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IN REPLY PLEASE REFER TO:

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Statement of the
Hawaii Public Housing Authority

Before the
Senate Committee on Ways and Means

Thursday, February 19, 2026
10:30 AM – Room 211, Hawaii State Capitol

In consideration of
SB 2342, SD1
RELATING TO HOUSING

Honorable Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Senate Committee on Ways and Means:

The Hawaii Public Housing Authority (HPHA) **supports** strengthening long-term affordability, reinforcing public stewardship of housing resources, and ensuring that significant public investments in housing deliver durable benefits for the people of Hawaii.

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 continues to utilize federal repositioning programs, including the Rental Assistance Demonstration (RAD) and Faircloth-to-RAD, both of which require the replacement of rental units to remain affordable in perpetuity. In this respect, HPHA's redevelopment activities are aligned with the bill's emphasis on long-term affordability and public benefit.

HPHA appreciates the establishment of a working group that brings together public agencies, policymakers, and stakeholders to review the Qualified Allocation Plan (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.



TESTIMONY IN SUPPORT
SENATE BILL 2342 SD1
RELATING TO HOUSING

Ke Kōmike ‘Aha Kenekoa o ke Ki‘ina Hana a me nā Kumuwaiwai
(Senate Committee on Ways and Means)

Hawai‘i State Capitol

Pepeluali 19, 2026

10:30am

Room 211

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee on Ways and Means:

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB2342 SD1, 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 housing development are delivering the types of housing to meet the needs of local families, particularly for communities most affected by Hawai‘i’s housing crisis.

OHA appreciates the amendments made to this measure, which strengthen the State’s stewardship of public housing investments while preserving compliance within Hawai‘i’s housing finance system. OHA supports the amendments that clarify affordability commitments. 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 exacerbate

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 and prevent displacement.

OHA urges the working group to explicitly consider how QAP scoring, income targeting, and financing structures could ensure culturally appropriate rental, multigenerational, and government led housing models in Native Hawaiian communities such as leveraging NAHASDA funding through prioritization scoring.

OHA also supports the establishment of a working group to review the QAP and the prioritization and terms of 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** this measure. Mahalo for the opportunity to testify.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY: COMMENTS on SB 2342 SD1: RELATING TO HOUSING

TO: Senate Committee on Ways and Means
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i
Hearing: Thursday, 2/19/26; 10:30 AM; CR 211 & Videoconference

Chair Dela Cruz, Vice Chair Moriwaki, and Members, Committee on Ways and Means:

I am Betty Lou Larson from Catholic Charities Hawai'i. Thank you for the opportunity to provide **COMMENTS on SB 2342 SD1**, which establishes a working group to revise the Hawai'i Housing Finance and Development Corporation's Qualified Allocation Plan (QAP), priorities for the Rental Housing Revolving Fund, terms of loans from the RHRF, and prohibits allocating tax credits or moneys to projects without a perpetual affordability commitment.

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 believe a new statutory mandate 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. For example, under the federal Low-Income Housing Tax Credit (LIHTC) program, a robust public process is already required.

Rather than establishing new statutory requirements, we suggest encouraging HHFDC to expand opportunities for community participation 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 for younger families, 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. However, prohibiting HHFDC from allocating LIHTC or other RHRF resources to projects without a perpetual affordability commitment could create challenges outside the control of individual projects. Such a requirement could affect investor interest, project underwriting, and the State's ability to fully utilize its annual housing credit ceiling. Federal law also recognizes that income targeting and overall project feasibility must be balanced within a Qualified Allocation Plan (QAP).

We respectfully urge you to **defer** this bill. Please contact Betty Lou Larson at 808-527-4818 if you have any questions.



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

SENATE COMMITTEE ON WAYS AND MEANS

February 19, 2026 at 10:30 a.m.

State Capitol, Room 211

In consideration of

SENATE BILL 2342 SENATE DRAFT 1 RELATING TO HOUSING.

Chair Dela Cruz, Vice Chair Moriwaki, and members of the Committee.

HHFDC **comments** on Senate Bill 2342 Senate Draft 1, which proposes reforms to HHFDC's Qualified Allocation Plan (QAP) and 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 adopted through a public hearing and comment process. HHFDC updates the QAP through a public process that involves multiple meetings with stakeholders, a public hearing, and approval by the Governor. This process is designed to ensure transparency, stakeholder input, and compliance with federal requirements. Amendments to the QAP must be considered through a transparent public process rather than mandated as set forth in Part III and Part IV of the Bill.

This bill directs substantive changes to the QAP, including mandatory scoring priorities, perpetual affordability requirements, and prohibitions on allocating Low-Income Housing Tax Credits (LIHTC) or RHRF loans without such commitments. While HHFDC recognizes the Legislature's authority to set housing policy, we respectfully note that prescribing detailed QAP criteria in statute may limit the ability of the federally required public process to meaningfully inform the final plan. This creates tension between legislative direction and federal compliance obligations.

Regarding perpetual affordability, HHFDC has amended the QAP in recent years to incentivize projects to commit to perpetual affordability. The 2025 QAP awarded the maximum number of points to projects that commit to perpetual affordability under the "Length of Affordability" criterion. Of projects that were awarded financing in 2025, over half committed to perpetual affordability or were government projects. We note that mandating perpetual affordability could affect investor participation, underwriting, and utilization of the State's annual housing credit ceiling. Federal law

also contemplates income targeting and project feasibility as key considerations within a QAP. HHFDC supports long-term affordability as a policy goal but urges caution to avoid unintended consequences that could reduce housing production.

Regarding projects on government-owned lands, HHFDC supports giving preference to such projects for several reasons. A criterion was added to the 2024 QAP, specifically providing preference to projects on State or county lands, and has remained in the QAP for 2025 and 2026. Based on our initial review of applications submitted, many properties expect to qualify for these points.

Regarding RHRF, we would like to clarify that RHRF loans are not dormant until senior debt is retired. They include scheduled payments, cash-flow-based components, and balloon payments at maturity. These structures balance feasibility with fiscal stewardship and ensure eventual repayment.

Thank you for the opportunity to provide testimony.

**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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HOPE PO'O

February 17, 2026

The Honorable Donovan M. Dela Cruz, Chair
and Members of the Senate Committee on Ways and Means
Hawaii'i State Senate
Hawaii'i State Capitol
415 South Beretania Street
Honolulu, Hawaii'i 96813

**SUBJECT: Supports Intent for Senate Bill 2342
Relating to Housing**

Dear Chair Dela Cruz and Committee Members:

The Department of Housing and Land Management (DHLM) **supports the intent** of SB2342, 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 Donovan M. Dela Cruz, Chair
and Members of the Senate Committee on Ways and Means
February 17, 2026
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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", written in a cursive style.

Kevin D. Auger
Director