clean energy and resilience improvements.

Thank you for this opportunity to submit testimony on HB 2801, HD 1.

Very truly yours,

ERNEST Y. W. LAU, P.E.
Manager and Chief Engineer

TESTIMONY OF ALISON UEOKA

COMMITTEE ON FINANCE
Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair

Thursday, February 22, 2024
10:00 a.m.

HB 2801, HD1

Chair Yamashita, Vice Chair Kitagawa, and members of the Committee on Finance, my name is Alison Ueoka, President for Hawaii Insurers Council. The Hawaii Insurers Council is a non-profit trade association of property and casualty insurance companies licensed to do business in Hawaii. Member companies underwrite approximately forty percent of all property and casualty insurance premiums in the state.

Hawaii Insurers Council **supports** the intent of the bill which is to allow condominium buildings to access C-PACER loans for the purpose of making their building more resilient. This can include installing fire sprinklers in individual units or re-piping their buildings. We believe that hundreds of condominium buildings are in need of such updates and repairs. Providing AOAOs financing options to improve their buildings will enhance insurability and can reduce insurance costs in the long run.

Thank you for the opportunity to testify.



In Alliance with **Apollo**

300 Colorado St., Suite 2000, Austin, Texas 78701

O: 512.599.9037 ♦ **FAX:** 512.532.0792

Testimony of

Michael Yaki

Senior Vice President & Sr. Counsel

Petros PACE Finance LLC

before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 22, 2024, 10:00 AM

State Capitol, Conference Room 308

in consideration of

House Bill 2801, HD1

RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to testify on HB2801,HD1, relating to commercial property assessed financing but in particular, to condominiums. I am writing on behalf of Petros PACE Finance, the nation's largest originator of commercial PACE financing in the country, and a leader in developing and innovating commercial PACE policy and programs.

We are writing in strong support of the principles underlying HB2801,HD1.

The City & County of Honolulu passed Bill 56 on December 6, 2023, authorizing C-PACER to finance qualifying improvements on eligible properties. As the bill was being heard by the Committees and City Council, it became evident that this financing program could also benefit Condominiums in need of installing fire safety measures or upgrading resiliency, energy and/or water efficiency measures, by providing longer terms over the useful life of the equipment being installed, thereby making this financing option more affordable to condo owners.

First, thank you for your support of HB 2088, which established C-PACER financing in Hawaii. I am pleased to report that interest is strong and we hope to report the first uses of C-PACER in the Hawaiian Islands before the end of the year.

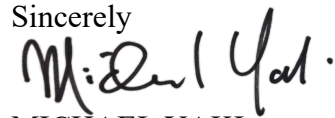
Second, we participated in meetings organized by the Hawaii Green Infrastructure Authority to meet with condominium association owners to hear their concerns about the need for affordable financing to meet new fire and safety measures for their existing buildings. There is an existing challenge to helping condominiums because while there are common areas that utilize, for example, fire sprinkler systems, we are limited to only looking at multifamily structures as commercial providers. We believe the language proposed will allow C-PACER capital providers

like us to work with condominium associations by creating an assessment “anchor” for the C-PACER financing to the condominium association, which owns the structure/common area. Since the association is a corporate entity, not residential unit, HB2801,HD1 bypasses this concern.

Finally, it is important to distinguish that because the CPACER assessment will attach to a parcel owned by a condo or homeowner association, it is attaching to a parcel owned by a corporate entity. This is not residential PACE. No unit will have a CPACER assessment on its property, since that is prohibited by current law and not changed in this legislation. CPACER will be the same as any debt incurred by a condo or homeowner association for repair or upgrades to common areas -- a debt of the association, not an individual unit owner.

Thank you for your attention, and we are available to assist in any way.

Sincerely

A handwritten signature in black ink that reads "Michael Yaki". The signature is written in a cursive, slightly stylized font.

MICHAEL YAKI

Senior Vice President & Sr. Counsel
Policy and Programs
Petros PACE Finance, LLC

HB-2801-HD-1

Submitted on: 2/20/2024 11:39:42 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Onofrietti	Island Insurance Companies	Support	Written Testimony Only

Comments:

Island strongly supports HB2801 which would allow condominium buildings to take advantage of C-PACER financing. Insurance has become increasingly expensive for condominium buildings due to insurability issues, mainly a lack of plumbing system updates and maintenance. Expensive life safety updates are also needed in many of these same buildings. C-PACER financing can be a lower-cost source of capital to perform these needed repairs and renovations.

Thank you for the opportunity to testify.



AOAO at Pat's at Punalu'u

53-567 Kamehameha Hwy, #100
Punalu'u, Hawai'i 96717

Testimony of
J. Allen DeLaney-Kolby
President for the AOAO at Pat's at Punalu'u
before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 22, 2024, Time: 10:00 A.M.
State Capitol Conference Room 308 and Videoconference

In support of
House Bill No. 2801, HD1
RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

Mahalo for the opportunity to testify to provide comments on HB 2801, HD1.

The Association of Apartment Owners at Pat's at Punalu'u, affectionately known as Pat's at Punalu'u, extends our heartfelt gratitude for granting us the privilege to provide testimony and offer our enthusiastic support for HB 2801. This bill will allow condominiums to be eligible for Commercial Property Assessed Financing Program (also known as C-PACER), administered by the Hawaii Green Infrastructure Authority. We assert that C-PACER represents a pivotal opportunity to assist condominium association owners in meeting the mounting challenges and regulatory demands caused by climate change and health, fire, and safety requirements.

