

**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**

April 02, 2026 at 2:00 p.m.

State Capitol, Room 308

In consideration of

### **SENATE BILL 2060, SENATE DRAFT 2, HOUSE DRAFT 1 RELATING TO THE RENTAL HOUSING REVOLVING FUND.**

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

HHFDC **supports** SB2060, SD2, HD1, which proposes revisions to the Mixed-Income Subaccount within the Rental Housing Revolving Fund (RHRF), including updated priority criteria and authorization for fund transfers.

Hawaii continues to face a severe shortage of affordable and workforce rental housing. Increasing production at a range of income levels requires flexible, well-targeted financing tools. This bill directly advances this need through several meaningful improvements.

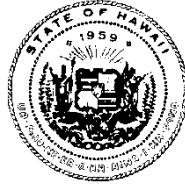
First, the bill authorizes HHFDC to transfer funds between the RHRF and its subaccounts without additional legislative approval. This flexibility ensures that State housing dollars can be deployed more efficiently and quickly to support viable projects as market conditions change. Second, this strengthens the Mixed-Income Subaccount by establishing clear project priorities.

1. Serving a diverse range of affordability up to 140% AMI.
2. Supporting projects on state or county land.
3. Encouraging efficient use of state funds.
4. Prioritizing projects that meet transit-supportive density requirements.
5. Ensuring perpetual affordability.

With respect to the bill's preference for rental housing projects that are revenue neutral, we note that developers and investors who finance rental and for-sale housing projects will seek a commensurate return to compensate for the development risk of a project. The cost of capital is a project cost, and an equitable financial return will need to be factored into the definition of "revenue neutral" and the rules to be adopted.

Thank you for the opportunity to testify.

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



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

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KA MOKU'ĀINA O HAWAI'I  
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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**

**Thursday, April 2, 2026**  
**2:00 PM – Room 308, Hawaii State Capitol**

In consideration of  
**SB 2060, SD2, HD1**  
**Relating to the Rental Housing Revolving Fund**

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

Thank you for the opportunity to provide testimony in support of SB 2060, SD2, HD1. This measure aims to streamline the funding and management of the Rental Housing Revolving Fund (RHRF) and its subaccounts to cover all stages of rental housing projects by giving the Hawaii Housing Finance and Development Corporation (HHFDC) more flexibility and specific priorities.

As a State agency serving Hawaii's low-income residents, HPHA recognizes the importance of aligning federal and state housing resources with long-term public priorities. HPHA's redevelopment efforts are structured to preserve affordability, protect public ownership, and responsibly reinvest public resources to expand housing opportunities.

All of HPHA's ongoing redevelopment projects will remain State-owned or will be conveyed back to the State at a defined point in time. In addition, HPHA intends to continue utilizing federal repositioning programs, including the Rental Assistance Demonstration (RAD) and Faircloth-to-RAD both of which require replacement rental units to remain affordable in perpetuity.

Thank you for your thoughtful consideration of this measure and for your continued commitment to expanding affordable housing opportunities in Hawaii.





## CATHOLIC CHARITIES HAWAI'I

### Comments on SB 2060 SD2 HD1: Relating to the Rental Housing Revolving Fund

TO: House Committee on Finance  
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i  
Hearing: Thursday, April 2, 2026; 2:00 PM; CR 308 & Videoconference

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

I am Betty Lou Larson with Catholic Charities Hawai'i. We thank you for the opportunity to provide **Comments on SB 2060 SD2, HD1**, which authorizes the Hawai'i Housing Finance and Development Corporation (HHFDC) to transfer moneys between the Rental Housing Revolving Fund (RHRF) and its subaccounts.

Catholic Charities Hawai'i (CCH) 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.

Catholic Charities Hawai'i recognizes the need to address rental housing for our workforce, who are struggling to remain in Hawai'i. SB2060, SD1 HD1 proposes significant changes that would allow 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** (80% AMI or less) in favor of workforce housing (up to 140% AMI). Our core concern is the possible dilution of gap financing for Low-Income Housing Tax Credit (LIHTC) projects serving those up to 80% 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 working families earning up to 80% 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 affordable rental housing for Hawai'i's most vulnerable residents remains a top priority.** If you have any questions, please contact Betty Lou Larson, at (808) 527-4813.



