

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

### SENATE COMMITTEE ON HOUSING

January 23, 2025 at 1:30 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 75**  
**RELATING TO HOUSING.**

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

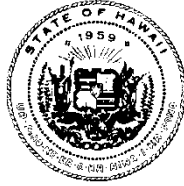
HHFDC has comments on SB 75, which establishes a working group to revise the State's Qualified Allocation Plan (QAP), the prioritization of the Rental Housing Revolving Fund (RHRF), and the terms of loans made from the RHRF. It also requires a report to the Legislature.

HHFDC strives to maximize the effectiveness of its RHRF program through a competitive annual application process that ensures that the State's resources are efficiently used. The competitive review process allows for a rigorous evaluation of applications, ensuring that funds are directed toward financially sustainable projects that align with the state's housing priorities and deliver the greatest public benefit.

HHFDC will be convening a working group shortly to initiate work on the next update to the QAP. The working group will be open to all interested stakeholders and members of the public.

Thank you for the opportunity to testify on this bill.

JOSH GREEN, M.D.  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

**STATE OF HAWAII**  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

IN REPLY, PLEASE REFER TO:

Statement of  
**Hakim Ouansafi, Executive Director**  
**Hawaii Public Housing Authority**

Before the  
**SENATE COMMITTEE ON HOUSING**

**Thursday, January 23, 2025**  
**1:30 PM – Room 225, Hawaii State Capitol**

In consideration of  
**SB 75**  
**RELATING TO HOUSING**

Honorable Chair Chang and members of the Senate Committee on Housing, thank you for the opportunity to provide testimony on Senate Bill (SB) 75, which establishes a working group to revise the State's Qualified Allocation Plan, the prioritization of the Rental Housing Revolving Fund (RHRF), and the terms of loans made from the RHRF.

The Hawaii Public Housing Authority (HPHA) **supports the intent** of this measure and appreciates its emphasis on improving the effectiveness of the State's allocation of resources to address Hawaii's critical housing needs.

As a key agency serving Hawaii's low-income population, the HPHA recognizes the importance of aligning federal and state low-income housing tax credits with the State's housing priorities. Revising the Qualified Allocation Plan (QAP) to ensure these credits are directed to projects that best address the housing needs of our most vulnerable populations will enhance the overall impact of these resources.

Additionally, prioritizing the rental housing revolving fund and refining the terms of loans to support both low-income rental housing projects and mixed-income developments will allow for greater flexibility and efficiency in addressing the diverse needs of Hawaii's residents. This measure's focus on collaboration through the proposed working group, which includes

representatives from the Hawaii Housing Finance and Development Corporation and other key stakeholders, reflects a thoughtful approach to achieving these goals. We appreciate the Legislature's focus on transparency, accountability, and the efficient allocation of resources to address the State's housing needs. The HPHA is ready to assist in any way that supports efforts to advance affordable housing statewide and looks forward to contributing as needed to this important initiative.

Thank you for your continued dedication to addressing Hawaii's housing crisis. We thank you very much for your dedicated support.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE SENATE COMMITTEE ON HOUSING  
HAWAII STATE CAPITOL, SENATE CONFERENCE ROOM 225  
Thursday, January 23, 2025, 1:30 P.M.**

To The Honorable Senator Stanley Chang, Chair  
The Honorable Senator Troy N. Hashimoto, Vice Chair  
Members of the committee on Housing

**SUPPORT SB75 RELATING TO HOUSING**

The Maui Chamber of Commerce **SUPPORTS SB75** which establishes a working group to revise the State's qualified allocation plan, the prioritization of the rental housing revolving fund, and the terms of loans made from the fund, and make recommendations to revise: (1) The State's qualified allocation plan to more effectively allocate federal and state low-income housing tax credits to projects that best meet the housing needs of the State, and (2) The prioritization of the rental housing revolving fund and the terms of loans made from the fund to support low-income rental housing project and mixed-income rental projects.

The Chamber emphasizes that, given the ongoing housing crisis, the working group should be assigned a clear timeline and work should proceed without delay. Additionally, we recommend including representation from developers across each island who are focused on affordable and workforce housing within the working group.

In light of the severe housing shortage in the State and Maui County, we support measures that foster, rather than impede, the development of housing for our residents.  
For these reasons we **SUPPORT SB75** and respectfully request its passage.

Sincerely,

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.

#### 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.

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827 Fort Street Mall, 2<sup>nd</sup> Floor  
Honolulu, Hawai'i 96813

+1 (808) 542-4089  
info@holomuacollaborative.org

HolomuaCollaborative.org

**Committee:** Senate Committee on Housing  
**Bill Number:** SB 75, Relating to Housing  
**Hearing Date and Time:** January 23, 2025, 01:30pm (Room 225)  
**Re:** Testimony of Holomua Collaborative – Support

Aloha Chair Chang, Vice Chair Hashimoto, and members of the committee:

Mahalo for the opportunity to submit testimony **in support** of SB 75, Relating to Housing, which would establish a working group to make recommendations to revise:

- (1) The State's Qualified Allocation Plan (QAP)<sup>1</sup> to more effectively allocate federal and state low-income housing tax credits to projects that best meet the housing needs of the State; and
- (2) The prioritization of the Rental Housing Revolving Fund (RHRF) and the terms of loans made from the fund to support low-income rental housing project and mixed-income rental projects.

The RHRF provides equity gap low-interest loans to qualified owners and developers building affordable housing units. Funds may be used to provide a loan for the development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. Through the volume of dedicated funding provided to it by the Legislature, the RHRF been instrumental in increasing the number of affordable housing units in Hawai'i.