We aspire to restore Pat's at Punalu'u to its former glory and contribute to revitalizing our neighboring communities. However, the path to achieving this vision is fraught with substantial costs associated in complying with evolving standards and regulations. Pat's at Punalu'u is currently grappling with insurance premiums that have soared by over 25%, necessitating costly upgrades to our windows, roof, elevators, and electrical systems to meet stringent hurricane code requirements. We have diligently assessed and secured loans to replace our aging wastewater treatment system with an environmentally friendly state-of-the-art alternative. While we do our utmost to shoulder these financial burdens, the relentless rise in inflation, surging construction costs in Hawaii, supply chain disruptions, and rapidly escalating insurance rates threaten our progress. Furthermore, insurance companies press us to expedite our efforts, threatening to withdraw coverage if we do not meet their timelines. Adding to our concerns are the imperative fire safety regulations and the potential requirement for sprinkler systems.



AOAO at Pat's at Punalu'u

53-567 Kamehameha Hwy, #100
Punalu'u, Hawaii 96717

The availability of funding "Equipment Financing" via special assessments similar to property tax payments, over an extended term, as facilitated by C-PACER, would significantly alleviate the financial strain on our owners. Among our community are numerous long-standing, fixed income kupuna whose dreams of living out their retirement at Pat's at Punalu'u hang in the balance. Without additional financing options like C-PACER, their dreams may be shattered.

As an AOAO on Oahu, we recognize that we are not alone in grappling with these formidable challenges. For example, the recent Maui wildfires and financial pressures on insurance companies and HECO will likely lead to substantial rate hikes that will impact the entire state. We express our gratitude for considering this initiative, which offers respite and viable avenues for us to explore.

In addition to the evident environmental advantages, the broad implementation of C-PACER has the potential to generate higher-paying jobs and yield a substantial positive economic impact on our North Shore community. The State's forward-thinking stance in adopting this financially sound method of financing will undoubtedly position the Legislature as conscientious leaders providing relief to condo owners.

We extend our most profound appreciation for this opportunity to wholeheartedly endorse this Bill. Pat's at Punalu'u enthusiastically supports this initiative, which promises a brighter, more sustainable future for our community, neighbors, and our beloved State. We urge the Legislature to do the same.

With utmost aloha,

FOR THE BOARD OF DIRECTORS'
OF AOAO OF PAT'S AT PUNALU'U

J Allen DeLaney-Kolby
President

HB-2801-HD-1

Submitted on: 2/20/2024 2:25:37 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Philip Nerney	CAI	Support	In Person

Comments:

CAI incorporates its February 5, 2024 testimony before the prior committee in support of this measure.



Hawai'i Energy

45 North King Street, Suite 500 • Honolulu, Hawai'i 96817 • HawaiiEnergy.com • P: (808) 839-8880 • F: (808) 441-6068

Before the House Committee on Finance
Thursday, February 22, 2024 at 10:00 a.m.

Testimony in Support of HB2801 HD1: Relating to Commercial Property Assessed Financing

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to testify in support and provide comments on House Bill 2801 HD1.

Hawai'i Energy works to empower island families and businesses on behalf of the Hawai'i Public Utilities Commission (PUC) to make smart energy choices to reduce energy consumption, save money, and pursue a 100% clean energy future. Energy efficiency – the energy we do not use – is the cheapest option to help us achieve our 100% clean energy goal by eliminating waste and being more efficient.

This bill would allow condominiums to benefit from Commercial Property Assessed Clean Energy & Resiliency (C-PACER) financing, a voluntary program authorized by Act 183, Session Laws of Hawaii 2022, that helps commercial property owners finance qualified capital improvement projects. C-PACER financing can be utilized to install critical fire safety, renewable energy, water conservation, energy efficiency, and resiliency measures at more attractive rates and terms than might be available through conventional financing. What became clear, however, during the necessary City & County of Honolulu process last year to approve the use of C-PACER financing, is that the current statute does not clearly specify whether residential condominium properties can utilize C-PACER financing. House Bill 2801 HD1 makes that specification clear.

House Bill 2801 HD1 has the potential to simultaneously improve both safety and affordability for our residents, and we are thankful for the opportunity to support it.

Sincerely,
Caroline Carl
Executive Director
Hawai'i Energy



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facebook.com/AARPHawaii

**The State Legislature
House Committee on Finance
Thursday, February 22, 2024
Conference Room 308, 10:00 a.m.**

TO: The Honorable Kyle Yamashita, Chair
FROM: Keali'i Lopez, State Director, AARP Hawaii
RE: Support for H.B. 2801 HD1 -Relating to Commercial Property Financing

Aloha Chair Yamashita, and Members of the Committee:

My name is Keali'i Lopez, and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports H.B. 2801, HD1 which enables condominiums to participate in C-PACER (authorized commercial property assessed financing).

The C-PACER, an alternative financing option can help condominiums finance the installation of fire safety and other resiliency measures at more attractive rates and terms than may be currently available with conventional financing. This would make it more affordable for all residents, especially retirees who purchased their condominium units decades ago. Often times, these condos are the types of properties likely in need of significant retrofitting and installation of critical life saving features. Many of these older condominium properties are considered NORCs, naturally occurring retirement communities because the significant number of residents who have aged in their condo units over the years. It is critical that these properties have access to the C-PACER in order to ensure access to alternative financing and ideally keep assessments to unit owners at a much lower rate.

Thank you very much for the opportunity to testify in support **H.B 2801, HD1.**

February 22, 2024

The Honorable Kyle T. Yamashita, Chair

House Committee on Finance

State Capitol, Conference Room 308 & Videoconference

**RE: House Bill 2801 HD1, Relating to Commercial Property Assessed Financing
HEARING: Thursday, February 22, 2024, at 10:00 a.m.**

Aloha Chair Yamashita, Vice Chair Kitagawa, 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 Hawaii and its over 11,000 members. HAR **supports** House Bill 2801 HD1, which allows condominiums to be eligible for commercial property assessed financing. Effective 7/1/3000.

