

**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 1868 HOUSE DRAFT 1 RELATING TO HOUSING.**

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

HHFDC **comments** on House Bill 1868 House Draft 1, which establishes a working group to revise HHFDC's Qualified Allocation Plan (QAP) and recommend updates to the prioritization and loan terms of the Rental Housing Revolving Fund (RHRF).

HHFDC serves as the State's designated housing credit agency under Section 42 of the Internal Revenue Code. Federal law requires that the QAP be developed and adopted through a public hearing and comment process. HHFDC currently updates the QAP through a robust public process that includes multiple stakeholder meetings, a formal public hearing, and final approval by the Governor. This approach ensures transparency and allows meaningful participation by developers, investors, community groups, and other housing partners.

This bill does not mandate specific QAP changes; instead, it creates a working group to review the QAP and propose revisions. We appreciate that this approach maintains the integrity of the federally required public process while enabling constructive dialogue with legislative committees, state agencies, and community stakeholders. HHFDC welcomes opportunities for collaboration and continuous improvement of the QAP to ensure that both federal and state Low-Income Housing Tax Credits are deployed as effectively as possible.

The bill also tasks the working group with reviewing the prioritization and loan terms of the RHRF. HHFDC supports thoughtful evaluation of how RHRF resources can best support low-income and mixed-income rental housing production, particularly in light of evolving market conditions. We note that RHRF loans are structured to balance project feasibility with fiscal responsibility, including scheduled payments, cash-flow-based components, and balloon payments. We look forward to providing technical expertise to the working group.

This bill requires HHFDC to provide administrative support to the working group and includes an appropriation for this purpose. HHFDC appreciates this recognition of the need for resources to carry out the responsibilities assigned in the bill.

We note that the working group is required to submit its findings and recommendations to the Legislature prior to the 2027 Regular Session and will dissolve on June 30, 2027. The QAP revision process normally takes at least nine months and will take longer if substantive changes are considered. Additionally, while the bill does provide funding, it normally takes several months into the fiscal year until funds are available. While the working group could provide a status update prior to the 2027 Regular Session, findings and recommendations would not be available until mid-2027.

Thank you for the opportunity to testify.

**DEPARTMENT OF HOUSING AND LAND MANAGEMENT  
KA 'OIHANA HO'OLĀLĀ KŪKULU HALE A ME KA HO'OKELE 'ĀINA  
CITY AND COUNTY OF HONOLULU**

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RICK BLANGIARDI  
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CATHERINE A. TASCHNER  
DEPUTY DIRECTOR  
HOPE POO

February 24, 2026

The Honorable Chris Todd, Chair  
and Members of the Housing Committee on Finance  
Hawaii'i House of Representatives  
Hawaii'i State Capitol  
415 South Beretania Street  
Honolulu, Hawaii'i 96813

SUBJECT: Supports Intent for House Bill 1868  
Relating to Housing

Dear Chair Todd and Committee Members:

The Department of Housing and Land Management (DHLM) **supports the intent** of HB1868, which establishes a working group to revise the Hawaii Housing Finance and Development Corporation's Qualified Allocation Plan (QAP) and considers revisions to the prioritization and terms of the Rental Housing Revolving Fund. DHLM appreciates the Legislature's continued focus on improving housing financing tools and respectfully recommends explicitly including county housing directors in the working group structure.

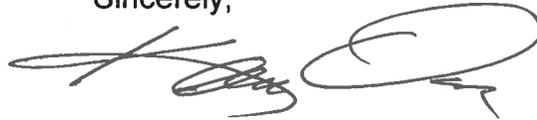
The QAP and related funding priorities directly shape housing production statewide, including projects on county-owned land and developments led or supported by county housing agencies. Because the working group's recommendations will influence project feasibility, timelines, and funding alignment, county housing directors bring essential implementation and pipeline perspectives that should be represented.

Although the bill allows for "relevant stakeholders" to be invited, explicitly naming county housing directors would help ensure consistent coordination between State and county housing strategies. This would improve alignment between Low-Income Housing Tax Credit funding cycles and county development pipelines, particularly for projects involving public land.

The Honorable Chris Todd, Chair  
and Members of the Housing Committee on Finance  
February 24, 2026  
Page 2

Thank you for the opportunity to provide testimony. If you have any questions, please feel free to contact me or Gavin Thornton, Director of Housing Policy, at (808) 768-4277.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin D. Auger". The signature is fluid and cursive, with a large, prominent loop at the end.

Kevin D. Auger  
Director



**TESTIMONY IN SUPPORT**  
**HOUSE BILL 1868 HD1**  
RELATING TO HOUSING

Ke Kōmike Hale o ka ‘Oihana ‘Imi Kālā  
(House Committee on Finance)

Ke Kapitala ‘o Hawai‘i  
(Hawai‘i State Capitol)

Pepeluali 27, 2026

2:00 pm

Room 308

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Aloha Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

The Office of Hawaiian Affairs (OHA) **SUPPORTS HB1868 HD1**, which establishes a working group to revise the Hawai‘i Housing Finance and Development Corporation's (HHFDC) Qualified Allocation Plan (QAP).

