

**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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September 2, 2025

The Honorable Tommy Waters
Chair and Presiding Officer
and Members
Honolulu City Council
530 South King Street, Room 202
Honolulu, Hawai'i 96813

Dear Chair Waters and Councilmembers:

SUBJECT: Testimony on Bill 20 (2025), Relating to Funds

The Department of Housing and Land Management respectfully submits testimony in opposition to Bill 20 (2025), which proposes the establishment of a new down payment loan assistance program.

While we appreciate and support the intent behind this measure — to improve access to homeownership for local residents — we are concerned that creation of the proposed program will not be a cost-effective strategy for achieving the desired impact. We would appreciate the opportunity to continue discussions before further action is taken on the bill. In the meantime, we offer the following concerns.

First, establishing a new down payment assistance program at the City level would require significant administrative resources. It would also duplicate efforts already underway at the state level. The Hawai'i Housing Finance and Development Corporation (HHFDC) recently adopted Hawai'i Administrative Rules Chapter 15-317, launching a new statewide Downpayment Loan Assistance Program. Creating a parallel City program would require separate staffing, systems, and infrastructure — raising the risk of inefficiencies and fragmentation.

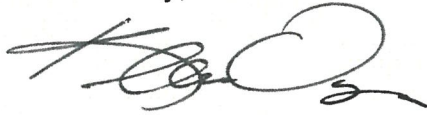
Second, while down payment assistance can help a small number of buyers compete more effectively in the market, it does not increase the supply of housing. In a supply constrained market such as ours, the program will likely simply shift who gets access to limited housing stock — allowing one family to beat out another — without making homes more affordable overall. We believe City resources are better spent on strategies that produce more housing - such as funding new construction or reducing removing regulatory barriers.

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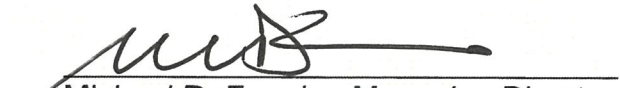
Thank you for the opportunity to provide testimony. If you have any questions, please feel free to contact Gavin Thornton, Director of Housing Policy, at (808) 927-9176.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin D. Auger', with a stylized flourish at the end.

Kevin D. Auger
Director Designate

APPROVED:

A handwritten signature in black ink, appearing to read 'Michael D. Formby', with a horizontal line underneath.
Michael D. Formby, Managing Director
Office of the Managing Director