In 2022, Act 183 was passed by the Legislature and signed into law which created a commercial property assessed financing program. This program lets commercial property owners seek financing from a lender to cover the expenses of approved upgrades. They then sign a financing contract with both the lender and the Hawaii Green Infrastructure Authority. The costs for these upgrades are repaid through a special tax assessment collected by each county, separate from property value-based taxes. This financing program helps make qualifying improvements more affordable and assists property owners who wish to undertake such improvements. Some of the improvements that this financing tool can help are updated water and wastewater infrastructure, fortifying buildings and structures to withstand wind threats from hurricanes and windstorms, installing clean energy technologies, and many other improvements.

In 2018, Honolulu enacted an ordinance mandating fire safety evaluations for all existing high-rise residential buildings within three years, with a requirement to pass within seven years. Buildings must pass a rigorous Life Safety Evaluation (LSE) or install fire sprinklers. Older condominiums, not originally equipped with sprinklers, face significant costs for retrofitting or compliance with the LSE. Extending property assessed financing to condominiums offers a solution to this challenge. Additionally, this measure can assist older condominiums with aging infrastructure, such as pipes.

Mahalo for the opportunity to testify on this measure.



Testimony of **Nicholas Zuba, Deputy Director, C-PACE Alliance, Inc.**

before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 22, 2024; Time: 10:00 AM HT

Conference Room 329 & VIA videoconference

Hawaii State Capitol

In **SUPPORT** of **House Bill No. 2801**, RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee,

Thank you for the opportunity to testify in **support of House Bill No. 2801**, which allows condominiums to be eligible for Commercial Property Assessed Clean Energy & Resiliency (C-PACER) financing.

My name is Nicholas Zuba, and I am the Deputy Director of C-PACE Alliance, Inc., a nonprofit business association that advocates for best practices in C-PACE programs. More than 30 U.S. states and the District of Columbia have adopted a C-PACE statute, facilitating over \$5 billion in financing from private entities for more than 3,000 properties.

Act 183, Session Laws of Hawaii 2022, which authorized C-PACER, was signed into law on June 27, 2022. C-PACER is a voluntary program that helps commercial property owners finance clean energy and resiliency improvements for their commercial properties in Hawaii. The financing provides several benefits to commercial property owners in making these improvements, including long term repayment, lower interest rates, and non-accelerating financing. The financing is secured by a non-ad valorem special tax assessment that is placed on the commercial property owner's tax bill or stand-alone tax bill. Before an assessment can be placed on the commercial property, lender consent by the mortgage holder(s) is required, which is already stipulated in the current statute.

In order for C-PACER financing to be provided to commercial property owners throughout Hawaii, each County must pass an ordinance and sign a Memorandum of Agreement with the program's administrator, the Hawaii Green Infrastructure Authority (HGIA). While working with Honolulu County's Council and its Committees, it became clear that condominiums could also benefit from this program to install allowable improvements, while availing themselves to the benefits of C-PACER financing.

C-PACER is a commercial financing program that can permit non-profit associations, such as homeowner associations, to use C-PACER. In this scenario, the individual unit owners will not be assessed special assessments on their real property bills; rather, it will be assessed upon the association, therefore not interfering with any mortgagees on those individual properties. The associations will be responsible to assess and collect the C-PACER assessment with the unit owners.

Condominiums appear to have a great need and can benefit tremendously from C-PACER. This amendment would allow C-PACER to be utilized to help solve the state's most important safety issue – fire protection – while also providing the association and unit owners with an affordable financing option to enhance the sustainability and resiliency of their properties throughout Hawaii.

Thank you for the opportunity to testify in support of House Bill No. 2801. We urge this committee to expedite its passage.

21 Feb 2024

Nuveen, LLC

19 Old Kings Highway

Suite 210

Darien, CT 06820

nuveen.com/greencapital

Testimony of Gaby Gilbeau submitted to the House Committee on Finance

[Support for House Bill 2801 Relating to Commercial Property Assessed Financing](#)

Thank you Chair Yamashita, Vice Chair Kitagawa and Members of the Committee for this opportunity to testify on HB2801, relating to commercial property assessed financing.

Nuveen Green Capital is a national leader in sustainable commercial real estate financing solutions and an affiliate of Nuveen, the \$1T+ asset manager and wholly owned subsidiary of TIAA. We would like to share our **support** for House Bill 2801, which will make condominiums eligible for the commercial property assessed financing program.

C-PACE financing is a powerful tool for encouraging private investment in clean energy, energy efficiency, water conservation, and resiliency in the built environment. While facilitating sustainability efforts, the program reduces property owners' annual costs and provides dramatically better-than market financing for green new construction. As a leading C-PACE capital provider, our investments nationwide have resulted in an estimated \$1.62 billion and 2.6 million MWh in energy savings for program participants, created over 25,000 green-collar jobs, and reduced the carbon-equivalent of protecting 175 sq. miles of forest (roughly one-third the size of Oahu).

Nuveen Green Capital would like to see public benefits from C-PACE, like those mentioned above, realized for Hawaii via the C-PACE Program, as administered by the Hawaii Green Infrastructure Authority (HGIA). Through our efforts to establish the financing program in Honolulu, it became evident that C-PACE financing could be a valuable tool for installing fire safety, resiliency, energy and/or water efficiency measures in Hawaii's 1,600+ condominiums. With increasing costs of construction, inflation, supply chain issues and rising interest rates, C-PACE would expand the access these condominium buildings have to private capital to make critical infrastructure improvements.

