TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA ‘OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2026

ON THE FOLLOWING MEASURE:
S.B. NO. 2553, RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

BEFORE THE:
SENATE COMMITTEE ON HOUSING

DATE: Thursday, February 5, 2026 **TIME:** 1:01 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Linda L.W. Chow, Deputy Attorney General

Chair Chang and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments on this bill.

This bill increases the authorization for Hula Mae multifamily revenue bonds from $3,000,000,000 to $5,000,000,000. The bill also clarifies that revenue bonds treated as refunding bonds under the Internal Revenue Code should not be counted against that authorization.

The Department notes that the reference in section 2, page 2, line 14, to the "Hula Mae multifamily revenue bond authorization" may create ambiguity, as the body of the bill does not specifically reference that authorization. The only reference to the Hula Mae bond program is contained in section 1, a preamble.

To avoid ambiguity and ensure clarity, the Department recommends amending the sentence beginning on page 2, line 11, to read as follows:

> Revenue bonds treated as refunding bonds under the Internal Revenue Code of 1986, as amended (or successor thereto), shall not count against **the aggregate principal amount authorized under this section**.

We respectfully ask the Committee to consider our recommendations. Thank you for the opportunity to testify on this bill.

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 HOUSING
February 05, 2026 at 1:01 p.m.
State Capitol, Room 225

In consideration of
SENATE BILL 2553
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

Chair Chang, Vice Chair Hashimoto, and members of the Committee.

HHFDC **strongly supports** Senate Bill 2553, which increases the Hula Mae Multi-Family Revenue Bond authorization from $3 billion to $5 billion.

Governor Green has declared a housing emergency and set ambitious targets for increasing affordable housing production statewide. Expanding the bond capacity for the Hula Mae Multi-Family (HMMF) Revenue Bond Program is critical to the creation of affordable housing. The use of private activity bonds in conjunction with the Low-Income Housing Tax Credit (LIHTC) accounts for the majority of HHFDC's housing production each year. The issuance of tax-exempt bonds provides access to LIHTC, which is the greatest contributor to the capital stack and feasibility of affordable rental housing projects throughout the State.

Over the past five years, the HMMF program has been deployed in over 25 projects totaling 4,295 units.

Increasing the bond authorization ceiling is crucial to sustaining affordable housing production to meet current and future demands. Without additional bond authority, the State will not have access to LIHTC, and this will cut off the pipeline of much-needed low-income rental housing projects.

Thank you for the opportunity to testify.

STATE OF HAWAIʻI
OFFICE OF PLANNING
& SUSTAINABLE DEVELOPMENT

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

MARY ALICE EVANS
DIRECTOR

235 South Beretania Street, 6th Floor, Honolulu, Hawaiʻi 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaiʻi 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: https://planning.hawaii.gov/

Statement of
MARY ALICE EVANS, Director

before the
SENATE COMMITTEE ON HOUSING

Thursday, February 5, 2026
1:01 PM
State Capitol, Conference Room 225

in consideration of
SB 2553
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

Chair Chang, Vice Chair Hashimoto, and Members of the Senate Committee on Housing, the Office of Planning and Sustainable Development (OPSD) **supports** SB 2553 which increases the Hula Mae Multifamily Revenue Bond authorization ceiling amount to continue financing affordable rental housing statewide.

The Hawaii Housing and Finance Development Corporation (HHFDC) administers the Hula Mae Multifamily Revenue Bond as a financing tool for developers to build affordable housing. It is an essential tool for developers to use when financing their projects. By increasing the authorization ceiling amount, it will provide HHFDC with opportunities to finance additional projects and push pipeline projects into production.

Thank you for the opportunity to testify on this measure.

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February 5, 2026

The Honorable Stanley Chang, Chair
Senate Committee on Housing
State Capitol, Conference Room 225 & Videoconference

RE: Senate Bill 2553, Relating to the Housing Loan and Mortgage Program

HEARING: Thursday, February 5, 2026, at 1:01 p.m.