The QAP creates an administrative scoring and prioritization system by which state and Federal tax credits and subsidies are awarded to developers. Strengthening affordability commitments and our prioritization system helps ensure that public investments continue to serve local families across generations. This measure appropriately raises the question of whether substantial public investments in housing are delivering housing to meet the needs of local families, particularly for communities most affected by Hawai‘i’s housing crisis.

Native Hawaiians continue to experience disproportionate housing instability, including lower homeownership rates, higher rates of cost-burdened and overcrowded households, and disproportionate representation among individuals and families experiencing homelessness. Long wait times for housing opportunities both on Hawaiian Homelands and in the broader affordable rental market that emphasize these challenges. Housing policy decisions that govern the use of public resources therefore have direct and lasting implications for Native Hawaiians.

OHA supports policy approaches such as:

- **Reforms that strengthen long-term public stewardship of housing investments**, including perpetual affordability requirements and

- prioritization of government owned or mission driven projects, to ensure housing stability for Native Hawaiian ‘ohana and local residents.
- **Rebalancing the Qualified Allocation Plan toward public interest outcomes that align with OHA’s strategic priorities**, by shifting incentives away from short term developer readiness and toward housing models that preserve affordability, prevent displacement, and sustain community wellbeing.

OHA urges the working group to explicitly consider impacts on Native Hawaiian housing access, including how QAP scoring, income targeting, and financing structures could ensure culturally appropriate rental, multigenerational, and government led housing models in Native Hawaiian communities.

OHA supports the establishment of a working group, as amendment, to review the QAP and to make recommendations regarding the prioritization and terms of loans from the Rental Housing Revolving Fund. Given the scale of public investment in these programs, regular review and transparency are essential to ensure that public financing is responsive to community needs and continues to advance long term public benefit. OHA encourages continued consideration of Native Hawaiian housing needs in any such review.

For these reasons, OHA respectfully urges this committee to **PASS** 1868 HD1. Mahalo for the opportunity to testify.

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



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

STATE OF HAWAII  
KA MOKU'ĀINA O HAWAI'I  
**HAWAII PUBLIC HOUSING AUTHORITY**  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
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IN REPLY PLEASE REFER TO:

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Statement of the  
**Hawaii Public Housing Authority**

Before the  
**House Committee on Finance**

Friday, February 27, 2026  
2:00 p.m. – Room 308, Hawaii State Capitol

In consideration of  
**HB 1868, HD1**  
**RELATING TO HOUSING**

Honorable Chair Todd, Vice Chair Takenouchi, and Members of the House Committee on Finance:

The Hawaii Public Housing Authority (HPHA) supports this measure which establishes a working group to revise the Hawaii Housing Finance and Development Corporation's (HHFDC) Qualified Allocation Plan (QAP) and propose revisions to the prioritization of the Rental Housing Revolving Fund and the terms of loans made from the Rental Housing Revolving Fund.

HPHA appreciates the establishment of a working group that brings together public agencies, policymakers, and stakeholders to review the QAP and related housing finance tools in a thoughtful and transparent manner. This process provides an appropriate forum to evaluate policy changes, consider implementation impacts, and strengthen alignment between housing finance programs and long-term public objectives.

HPHA looks forward to participating in this process and working collaboratively with HHFDC and the Legislature to advance housing policies that protect public investment while continuing to support viable housing development and preservation statewide.

Thank you for the opportunity to provide this testimony and for your continued commitment to Hawaii's housing needs.





## CATHOLIC CHARITIES HAWAI'I

### COMMENTS on HB 1868, HD1 RELATING TO HOUSING

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 Toss, Vice Chair Takenouchi, and Members, Committee on Finance:

Thank you for the opportunity to provide **Comments on HB 1868 HD1**, which establishes a working group to revise the Hawai'i Housing Finance and Development Corporation's (HHFDC) Qualified Allocation Plan (QAP), and propose revisions to priorities and terms of loans for the Rental Housing Revolving Fund (RHRF).

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 78 years, now serving over 40,000 individuals statewide each year. 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 authority, expertise, and demonstrated willingness to work with the Legislature and the community on the effective use of the Rental Housing Revolving Fund (RHRF). We suggest that a working group is unnecessary to focus their attention on these priorities. In addition, the proposal may unintentionally create tension between state legislative directives and existing federal compliance requirements, which already require a robust public process.

We suggest keeping the QAP process open to the public, vs only inviting "Relevant stakeholders, as recommended by the members of the working group" as stated in HB 1868 HD1. HHFDC could organize opportunities for the legislators and housing directors listed as members of the working group to meet along with community stakeholders through open meetings specifically devoted to these issues. Many community members are deeply concerned about increasing the supply of elderly housing, housing for persons with disabilities, workforce housing to retain families in Hawai'i, and solutions to homelessness. Broader and more inclusive public engagement through HHFDC could help surface creative, practical solutions informed by diverse perspectives.

Catholic Charities Hawai'i remains committed to maintaining all our affordable rental projects in perpetuity. HD1 deletes the language which prohibited HHFDC from allocating LIHTC to projects without a perpetual affordability commitment. This prohibition could have created challenges outside the control of individual projects. We continue to caution that such a requirement could affect investor interest, project underwriting, and the State's ability to fully utilize its annual housing credit ceiling.

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