House Bill 2801 would allow these condominium properties to access C-PACE capital for such projects without cost to the state or local governments: HGIA will be wholly responsible for billing and collection of C-PACE special tax assessments while private lenders such as Nuveen Green Capital will fund the investments. No state or local government dollars are placed at risk through this program.

We look forward to bringing C-PACE financing to Hawaii's condominiums upon the passage of House Bill 2801, and we thank this Committee for the opportunity to testify in support of this bill.

Thank you,

Gaby Gilbeau
Manager, Policy

p +1 540 - 431 - 9959
gaby.gilbeau@nuveen.com



Hawaii Solar Energy Association
Serving Hawaii Since 1977

Testimony of the Hawaii Solar Energy Association (HSEA) Regarding HB2801 HD1, Relating to Commercial Property Assessed Financing, Before the House Committee on Finance

Thursday, February 22, 2024

Dear Chair Yamashita, Vice Chair Kitagawa, and committee members,

The Hawaii Solar Energy Association (HSEA) **supports HB2801 HD1**, which allows high-rise condominium properties to be eligible for commercial property assessed financing.

HSEA members include the majority of locally owned and operated renewable energy companies doing business in the state of Hawaii along with leading global cleantech manufacturers and service providers that invest and sell in our market. We employ thousands of residents in diverse green economy jobs that are innovating, designing, and building Hawaii's pathway to a renewable energy future. We advocate for policies that help Hawaii achieve critical climate and resilience goals by enabling residents and businesses to invest in and benefit from the transition to clean energy.

Investments in renewable energy, energy efficiency, and other resiliency measures have the potential to decrease overall energy costs, reduce expenses on utility bills, establish dependable and clean energy sources, and safeguard our communities and the environment. Despite progress, certain market segments in Hawaii, such as commercial, multi-family, and low-to-moderate income (LMI) communities, still face accessibility challenges. C-PACER presents an innovative and cost-effective financing solution for these initiatives. Given our island context, it's imperative to accelerate investment in these critical public policy objectives. Extending C-PACER-like financing options to high-rise condominiums is a logical step forward.

Thank you for hearing this bill and providing the opportunity to testify in **support of HB2801 HD1**.

Respectfully,

/s/ Rocky Mould

Executive Director



Mortgage Bankers Association of Hawaii
P.O. Box 4129, Honolulu, Hawaii 96812

February 20, 2024

The Honorable Kyle T. Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair
Members of the House Committee on Finance

Hearing Date: February 22, 2024
Hearing Time: 10:00 am
Hearing Place: State Capitol, Conference Room 308

Re: HB 2801 HD1

I am Linda Nakamura, representing the Mortgage Bankers Association of Hawaii ("MBAH"). The MBAH is a voluntary organization of individuals involved in the real estate lending industry in Hawaii. Our membership consists of employees of banks, savings institutions, mortgage bankers, mortgage brokers, financial institutions, and companies whose business depends upon the ongoing health of the financial services industry of Hawaii. The members of the MBAH originate and service, or support the origination and servicing, of the vast majority of residential and commercial real estate mortgage loans in Hawaii. When, and if, the MBAH testifies on legislation or rules, it is related only to mortgage lending and servicing.

HB 2801 HD1 allows condominiums to be eligible for commercial property assessed financing.

The MBAH is in support of the intent of the bill.

Thank you for the opportunity to present this testimony.

Linda Nakamura
Mortgage Bankers Association of Hawaii



holomua

COLLABORATIVE

OUR MISSION

To support and advance public policies that make Hawai'i affordable for all working families.

OUR VISION

Collaborative, sustainable, and evidence-based public policies that create a diverse and sustainable Hawai'i economy, an abundance of quality job opportunities, and a future where all working families living in Hawai'i can thrive.

BOARD MEMBERS

Jason Fujimoto
Meli James, *Board Chair*
Micah Kāne
Brandon Kurisu
Mike Mohr
Brad Nicolai
Mike Pietsch

ADVISORY COMMITTEE

Josh Feldman
Brittany Heyd
Alicia Moy
Ed Schultz

Josh Wisch
President & Executive Director

827 Fort Street Mall, 2nd Floor
Honolulu, Hawaii 96813

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HolomuaCollaborative.org

Page 1 of 1

Committee: House Committee on Finance
Bill Number: HB 2801, HD1, Relating to Commercial Property Assessed Financing
Hearing Date and Time: February 22, 2024 at 10:00am (Room 308)
Re: Testimony of Holomua Collaborative in support

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

We write in support of HB 2801, HD1, Relating to Commercial Property Assessed Financing. The purpose of the bill is to allow condominiums to be eligible for Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing. One of the meaningful impacts of this bill is it has the potential to slash the cost of installing fire sprinklers in older condos by making sprinkler systems eligible for C-PACER financing. Not only will this make these buildings safer, but it will make it more likely residents of these condominiums will be able to *afford* to stay in their homes.

C-PACER is an alternative financing option that finances 100% of qualified capital improvement costs, with terms matching the useful life of the equipment installed. This makes payments more affordable than a typical equipment loan. And while C-PACER financing was passed by the legislature in 2022, this bill would extend C-PACER eligibility to condominiums.

While this will help condominium residents with the financing of a variety of improvements, the most acute issue this will address is the high cost of retrofitting many older condominiums in Hawai'i with fire sprinklers. More than 281 high-rise residential buildings, primarily condominiums developed before 1975, have failed to pass safety evaluations due to the lack of fire sprinklers or other safety requirements.