Aloha Chair Chang, Vice Chair Hashimoto, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawaii and its over 10,000 members. HAR **supports** Senate Bill 2553, which increases the Hula Mae Multifamily Revenue Bond authorization ceiling amount to continue financing affordable rental housing statewide.

According to the Department of Business, Economic Development and Tourism's 2024 report on Housing Demand in Hawai'i, our State needs up to 41,118 housing units to meet demand by 2035, including affordable rentals.[1] The Hula Mae Multi-Family tax-exempt bond program helps meet this need by supporting the development of new rental housing and the rehabilitation of existing projects through tax-exempt revenue bonds that provide interim and permanent financing at below-market interest rates.

By increasing the authorization ceiling, this measure ensures this financing tool can continue to support the production and preservation of affordable rental housing in our State.

Mahalo for the opportunity to provide testimony on this measure.

[1] Department of Business, Economic Development & Tourism. (March 2024). *Hawaii Housing Demand 2025-2035.* https://files.hawaii.gov/dbedt/economic/reports/hawaii_housing_demand_2024_final.pdf

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LATE

February 4, 2026

The Honorable Stanley Chang, Chair
The Honorable Troy N. Hashimoto, Vice Chair
and Members of the Senate Committee on Housing

Subject: Testimony: SB 2553, Relating to the Housing Loan and Mortgage Program
Hearing: February 5, 2026, at 1:01 PM, Conference Room 225

Dear Chair Chang, Vice Chair Hashimoto, and Committee Members:

Stanford Carr Development supports SB 2553 which proposes to increase the Hula Mae Multifamily Revenue Bond authorization ceiling to continue financing affordable rental housing statewide.

Expanding the bond authorization will provide additional financial capacity for Hawaii to address the significant demand for affordable housing. Importantly, the federal 4% Low-Income Housing Tax Credit (LIHTC) program requires the use of tax-exempt bond financing. Therefore, increasing the bond ceiling directly enhances the State's ability to maximize use of this federal program.

Furthermore, tax-exempt bonds enable below-market rate financing, which reduces overall development costs and allows for more affordable rents for Hawaii residents.

For these reasons, we respectfully urge the Legislature to pass SB 2553.

Thank you for the opportunity to provide testimony.

Sincerely,

Stanford S. Carr

ALAKEA CORPORATE TOWER • 1100 ALAKEA STREET, 27TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 537-5220 • FACSIMILE: (808) 537-1801 • WEBSITE: www.stanfordcarr.com

1001 Bishop Street #625 | Honolulu, HI 96813
866-295-7282 | aarp.org/hi | hiaarp@aarp.org |
Twitter.com/aarphawaii | facebook.com/aarphawaii

LATE

The Thirty-Third Legislature
Senate Committee on Housing
Thursday, February 5, 2026
Conference Room 225
1:01 p.m.

TO: The Honorable Stanley Chang, Chair
FROM: Keali‘i S. López, State Director
RE: Support for S.B. 2553 Relating to the Housing Loan and Mortgage Program

Aloha Chair Chang and Members of the Committee:

I am Keali‘i Lopez, State Director for AARP Hawai‘i. AARP is the nation’s largest nonprofit, nonpartisan, social impact organization dedicated to empowering people fifty and older to choose how they live as they age. We advocate for the issues that matter most to older adults and their families: health and financial security, and personal fulfillment. On behalf of our 135,000 members in Hawai‘i, thank you for the opportunity to testify on S.B. 2553.

AARP supports S.B. 2553 which increases the revenue bond cap from **$3B to $5B**, allowing the Hawai‘i Housing Finance and Development Corporation (HHFDC) to support **more projects and larger projects** under the Housing Loan and Mortgage Program.

