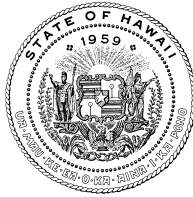


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Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation

Before the

HOUSE COMMITTEE ON HOUSING

March 27, 2026 at 9:30 a.m.

State Capitol, Room 430

In consideration of

HOUSE CONCURRENT RESOLUTION 83 / HOUSE RESOLUTION 75 SUPPORTING THE USE OF THE DWELLING UNIT REVOLVING FUND TO FUND PREDEVELOPMENT COSTS FOR ANY GOVERNMENT AFFORDABLE HOUSING DEVELOPMENT PROJECT THROUGH INTERIM LOANS TO EXPEDITE THE DELIVERY OF AFFORDABLE HOUSING TO HAWAII'S RESIDENTS.

Chair Evslyn, Vice Chair Miyake, and members of the Committee.

HHFDC **supports** House Concurrent Resolution 83 / House Resolution 75, which expresses the Legislature's support for allowing the Dwelling Unit Revolving Fund (DURF) to finance predevelopment costs for any government affordable housing project through interim loans.

As the resolution notes, predevelopment is one of the most critical and most financially risky stages of housing production. Before a project can even move toward construction, government agencies and developers must complete a long list of technical and regulatory tasks, including site analyses, environmental assessments, conceptual and construction drawings, and preparation of permit and financing applications. These steps are essential, but costly, and failure at any point may halt a project entirely.

Traditionally, HHFDC has used DURF predevelopment financing only for projects it directly owns or administers, due to the higher risk of non-recoupment of loans during this early phase.

Yet affordable housing developments today depend on a broad network of state, county, and non-profit partners. Many counties, for example, do not have dedicated, flexible funds that can cover predevelopment expenses. This gap results in delays, missed opportunities, and in some cases, the inability to advance promising housing projects at all.

This resolution recognizes that providing interim predevelopment loans through DURF can accelerate the delivery of affordable housing for Hawaii's residents. Expanding DURF usage in this way will:

1. Help government-led projects move from concept to construction readiness more quickly.
2. Increase the feasibility of innovative, infill, and mixed-income affordable housing projects across the state.
3. Strengthen county and state partnerships by ensuring predictable access to early-stage capital.
4. Support the state's broader housing production goals by reducing bottlenecks in the preconstruction phase.

With the support of the legislature, HHFDC is willing to provide predevelopment financing for other government-sponsored affordable housing projects to help advance their initiatives. This way, DURF can serve as a true catalytic tool, rather than only a construction-stage program.

Thank you for the opportunity to provide testimony.