In some cases, condominiums have seen their annual insurance premiums jump because they have not yet installed fire sprinklers. This in turn hikes condominium assessments, which are passed on to residents to pay. Since the fire sprinkler retrofitting is primarily affecting older condominiums, a disproportionate number of lower-income residents are being affected by it. By using C-PACER financing, the cost of these retrofits can be extended across the useful life of the installed fire sprinkler system, dropping the assessment amounts. This, in turn, lowers the price paid by lower-income residents.

Finally, we note that this is a *commercial* financing program and special assessments under this program will *not* be placed on the real property tax bill of individual condominium owners. Therefore, C-PACER will not interfere with mortgages over those units being sold in the secondary market. This measure will simultaneously improve safety and affordability for local residents, and we are proud to support it.

Sincerely,

Josh Wisch
President & Executive Director



Email: communications@ulupono.com

HOUSE COMMITTEE ON FINANCE
Thursday, February 22, 2024 — 10:00 a.m.

Ulupono Initiative supports HB 2801 HD1, Relating to Commercial Property Assessed Financing

Dear Chair Yamashita and Members of the Committee:

My name is Micah Munekata, and I am the Director of Government Affairs at Ulupono Initiative. We are a Hawai'i-focused impact investment firm that strives to improve the quality of life throughout the islands by helping our communities become more resilient and self-sufficient through locally produced food, renewable energy and clean transportation choices, and better management of freshwater resources.

Ulupono supports HB 2801 HD1, which allows condominiums to be eligible for commercial property assessed financing (CPACE).

Ulupono believes that the Hawai'i Green Infrastructure Authority is well positioned to support the state with an expanded CPACE program, which will provide an additional tool for condominiums and commercial entities to finance infrastructure such as renewable energy projects, cesspool conversions, and agricultural water systems. Property owners can use this financing to cover costs of projects using no public dollars or taxpayer funds for said financing. According to the U.S. Department of Energy, more than 37 states plus the District of Columbia have CPACE-enabling legislation and more than \$2 billion in projects have been financed.

Thank you for the opportunity to testify.

Respectfully,

Micah Munekata
Director of Government Affairs

Investing in a Sustainable Hawai'i



Testimony to the House Committee on Finance
Thursday, February 22, 2024 at 10:00 AM
Conference Room 308

Comments on HB 2801, Relating to Condominiums

To: The Honorable Kyle Yamashita, Chair
The Honorable Lisa Kitagawa, Vice-Chair
Members of the Committee

My name is Stefanie Sakamoto, and I am testifying on behalf of the Hawaii Credit Union League, the local trade association for 47 Hawaii credit unions, representing over 864,000 credit union members across the state.

HCUL offers the following comments on HB 2801, Relating to Condominiums. This bill allows condominiums to be eligible for commercial property assessed financing (C-PACE).

While we understand that the intent of this measure is to provide a method of financing for certain improvements, we have been concerned about this particular type of loan being secured by the property itself, which means it is a senior lien. C-PACE, unlike residential PACE, requires written consent by each holder and servicer of existing mortgage loans.

We understand that HB 2801 proposes to use the C-PACE model to apply the loan program to condominium properties. We would like to ensure that the prior written consent provision remains intact, as this would protect the mortgagor and the mortgagee.

Further, we would note that many Hawaii financial institutions, including credit unions, currently offer specialized, low-cost loans for green energy home improvements.

Thank you for the opportunity to provide comments on this issue.



Testimony in Support of HB 2801, Relating to the Commercial Property Assessed Financing

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members:

We write in support HB 2801, HD1, which allows condominiums to qualify for Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing. This will reduce the cost of installing fire sprinklers in older condominiums.

aio is a locally owned company with holdings across a broad range of industries. Our companies are purpose-driven and firmly rooted in local values. At aio, Hawai'i is at our core, and through our products and services, we work hard to make Hawai'i a better place for future generations. To do that, we need to make sure that future generations can afford to live in Hawaii. Hawaii has the highest housing costs in the country and alternative financing options make payments more affordable.

C-PACER financing covers 100% of improvement costs, with terms matching the equipment's life, making payments more affordable than typical loans. Extending C-PACER financing to condominiums helps finance a variety of improvements, including addressing the high cost of retrofitting older condominiums with fire sprinklers. This benefits lower-income residents, as these retrofits can now be paid over the sprinkler system's life, reducing assessment amounts.

It's important to note that C-PACER is a commercial financing program that can permit non-profit associations, such as homeowner associations, to use C-PACER. When used this way, as envisioned in this bill, individual unit owners will not be assessed special assessments on their real property bills; rather, it will be assessed upon the association to administer with unit owners.

Mahalo for the opportunity to submit testimony in support,

A handwritten signature in black ink that reads "Brandon H. Kurisu".

Brandon Kurisu
aio Family of Companies





**Testimony to
House Committee on Finance
February 22, 2024
10:00am
Conference Room 308 & VIA videoconference
Hawaii State Capitol
HB 2801**

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee,

We write in support of HB 2801, which extends Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) financing to condominiums. This allows them to cover 100% of improvement costs, with repayment terms aligned to the equipment’s lifespan. One of the most immediate benefits of this would be a significant reduction in the expense of installing fire sprinklers in older condominiums. This cost reduction directly benefits lower-income residents by spreading the retrofit expenses over the sprinkler system’s operational life, ultimately lowering assessment amounts.

