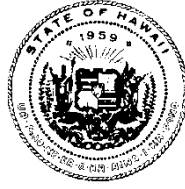


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GOVERNOR
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IN REPLY PLEASE REFER TO:

26:OED

Statement of the
Hawaii Public Housing Authority

Before the
House Committee on Housing

Friday, March 20, 2026
9:00 AM – Room 430, Hawaii State Capitol

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

Honorable Chair Evslin, Vice Chair Miyake, and Members of the House Committee on Housing:

Thank you for the opportunity to provide testimony in **support** of **Senate Bill 2060, SD2**. 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.



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

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Statement of

DEAN MINAKAMI

Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

March 20, 2026 at 9:00 a.m.

State Capitol, Room 430

In consideration of

SENATE BILL 2060 SENATE DRAFT 2 RELATING TO THE RENTAL HOUSING REVOLVING FUND.

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

HHFDC **supports with comments** Senate Bill 2060 Senate Draft 2, which authorizes HHFDC, with the approval of the Director of Finance and the Legislature by concurrent resolution, to transfer funds between the rental housing revolving fund and its subaccounts.

This bill is an important element of the State's broader strategy to address Hawaii's ongoing housing crisis. Improving flexibility in how funds are deployed acts as a production accelerator, particularly for workforce housing. Workforce housing fills a critical gap for households that do not qualify for traditional affordable housing yet are priced out of market-rate units. The Mixed-Income Subaccount provides a dedicated funding source for developments and the ability to move funds *efficiently*, which is essential to keeping projects on track.

We offer the following comments on this bill.

1. Regarding provisions in Section 201H-200(I)(2). The original intent of this bill was to give HHFDC the ability to transfer funds quickly between the RHRF primary and the Mixed-Income Subaccount, depending on project needs. This flexibility was designed to expedite the production of both affordable and workforce rental housing.

However, the requirement for a concurrent resolution significantly limits this flexibility. This additional step reintroduces the very delays that the bill originally sought to eliminate and disables timely responses to an ever-changing market. In practice, this constraint will protract fund deployment, increase development costs, and delay shovel-ready projects.

Also, we are concerned that the requirement to publish on our website a list of projects for which the funds transferred will be expended is contrary to Section 201H-211, which prohibits the obligation against any revolving fund in excess of the amount standing to the credit of the fund.

2. Regarding provisions in Section 201H-200(n), authorizing HHFDC to use funds that have been committed but not yet encumbered for other rental housing projects. While HHFDC supports the spirit of accountability reflected in subsection (n), we note the following operational concerns.
 - a. Funding awards/commitments are limited by the standing balance of the fund. Developers, investors, and other stakeholders rely on these awards/commitments to further invest in their respective projects, preparing for financial closing and construction. The redirection of these funding commitments, even temporarily, undermines the integrity of these awards and increases the risk for those who participate in our funding programs.
 - b. The requirement for legislative approval via concurrent resolution limits HHFDC's ability to respond promptly to time-sensitive opportunities. Concurrent resolutions are only considered during the legislative session or via special session, which substantially weakens the effectiveness of the temporary use- provision and reintroduces delays this bill seeks to resolve.

HHFDC respectfully requests reconsideration of the amendments that impose concurrent resolution approval for fund transfers and on the use of committed funds. Removing these approval requirements, while retaining transparency and reporting obligations, would strengthen HHFDC's ability to respond to market conditions, reduce administrative delays, and accelerate production of both affordable and mixed-income rental units. These changes will better position the State to meet its urgent housing needs.

Thank you for the opportunity to testify.



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March 20, 2026

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

**RE: SUPPORT for SB 2060 SD2 - RELATING TO THE RENTAL HOUSING
REVOLVING FUND**

Aloha Chair Evslin, Vice Chair Miyake, and Members of the Committee,

On behalf of Hawai'i YIMBY, we are writing in **support of SB 2060 SD2** 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, SB 2060 SD2 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, SB 2060 SD2 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

