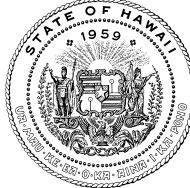


JOSH GREEN, M.D.
GOVERNOR

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

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Statement of
DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

February 03, 2026 at 1:00 p.m.
State Capitol, Room 225

In consideration of
SENATE BILL 2194
RELATING TO HOUSING.

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

HHFDC supports with comments Senate Bill 2194, which proposes to require applicants for Rental Housing Revolving Fund (RHRF) monies to be either governmental agencies or organizations that use all financial surplus, excluding fees, to develop affordable housing in Hawaii.

We understand the intent is to ensure that public resources are reinvested into housing by organizations, but we are concerned that the proposed restrictions may unintentionally create a disincentive for development and limit the pool of qualified applicants. Here are our key concerns:

1. Overly Restrictive Eligibility. By requiring organizations to use *all financial surplus* for additional housing development, the bill may unintentionally reduce the number of quality development applications, which in turn would slow down the pace of affordable housing development at a time when Hawaii faces an urgent housing crisis.
2. Impact on Financial Viability. Development projects are complex and carry financial risks. Removing the ability to retain any surplus for organizational stability may discourage participation, particularly from smaller nonprofits and mission-driven developers who need flexibility to remain solvent.

Rather than mandating that *all* surplus be reinvested, the Legislature could consider requiring a reasonable reinvestment percentage or establishing clear guidelines for surplus use that balance accountability with operational sustainability.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

IN REPLY PLEASE REFER TO:

26:OED

STATE OF HAWAII
KA MOKU'ĀINA O HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of the
Hawaii Public Housing Authority

Before the
SENATE COMMITTEE ON HOUSING

Tuesday, February 3, 2026
1:00 PM – Room 225, Hawaii State Capitol

In consideration of
SB 2194
RELATING TO HOUSING

Honorable Chair Chang, Vice Chair Hashimoto, and Members of the Senate Committee on Housing:

The Hawaii Public Housing Authority (HPHA) supports this measure as it reinforces the principle that taxpayer-supported housing investments should continue to benefit housing. For taxpayers who contribute their hard-earned dollars to support affordable housing, it is reasonable and appropriate that the value generated from those public investments be reinvested to expand and preserve housing opportunities.

As a State agency, HPHA operates under this framework. Any financial surplus generated through HPHA's redevelopment or financing activities is dedicated to advancing the Authority's core mission of providing safe, decent and affordable housing for Hawaii's low-income families. In that context, this measure aligns with HPHA's stewardship responsibilities and use of public financing tools, including the Rental Housing Revolving Fund.

Thank you for the opportunity to provide this testimony, for your consideration, and for your continued commitment to expanding affordable housing opportunities in Hawaii.