Despite the RHRF's successes, the current prioritization of projects limits the breadth of projects and—ultimately—residents who can benefit from the RHRF as the competitive bidding and statutorily mandated prioritization of projects has led to a narrow scope of projects being financed through the fund. Additionally, the terms of the loans given through RHRF for LIHTC projects are 50+ year terms at miniscule interest rates. The long return on the loans at these low rates may prevent the RHRF from revolving in the most efficient and cost-effective manner. If the RHRF revolved faster, taxpayer monies could likely go to additional housing projects.

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<sup>1</sup> The Low-Income Housing Tax Credit (LIHTC) Program is governed by Section 42 of the Internal Revenue Code (IRC). The State created a State LIHTC which is equal to 50% of the Federal LIHTC allocated to a project. The Hawaii Housing Finance and Development Corporation (HHFDC) has been designated as the agency responsible for the administration of both Federal and State LIHTC Programs for the State.

In accordance with Section 42 of the IRC, HHFDC develops Qualified Allocation Plans (QAPs) which set forth the criteria to evaluate and allocate LIHTC to projects which best meet the housing needs of the State and preferences required by Section 42 of the IRC, and the procedure to monitor for compliance with the provisions of the LIHTC Program.

Leaders from the public, private, non-profit, and labor sectors, directly or indirectly related to housing, all recognize Hawaii's housing crisis. But these leaders inherently have individualized perspectives in how they understand and how we should address the crisis—and far too often these perspectives become siloed. Bringing leaders together through a working group to share, challenge, and find common ground on their perspectives on the housing crisis will set all up to most effectively provide housing to all our neighbors.

Sincerely,



Joshua Wisch  
President & Executive Director

January 22, 2025

Senator Stanley Chang, Chair  
Senator Troy Hashimoto, Vice Chair  
Committee on Housing

RE: **SB 75 - Relating to Housing**  
**Hearing date: Thursday January 23, 2025 at 10:00AM**

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

Mahalo for the opportunity to submit testimony on behalf of NAIOP Hawaii providing **COMMENTS** on SB 75 Relating to Housing. NAIOP Hawaii is the local 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.

SB 75 aims to establish a working group to revise the State's Qualified Allocation Plan (QAP) and prioritize the Rental Housing Revolving Fund (RHRF). While the intent of this bill is appreciated, we respectfully suggest that it may be unnecessary. The Hawaii Housing Finance and Development Corporation (HHFDC) already oversees these processes, regularly updating the QAP and RHRF prioritization through established stakeholder engagement and public input procedures.

Creating a new working group could duplicate existing efforts, delay progress, and divert resources from HHFDC's ongoing work. Instead, we suggest the Legislature support HHFDC by providing additional resources or requesting a report on recent updates and challenges.

NAIOP appreciates the Legislature's commitment to creating affordable housing for Hawaii residents and we look forward to working together. Thank you for the opportunity to provide testimony.

Mahalo for your consideration,



Reyn Tanaka, President  
NAIOP Hawaii



## CATHOLIC CHARITIES HAWAII

### TESTIMONY: COMMENTS on SB 75: RELATING TO HOUSING

TO: Senate Committee on Housing

FROM: Tina Andrade, President and CEO, Catholic Charities Hawai'i

Hearing: Thursday, January 23, 2025; 1:30 PM; CR 225 & Videoconference

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

Thank you for the opportunity to provide **COMMENTS on SB 75**, which establishes a working group to review the State's Qualified Allocation Plan (QAP), priorities for the Rental Housing Revolving Fund (RHRF) and the terms of loans for the RHRF. I am Tina Andrade, 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 75 years. CCH has programs serving elders, children, families, people experiencing homelessness, 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.

The Hawai'i Housing Finance and Development Corporation (HHFDC) already has the ability, capacity and interest in working with the legislature and the community on how to best utilize the funding from the RHRF. **We feel that a new law is not needed to focus their attention on these issues.** We suggest that they could gather wider participation in open meetings to discuss these important issues. Many in the community are very concerned about how to create more elderly housing, house our workforce, help solve homelessness, etc. Open meetings with the HHFDC could facilitate more creative solutions with wide participation from the community.

We urge you to **defer** this bill.

Please contact our Legislative Liaison, Betty Lou Larson at 808-527-4818 if you have any questions.



**LATE**

**SB-75**

Submitted on: 1/22/2025 3:02:35 PM

Testimony for HOU on 1/23/2025 1:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Craig Watase	Testifying for Mark Development Inc.	Oppose	Written Testimony Only

Comments:

Aloha. My name is Craig Watase, CEO of Mark Development and a past president of the BIA Hawaii. We have been building and managing affordable housing since 1977.

1. has been very inclusive in working with a wide range of stakeholders in developing the LIHTC program's Qualified Allocation Plan and its financing programs. HHFDC has accepted testimony, solicited and considered proposed revisions from residents, developers, community groups, government and legislators throughout the years to develop its programs. We are appreciative of this collaboration as the programs are administered fairly while promoting the goals of the State.

The Low Income Housing Tax Credit is the most successful government housing program in history. The LIHTC program's success is linked to the IRS allowing for "home-rule" and local participation rather than government legislating rules. The IRS requires State's to have an inclusive process with public involvement that HHFDC has embraced in its administration of this program. This inclusive process makes this program responsive to the current housing needs of the communities it serves. Legislating these terms is counter to the intent of the program.

Mahalo.