Established in 1904, Hawaii Gas serves over 70,000 customers on all islands through its utility pipeline infrastructure and propane business, all of whom depend on the company for sustainable, reliable, and affordable gas for water heating, cooking, drying, and other commercial and industrial applications. The company employs some 350 professionals, over 75% of whom are under collective bargaining. As an organization well-versed in the infrastructure required to keep older buildings throughout our state operating, we understand the importance of fire sprinkler systems. And we understand the expense of retrofitting older condominiums with them.

Notably, some older condominiums have faced rising annual insurance premiums due to the absence of fire sprinklers. Consequently, these increased costs are passed on to residents through condominium assessments. Since retrofitting predominantly impacts older condominiums, a disproportionate number of lower-income residents bear the burden. By leveraging C-PACER financing, the cost of fire sprinkler retrofits can be minimized, thus alleviating the assessment burden for these residents.

An essential point to note is that C-PACER, a commercial financing program, allows non-profit associations (such as homeowner associations) to utilize it. When employed in this manner, as outlined in HB 2801, individual unit owners will not face special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not impact any existing mortgages on those individual properties. The associations will assume responsibility for assessing and collecting the C-PACER assessment from the unit owners.

In summary, HB 2801 represents an intelligent and innovative solution, aimed at retaining local residents in Hawai’i by ensuring their continued affordability.



BUILDBETTER.LIVEBETTER.®

February 22, 2024

Committee: House Committee on Finance
Bill Number: HB 2801, Relating to Commercial Property Assessed Financing
Hearing Date and Time: February 22, 2024, 10:00am
Re: Testimony of HPM Building Supply in Support

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee,

We support HB 2801, which expands Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing to condominiums. This bill aims to reduce the cost of installing fire sprinklers in older condos by making sprinkler systems eligible for C-PACER financing. Not only will this enhance building safety, but it will also increase the likelihood that residents can afford to remain in their homes.

HPM Building Supply is a 100% employee-owned company serving Hawaii's home improvement market and building industry for over 100 years since 1921. With 18 locations across Hawaii and Washington State, HPM offers various services and products, including retail stores, building supply and lumber yards, home design centers, drafting and design services, and manufacturing facilities. HPM is dedicated to enhancing homes, improving lives, and transforming communities one home at a time. As an organization dedicated to connecting local families with housing, we know how dire the housing cost situation in Hawai'i has become for local families.

This bill could reduce home costs, especially for residents in older condominiums. C-PACER offers an alternative financing option covering 100% of capital improvement costs, with repayment terms aligned to the equipment's lifespan, making payments more manageable than typical loans. It will provide immediate help with the high expense of retrofitting older Hawai'i condominiums with fire sprinklers. Over 281 high-rise residential buildings, primarily developed before 1975, lack fire sprinklers or other safety features and have failed safety evaluations. Some condominiums face rising annual insurance premiums due to this, leading to increased assessments passed on to residents. C-PACER financing can spread retrofit costs over the sprinkler system's useful life, reducing assessment amounts and benefiting lower-income residents.

This bill also aligns with HPM's values of Heart, Character, and Growth. By supporting our communities' families, we invest in our future. We show that we care about the future generations and our current workforce shaping it. Our company's value of Heart is caring for one another as a community.

Sincerely,

Dennis Lin
Community Relations Administrator



(808) 966-5466 • FAX (808) 966-7564
16-166 MELEKAHIWA STREET • KEAAU, HAWAII 96749

HPMHAWAII.COM



Statement of
Meli James
President
HVCA

HB 2801, Relating to Commercial Property Assessed Financing

Aloha,

We support HB 2801, which extends Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) financing to condominiums, covering 100% of improvement costs with repayment terms aligned to the equipment’s lifespan. This significantly reduces the cost of installing fire sprinklers in older condominiums, benefiting lower-income residents by spreading the retrofit expenses over the sprinkler system’s operational life and lowering assessment amounts.

The Hawaii Venture Capital Association (HVCA) is a local nonprofit that stands as a nexus for entrepreneurs, capital foundation, and networking opportunities in Hawaii. Our organization helps to foster entrepreneurship through education and exposure to key members in our business community in order to support our islands’ emerging entrepreneurs, all while sustaining a vibrant and successful business community. To keep these types of entrepreneurs in Hawai’i and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford. Sometimes that means older condominiums, where they are faced with the costs of retrofitting them.

Specifically, some older condominiums face rising annual insurance premiums due to the absence of fire sprinklers, passing these costs on to residents through condominium assessments. Since retrofitting primarily impacts older condominiums, a disproportionate number of lower-income residents bear the burden. By using C-PACER financing, the cost of fire sprinkler retrofits can be minimized, alleviating the assessment burden for these residents.

Importantly, C-PACER allows non-profit associations, like homeowner associations, to utilize it. When used this way, individual unit owners will not face special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not affect existing mortgages on those properties. The associations will be responsible for assessing and collecting the C-PACER assessment from the unit owners.

HB 2801 is a good solution to keep local residents in Hawai’i by making sure they can afford to stay.



President
HVCA

TORI RICHARD

February 22, 2024

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee,

I am writing in support of HB 2801, which extends Commercial Property Assessed Clean Energy and Resiliency (C-PACER) financing to condominiums. This bill is crucial for reducing the cost of installing fire sprinklers in older condominiums, which is vital for ensuring future generations in Hawaii have affordable housing options.


Tori Richard has manufactured in Honolulu for over 60 years, and we continue to proudly do so today. As a long-time medium-sized Hawaii employer, we recognize the challenge high housing costs pose to everyone working to make ends meet in Hawaii, including our employees. This bill is a good way to address those housing costs and keep local working families in Hawaii.

