

**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 FINANCE**

February 27, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

### **HOUSE BILL 1727 HOUSE DRAFT 1 RELATING TO THE RENTAL HOUSING REVOLVING FUND.**

Chair Todd, Vice Chair Takenouchi, and members of the Committee.

HHFDC **strongly supports** House Bill 1727 House Draft 1, which strengthens the Rental Housing Revolving Fund (RHRF) and its Mixed-Income Subaccount to accelerate the development of affordable and workforce rental housing in Hawaii.

This bill acts as a housing production accelerator for the workforce housing segment of the market. By enabling the rapid, flexible deployment of resources, this bill will significantly reduce administrative delays that often stall projects and increase costs. The Mixed-Income Subaccount provides a dedicated funding source for workforce housing projects, which are essential for households that fall between traditional affordable housing and market-rate units.

This bill addresses the State's housing crisis by:

1. **Expanding Housing Options.** Supports mixed-income rental projects serving a broader income spectrum.
2. **Providing Flexibility.** Enables rapid fund transfers to meet market needs without unnecessary delays.

With the ability to quickly transfer funds between accounts and assuming an infusion of \$100 million to the Mixed-Income Subaccount, HHFDC estimates that this bill could produce the following benefits:

1. **Increases Housing Supply.** For every \$100 million appropriated to the Mixed-Income Subaccount, HHFDC estimates this measure could finance as many as 500 to 600 new rental units.
2. **Boosts Development Capability.** The flexibility to move funds between accounts will enable projects that best meet demand, are most ready to proceed, and provide the greatest value to the State to proceed.
3. **Leverages Private Investment.** Public funds, whether for LIHTC or mixed-income housing, leverage substantial private capital. When used for LIHTC, RHRF leverages federal tax credits and private activity bond investments to finance deeply affordable housing. Mixed-income projects leverage private capital, amplifying the State's financial impact on housing production.

Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

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Statement of  
**JAMES KUNANE TOKIOKA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Friday, February 27, 2026  
2:00 PM  
State Capitol, Conference Room 308

**HOUSE BILL NO. 1727 HD1**  
**RELATING TO THE RENTAL HOUSING REVOLVING FUND.**

Chair Todd, Vice Chair Takenouchi and members of the Committee,

Thank you for the opportunity to testify in support of HB1727 HD1. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** the proposed bill, which enhances the Rental Housing Revolving Fund (RHRF) and its Mixed-Income Subaccount to accelerate the development of workforce rental housing in Hawaii.

Central to the bill's approach is the Mixed-Income Subaccount, which establishes a dedicated source of funding for workforce housing initiatives. This targeted support is critical for households whose income levels place them above the threshold for traditional affordable housing, yet below the requirements for market-rate units. By focusing on this demographic, the bill addresses a pressing gap in Hawaii's housing market.

Thank you for the opportunity to testify.



## CATHOLIC CHARITIES HAWAII

### Comments on **HB 1727, HD1: Relating to the Rental Housing Revolving Fund**

TO: House Committee on Finance  
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i  
Hearing: Friday, 2/27/26; 2:00 PM; CR 308 & Videoconference

Chair Todd, Vice-Chair Takenouch, and Members, Committee on Finance:

Catholic Charities Hawai'i thanks you for the opportunity to provide **Comments on HB 1727, HD1**, which authorizes the Hawai'i Housing Finance and Development Corporation to transfer moneys between the Rental Housing Revolving Fund (RHRF) and its subaccounts.

Catholic Charities Hawai'i (CCH), a community-based organization, has provided social services in Hawai'i for over 78 years, now serving over 40,000 persons statewide each year. Our services target the most vulnerable in Hawai'i, including elders, veterans, children, families, houseless individuals, and immigrants. We have a long history of addressing affordable housing and homelessness.

HB 1727, HD1 proposes significant changes to the Rental Housing Revolving Fund (RHRF), primarily by authorizing the Hawai'i Housing Finance and Development Corporation (HHFDC) to transfer moneys between the RHRF and its subaccounts—including a Mixed-Income Subaccount—without legislative authorization. For organizations like Catholic Charities Hawai'i, which focus on those with the greatest need, this bill presents **several concerns regarding the potential dilution of resources for deeply affordable housing (60% AMI or less)** in favor of workforce housing (up to 140% AMI). While we recognize the need for workforce housing at the higher AMI levels, the core of our concern lies in the dilution of gap financing for the primary resource of gap financing for Low-Income Housing Tax Credit (LIHTC) projects serving those at or below 60% AMI. To put a face to that number, these are our pre-school teachers and hospitality workers who fuel Hawai'i's economy in the tourism industry.