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# holomua

COLLABORATIVE

## 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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**Committee:** House Committee on Finance  
**Bill Number:** SB 2060 HD1, Relating to the Rental Housing Revolving Fund  
**Hearing Date and Time:** April 2, 2026, 2pm (Room 308)  
**Re:** Testimony of Holomua Collaborative – Support

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

Mahalo for the opportunity to submit testimony **in support** of SB 2060 HD1, Relating to the Rental Housing Revolving Fund. This bill would, in part, authorize the Hawai'i Housing Finance and Development Corporation (HHFDC), with the approval of the Director of Finance, to transfer moneys between the Rental Housing Revolving Fund (RHRF) and its subaccounts without legislative authorization.

Hawai'i remains in a housing crisis. The median rent in the state is a staggering \$1938.<sup>1</sup> This high price leaves many local families struggling to secure safe, attainable places to live. As a result, many local families are being forced to leave in search of affordable living options elsewhere. Between July 2022 and July 2023 alone, an average of twelve people left Hawai'i *every day*.<sup>2</sup> More Native Hawaiians now live outside Hawai'i than within it. This is a loss of our culture, traditions, and the essence of what makes Hawai'i home.

In October 2025, a survey<sup>3</sup> gathering information about the day-to-day financial experience of local workers was released and it suggests this growing crisis has the potential to reach staggering levels. *When nearly 3,200 local workers were asked if they may need to move to a less expensive state, only twenty-five percent answered a definitive "no," while seventy-five percent said "yes" or "unsure."* And nearly two-thirds of the respondents said the cost of housing was the primary impact on their cost of living in Hawai'i. Each local worker and family we lose to the continent contributes to a loss of our economy, our culture, and our family.

Act 159, Session Laws of Hawaii 2025, established the Mixed-Income Subaccount within the RHRF. This Subaccount allows HHFDC to use RHRF funds for loans to mixed-income rental housing projects, focused on projects for people and families with incomes at or below 140% AMI. This subaccount intends to be an efficient mechanism to quickly and cost-effectively develop housing for local working families (like our

<sup>1</sup> The Hawai'i Housing Factbook 2025. UHERO.

[https://uhero.hawaii.edu/wp-content/uploads/2025/05/HawaiiHousingFactbook2025\\_Main.pdf](https://uhero.hawaii.edu/wp-content/uploads/2025/05/HawaiiHousingFactbook2025_Main.pdf).

<sup>2</sup> U.S. Census Bureau, Population Division Estimates, released on March 14, 2024; and calculations by the Hawai'i State Department of Business, Economic Development & Tourism, Hawai'i State Data Center.

[https://files.hawaii.gov/dbedt/census/popestimate/2023/county-pop/2023\\_daily\\_est\\_counties.pdf](https://files.hawaii.gov/dbedt/census/popestimate/2023/county-pop/2023_daily_est_counties.pdf)

<sup>3</sup> <https://holomuacollective.org/survey-25/>



teachers and first responders) without needing to compete for funding with the other crucial RHRF priority projects. Allowing HHFDC to transfer moneys from the RHRF to the Mixed-Income Subaccount without legislative authorization will result in HHFDC to expend the moneys in the subaccount with the speed needed to address our housing crisis, and help establish more attainable rentals for our local working families.

SB 2060 HD1 is a strong move in the right direction to keep local families in Hawai'i. We appreciate the opportunity to testify and respectfully recommend your passage of this measure.

Sincerely,

Matthew Prellberg  
Policy and Communications Director

**SB-2060-HD-1**

Submitted on: 4/2/2026 11:57:50 AM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Galen Fox	Individual	Comments	Written Testimony Only

Comments:

**Amend SB 2060 SD2 HD 1 with SB 2060 SD2's previous language. That would enable the Rental Housing Revolving Fund to:**

**(1) Authorize the use of funds for any and all forms of financing in addition to loans;**

**(2) Prioritize funds to projects that have perpetual affordability commitments and projects proposed by applicants with a demonstrated history of early repayment to the Fund; and**

**(3) Require that loans supported by the Rental Housing Revolving Fund be reviewed and renegotiated under certain conditions,**

**Doing so by:**

**(1) Authorizing the Rental Housing Revolving Fund and the Mixed-Income Subaccount to be used to provide any and all forms of financing;**

**(2) Requiring the Hawaii Housing Finance and Development Corporation to give preference to certain projects with perpetual affordability commitments and to applicants with a demonstrated history of early repayment to the Rental Housing Revolving Fund;**

**(3) Requiring Rental Housing Revolving Fund loans applied for or awarded after December 31, 2026, to be subject to review and renegotiation when any mortgage debt to which the loan is subordinate is refinanced or retired.**

**In short, please amend the current version of SB 2060 back to its SD2 version.**

**Mahalo for your consideration of this important amendment.**

**Aloha, Galen Fox**