Hawaii's high housing costs are a significant challenge, and the expense of retrofitting older condominiums with fire sprinklers has exacerbated this issue. C-PACER financing, covering 100% of improvement costs with terms aligned to the equipment's lifespan, offers a more affordable payment structure than typical loans. This financing option will not only help address the high cost of fire sprinkler retrofitting but also benefit lower-income residents by spreading the costs over the sprinkler system's life, reducing assessment amounts.

It's worth noting that C-PACER is a commercial financing program that can also be used by non-profit associations, such as homeowner associations. Under this bill, individual unit owners will not be directly assessed special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not impact any existing mortgages on those individual properties. The associations will be responsible for assessing and collecting the C-PACER assessment from the unit owners.

We appreciate the opportunity to submit testimony in support of this bill.

Sincerely,



Josh Feldman
President & CEO
Tori Richard, Ltd.

1891 NORTH KING STREET
HONOLULU, HAWAII 96819

Statement of
Meli James
Cofounder
Mana Up

HB 2801, Relating to Commercial Property Assessed Financing

Aloha,

We support HB 2801, which extends Commercial Property Assessed Clean Energy and Resiliency (“C-PACER”) financing to condominiums, covering 100% of improvement costs with repayment terms aligned to the equipment’s lifespan. This significantly reduces the cost of installing fire sprinklers in older condominiums, benefiting lower-income residents by spreading the retrofit expenses over the sprinkler system’s operational life and lowering assessment amounts.

Mana Up is a statewide initiative that helps provide entrepreneurs in Hawai‘i with the resources and tools to grow their business and scale globally. As these entrepreneurs continue to grow, they also help contribute to our expanding our local economy. As part of our mission, we aim to sustain the local economy through economic diversification, local job creation, community giveback, investment, and a regenerative culture of entrepreneurship – providing a better future for generations to come here in Hawai‘i. To keep these types of entrepreneurs in Hawai‘i and even expand our entrepreneurial ecosystem, though, these entrepreneurs need a place to live that they can afford. Sometimes that means older condominiums, where they are faced with the costs of retrofitting them.

Specifically, some older condominiums face rising annual insurance premiums due to the absence of fire sprinklers, passing these costs on to residents through condominium assessments. Since retrofitting primarily impacts older condominiums, a disproportionate number of lower-income residents bear the burden. By using C-PACER financing, the cost of fire sprinkler retrofits can be minimized, alleviating the assessment burden for these residents.

Importantly, C-PACER allows non-profit associations, like homeowner associations, to utilize it. When used this way, individual unit owners will not face special assessments on their real property bills. Instead, the assessment will be placed upon the association, ensuring it does not affect existing mortgages on those properties. The associations will be responsible for assessing and collecting the C-PACER assessment from the unit owners.

Being that at Mana Up, we help local entrepreneurs grow their product companies and scale globally with the mission to expand the economy and create jobs for locals so they can support the high cost of living here, we are happy to support this bill. HB 2801 is a good solution to keep local residents in Hawai‘i by making sure they can afford to stay.

Sincerely,



Meli James | Cofounder, Mana Up

HB-2801-HD-1

Submitted on: 2/20/2024 10:42:26 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Bali Kumar	PACE Loan Group	Support	Written Testimony Only

Comments:

Thank you for allowing me to submit testimony. As a former program administrator of the Michigan PACE program, and a current PACE lender, I enthusiastically support the passage of HB2801 HD1. As an industry, we are working to perfect the PACE laws, allowing the PACE programs to be less convoluted, and accessible to as many appropriate people as possible. HB2801 HD1 is another step in the right direction to make Hawaii's built real estate infrastructure more resilient.

Testimony of
THOMAS A. NIDA
Retired Executive Vice President/Market Executive
City First Bank, Washington, DC
before the
HOUSE COMMITTEE ON FINANCE

Thursday, February 22, 2024, Time: 10:00 A.M.
State Capitol Conference Room 308 and Videoconference

In support of
House Bill No. 2801, HD1
RELATING TO COMMERCIAL PROPERTY ASSESSED FINANCING

Committee Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

Thank you for the opportunity to testify and provide comments in support of HB 2801, HD1 to include eligible condominium properties in the C-PACER program.

A successful C-PACER program can provide the following benefits:

- 1) Benefits to the County
 - a) Program costs can be covered by program revenues.
 - b) Increased property values.
 - c) Funding is all from private capital sources.
- 2) Benefits to Commercial Property Owners
 - a) Increased property values from improved net operating income.
 - b) C-PACER is an operating expense, not additional debt, with payments that can be more than offset by reduced utility costs.
 - c) Up to 100% financing for eligible energy improvements and mandated safety improvements.
 - d) No personal guarantees from the property owners.
- 3) Benefits to local financial institutions
 - a) An enhanced competitive position against larger money center banks and other financial organizations to provide both commercial mortgage loans and C-PACER loans to meet their customer needs.
 - b) Better control of C-PACER funding to ensure eligible improvements are completed.
 - c) Improved collateral positions on C-PACER projects funded.
- 4) Benefits to the Environment/Sustainability/GHG reduction
 - a) Reduced power and water consumption from long term capital investment to improve energy efficiency of commercial properties.
 - b) Support for municipal goals to reduce GHG.
- 5) Stimulus to energy efficient commercial construction, both for new construction and renovations, adding construction new construction jobs and additional business from local building materials suppliers.

As a senior banker, who last year retired after 56 years in the industry, I have been actively involved with the C-PACE program in Washington, DC, since 2016, and have provided C-

PACE funding for educational facilities, healthcare facilities, multifamily properties, and retail properties, with no delinquencies, defaults, or losses. Our C-PACE lending continues to expand as an active part of our commercial lending. Further, to date with over 3,000 closed C-PACE loans totaling more than three billion dollars across the country, there have been no tax foreclosures on properties with C-PACE loans, a reflection of the success of C-PACE programs where they have been enacted. I am currently working with the Community Development Bankers Association to help establish active C-PACE lending programs for its members across the country.