The State must not solve the middle-income housing crisis by depleting the very funds—the Rental Housing Revolving Fund—that are the lifeblood of deeply affordable housing for our kūpuna, former foster youth, and families earning 30-60% of the Area Median Income (AMI). According to the 2024 Hawai'i Housing Planning Study (HHPS):

- 64% to 65% of the total housing units needed in Hawai'i through 2027 are for households earning 80% AMI and below.
- Hawaii's most acute shortage is for households earning \$30,000 or less, a gap of over 17,000 units.
- Any dilution of the RHRF as a gap-financing tool for LIHTC projects risks further marginalizing the 40,000 households for whom 'affordable' housing is already out of reach.

**We urge the Legislature to ensure that funding for Hawai'i's most vulnerable residents remains a top priority.** If you have questions, please contact Betty Lou Larson, at (808) 527-4813.



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Phone (808) 527-4813 •



January 27, 2026

TO: Chair Todd and Members of the House Committee on Finance  
RE: HB 1727 HD1, Relating to the Rental Housing Revolving Fund

Dear Chair Todd and Committee Members,

Housing Hawai'i's Future is a nonprofit dedicated to creating opportunities for Hawai'i's next generation by ending the workforce housing shortage.

**We urge the House Committee on Housing to advance House Bill 1727 HD1.**

This measure will authorize the Hawai'i Housing Finance and Development Corporation (HHFDC) to transfer money between the Rental Housing Revolving Fund (RHRF) and its subaccounts, without legislative authorization. This could enable the HHFDC to more freely utilize other funds like the Mixed-Income Subaccount established under Act 159, SLH 2025.

HHFDC needs more flexibility to utilize state funds to expand housing opportunities for residents.

By clarifying the conditions under which funds can be transferred within the Rental Housing Revolving Fund and its subaccounts, the bill provides HHFDC with greater flexibility to respond to changing project needs and market conditions. The explicit definition of mixed-income rental projects ensures that resources are directed toward developments that serve a range of residents spanning income levels.

These changes will help ensure that financing options remain available for developers committed to building and maintaining mixed-income rental projects, supporting a more predictable pipeline of affordable housing. **Please advance HB 1727 HD1.**

Thank you,



Lee Wang  
Executive Director  
Housing Hawai'i's Future  
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Perry Arrasmith  
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February 27, 2026

House Committee on Finance  
Hawai'i State Capitol  
Honolulu, HI 96813

**RE: SUPPORT for HB 1727 HD1 - RELATING TO THE RENTAL HOUSING  
REVOLVING FUND**

Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in support of HB 1727 HD1 which strengthens the State's Rental Housing Revolving Fund by allowing more efficient use of housing funds, making the mixed-income subaccount permanent, and providing additional funding to support rental housing development. By improving flexibility and clarity in how funds may be transferred and used, HB 1727 HD1 helps ensure that housing dollars are deployed where they can have the greatest impact.

Funding mixed-income rental housing is critical to addressing Hawaii's housing shortage. Our current market does not adequately serve households across the full range of incomes, particularly middle-income renters who earn too much to qualify for traditional affordable housing programs but not enough to afford market-rate rents. These households include many members of our local workforce, such as teachers, healthcare workers, service employees, and public sector workers, who are essential to the stability of our communities.

A healthy housing system requires a range of housing options that reflect the range of incomes in our state. Mixed-income rental housing helps meet this need by creating projects that are financially viable while still delivering long-term affordability. These developments also support economic diversity, reduce displacement, and help workers



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live closer to their jobs, which strengthens local communities and reduces transportation burdens.

By providing stable, dedicated funding for mixed-income rental housing, HB 1727 HD1 supports a more balanced and realistic approach to housing production. The bill recognizes that solving Hawaii's housing crisis requires multiple tools and sustained investment across income levels.

Hawai'i YIMBY (*Yes In My Backyard*) is a volunteer-led grassroots advocacy organization dedicated to supporting bold and effective solutions for Hawai'i's devastating housing crisis. Our members are deeply concerned about Hawai'i's chronic and worsening housing shortage, which has caused home prices to rise much faster than incomes and pushes thousands of kama'āina out to the mainland or into homelessness every single year.

We ask your support for this bill. Thank you for the opportunity to testify.

Sincerely,  
Damien Waikoloa  
Chapter Lead, Hawai'i YIMBY

Edgardo Díaz Vega  
Chapter Lead, Hawai'i YIMBY

Huey Kwik  
Chapter Lead, Hawai'i YIMBY