This cap increase allows Hawai‘i to keep building and preserving affordable rental units, an essential step as demand far exceeds supply, especially for seniors on fixed incomes. By making more affordable rental units feasible, S.B. 2553 helps older adults stay near family, services, and transportation and advancing livable, age-friendly communities.

To be clear, the bill **does not create new programs**; it ensures the existing Hula Mae Multifamily program can continue without interruption as previous bond authority is used up. By increasing the bond authorization ceiling, HHFDC can plan a **multi-year pipeline** of affordable housing loans and projects. Stable and affordable housing is foundational to strong, resilient communities. By supporting this measure, the state can help promote long-term community stability.

Ensuring a supply of affordable housing can attract and retain a diverse workforce, support local businesses, and contribute to the overall economic health of Hawai‘i. This is especially important to prevent young working families from leaving Hawai‘i due to housing instability.

AARP respectfully requests that the Senate Committees on Housing pass S.B. 2553. Mahalo Nui!

Cindy Freitas

makainanqi@gmail.com

OPPOSE UNLESS AMENDED – S.B. 2553

RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM
(HULA MAE MULTIFAMILY REVENUE BONDS)**

He Mele komo a he mele aloha no na kupuna o ke au i hala Aloha mai kakou.

Aloha,

My name is Cindy Freitas and I'm a Native Hawaiian descended of the native inhabitants of Hawai'i prior to 1778 and born and raised in Hawai'i.
I am also a practitioner who still practice the cultural traditional customary practices that was instill in me by my grandparents at a young age from mauka (MOUNTAIN TO SEA) to makai in many areas.

I respectfully submit testimony **OPPOSING S.B. 2553 UNLESS AMENDED**, due to its failure to protect the **County of Hawai‘i** and ensure equitable, accountable use of expanded bonding authority.

S.B. 2553 increases the Hula Mae Multifamily Revenue Bond authorization from **$3 billion to $5 billion**, yet adds **no county safeguards, affordability requirements, or accountability measures** to ensure that Hawai‘i County communities benefit from this expansion.

Key concerns for Hawai‘i County include:

- **No county equity or allocation requirement.** The bill provides no minimum investment or proportional distribution by county, despite Hawai‘i County's documented rental shortages, rural conditions, and infrastructure constraints.
- **No county-adjusted affordability standards.** Statewide AMI benchmarks do not reflect Hawai‘i County incomes, resulting in "affordable" units that remain out of reach for local residents.
- **No infrastructure verification.** The bill does not require county confirmation of water availability, wastewater capacity, road access, or emergency services—critical issues in many Hawai‘i County districts.
- **No cultural or environmental safeguards.** There are no requirements for cultural impact assessment, lineal descendant consultation, or environmental considerations tied to bond financing.
- **No county-level transparency or reporting.** The bill does not require public reporting of bond usage, unit counts, locations, or affordability levels by county.
- **No anti-displacement or local preference protections.** State-financed projects may increase land values and displacement without protections for Hawai‘i County residents.

REQUIRED AMENDMENTS (OPPOSE UNLESS ADOPTED)

S.B. 2553 should not advance unless amended to:

- Require **county-by-county allocation or minimum investment floors**, including Hawai‘i County;
- Establish **county-adjusted affordability targets**, including units affordable at ≤50% AMI;
- Mandate **county verification of infrastructure capacity** prior to bond financing;
- Include **cultural and environmental safeguards**;
- Require **annual public reporting by county** on bond usage and outcomes;
- Add **anti-displacement protections and local resident preferences**.

CONCLUSION

Expanding bonding authority without county safeguards risks continuing inequitable investment patterns that leave Hawai‘i County behind. Housing finance must be **equitable, transparent, and coordinated with county realities**.

For these reasons, I **OPPOSE S.B. 2553 UNLESS AMENDED**.

Mahalo,

Cindy Freitas

SB-2553
Submitted on: 2/3/2026 2:09:15 PM
Testimony for HOU on 2/5/2026 1:01:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

Good idea to help families stay in Hawaii.