Thank you for this opportunity to testify in strong support of HB2801, HD1.

I am grateful for the opportunity to share my experience of CPACE and the sustainable benefits it brings to the table for developers and property owners. CPACE financing is a game-changer in the pursuit of clean energy and achieving ESG (Environmental, Social, and Governance) goals, offering access to much-needed capital that was previously out of reach. As someone deeply committed to sustainable development, I cannot emphasize enough the positive impact CPACE financing has on our industry and the broader community.

1. **Unlocking Capital for Sustainable Projects:** CPACE financing enables developers and property owners to secure the necessary funds for clean energy initiatives and ESG-focused projects. These often require substantial upfront investments, which CPACE covers, ensuring that sustainable projects can get off the ground without the burden of immediate capital requirements.
2. **Reducing Financial Barriers:** Traditional financing options may not align with the long-term nature of clean energy and sustainability projects. CPACE financing eliminates this hurdle by offering terms that are favorable for developers and property owners. This allows them to focus on project execution without being encumbered by high-interest rates or short-term payback schedules.
3. **Enhancing Property Values:** Investing in clean energy and ESG improvements increases the attractiveness and value of properties. CPACE-financed upgrades, such as energy-efficient HVAC systems, solar installations, and water conservation measures, not only reduce operating costs but also make properties more desirable in the market.
4. **Lowering Operating Costs:** One of the most significant advantages of CPACE financing is the potential for substantial cost savings. Energy-efficient upgrades not only reduce utility bills but also decrease maintenance and operational expenses, ensuring long-term financial benefits for property owners and developers.
5. **Meeting ESG Commitments:** As the world becomes increasingly focused on sustainability and corporate responsibility, CPACE financing offers a clear pathway for developers and property owners to align with ESG goals. These initiatives enhance brand reputation, attract socially responsible investors, and foster goodwill within the community.
6. **Strengthening Environmental Stewardship:** CPACE financing empowers developers and property owners to contribute positively to environmental sustainability. By implementing clean energy solutions, reducing carbon footprints, and conserving resources, they actively participate in mitigating climate change and preserving the planet for future generations.
7. **Boosting Local Economies:** CPACE financing not only benefits individual projects but also stimulates economic growth in local communities. Sustainable development generates jobs, attracts businesses, and contributes to a thriving ecosystem where everyone can prosper.

In conclusion, CPACE financing is a catalyst for transformative change in the realms of clean energy and ESG goals. It provides the financial means to pursue environmentally responsible projects, elevating properties, businesses, and communities alike. As we stand on the precipice of a more sustainable future, CPACE financing offers a crucial bridge to turn vision into reality. I wholeheartedly recommend CPACE financing to all developers and property owners who seek to make a positive impact on our planet and society. Embrace CPACE, and together, we can build a greener, more sustainable world for all.

HB-2801-HD-1

Submitted on: 2/20/2024 1:20:20 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Raelene Tenno	Individual	Support	Written Testimony Only

Comments:

SUPPORT this bill to assist our aging condominiums.

HB-2801-HD-1

Submitted on: 2/20/2024 4:26:07 PM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeff Sadino	Individual	Support	Written Testimony Only

Comments:

I support this Bill.

HB-2801-HD-1

Submitted on: 2/21/2024 8:25:15 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicole Rodriguez	Individual	Support	Written Testimony Only

Comments:

Testimony in Support of the Legislative Bill HB2801 : Relating to Commercial Property Assessed Financing

Honorable Members of the House of Representatives,

I stand in strong support of this crucial legislation aimed at addressing the critical issue of fire safety in older high-rise buildings along with other aging infrastructure vulnerabilities. The distressing statistics of fatalities and injuries due to fires in buildings lacking adequate safety measures underscore the urgent need for action. This bill is a beacon of hope, offering a viable financial pathway through C-PACER financing to retrofit these vulnerable structures with essential fire safety installations.

As a longtime Honolulu resident, realtor, former building manager, and current director of a commercial program integrating clean technology into our built environment, I've witnessed firsthand the financial hurdles our building associations face in funding essential capital improvement projects. Our aging infrastructure's challenges underscore the necessity for innovative financial solutions like C-PACER. This program is a lifeline, ensuring the sustainability and value of our real estate in an era of stringent insurance requirements. The passage of this bill marks a pivotal moment, offering a fair path to revitalize and enhance our commercial properties, securing a prosperous future for our community.

By broadening the definition of commercial property, the bill inclusively paves the way for numerous buildings to qualify for this life-saving financing. It's not merely a legislative act but a moral imperative to protect our communities and ensure that no more lives are lost to preventable tragedies. The innovative approach of using C-PACER financing as a solution to this longstanding problem exemplifies forward-thinking and a commitment to public safety.

I urge the legislature to pass this bill, demonstrating our collective commitment to safeguarding the lives and well-being of our residents. It's a step towards rectifying past oversights and moving towards a safer, more resilient future for all.

Respectfully submitted in support,

Nicole Rodriguez
808-585-1255

HB-2801-HD-1

Submitted on: 2/22/2024 8:15:12 AM

Testimony for FIN on 2/22/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara Best	Individual	Support	Written Testimony Only

Comments:

Funds generated for DLNR to protect, manage & restore natural resources would be valuable.

Mahalo for supporting this bill

Bobbie Best

Wailuku