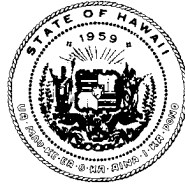


DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 2, 2015 at 8:30 a.m.
State Capitol, Room 329

In consideration of
H.B. 277
RELATING TO INFRASTRUCTURE.

HHFDC **supports** H.B. 277. This bill would provide counties with the option of using their community facilities district authority to establish a repayment mechanism for revenue bonds authorized under section 201H-72, HRS, to finance the development of infrastructure for affordable housing projects developed in that county.

The lack of available land with infrastructure is a significant barrier to affordable housing statewide. This bill would provide another potential financing option for the infrastructure needed to **support** affordable housing development.

Thank you for the opportunity to testify.



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Housing
Monday, February 2, 2015 at 8:30 A.M.
Conference Room 329, State Capitol**

RE: HOUSE BILL 277 RELATING TO INFRASTRUCTURE

Chair Hashem, Vice Chair Jordan, and Members of the Committee:

The Chamber **supports** H.B. 277 which proposed to allow counties to use community facilities districts as a method for repayment of infrastructure development loans administered by the Hawaii housing finance and development corporation to help **support** infrastructure for affordable housing developments.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

Infrastructure capacity building will allow for more housing production. While government focuses on “affordable housing,” the Chamber believes that policy makers must take action to increase the overall supply of housing at all price points in Hawaii. The lack of supply and increasing demand is the basic reason why the median price of a new house on Oahu was almost \$720,000.00 in the fourth quarter of 2014. A healthy housing market allows people to purchase entry level housing and then “step up” to a different price range as their income and family situation changes.

We encourage the Legislature to approve H.B. 277 as it allows for alternative methods to fund infrastructure capacity building.

Thank you for the opportunity to express our views on this matter.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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Testimony to the House Committee on Housing Monday, February 2, 2015 8:30 a.m. State Capitol - Conference Room 329

RE: HOUSE BILL NO. 277 RELATING TO INFRASTRUCTURE

Chair Hashem and Vice-Chair Jordan, and members of the committee:

My name is Gladys Marrone, Chief Executive Officer for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** H.B. 277, which proposes to allow counties to use community facilities districts as a method for repayment of infrastructure development loans administered by the Hawaii Housing Finance and Development Corporation to help **support** infrastructure for affordable housing developments.

Infrastructure capacity building will encourage more housing production. While government focuses on "affordable housing," BIA-Hawaii believes that policy makers must take action to increase the overall supply of housing at all price points in Hawaii. The continued lack of supply and increasing demand is the basic reason why the median price of a new house on Oahu was almost \$720,000.00 in the fourth quarter of 2014. A healthy housing market allows people to purchase entry level housing and then "step up" to different price ranges as their income and family situations changes.

We encourage the Legislature to approve H.B. 277, as it allows for alternative funding methods for infrastructure capacity building.

Thank you for the opportunity to express our views on this matter.



LATE

LAND USE RESEARCH
FOUNDATION OF HAWAII

1100 Alakea Street, Suite 408
Honolulu, Hawaii 96813
(808) 521-4717
www.lurf.org

February 2, 2015

Representative Mark J. Hashem, Chair
Representative Jo Jordan, Vice Chair
House Committee on Housing

Support for HB 277 Relating to Infrastructure; Community Facilities Districts –

Allows counties to use community facilities districts as a method for repayment of infrastructure development loans administered by the Hawaii housing finance and development corporation to help support infrastructure for affordable housing developments.

HSG Hearing: Monday, February 2, 2015, 8:30 a.m., in Conference Room 329

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

HB 277. This bill proposes to allow counties to use community facilities districts as a method for repayment of infrastructure development loans administered by the Hawaii Housing Finance and development corporation to help support infrastructure for affordable housing developments.

LURF **supports the intent** of this measure, because the availability and costs of major government infrastructure (roads, sewer, water, etc.) are a major factor in the production of every housing type (low-income, affordable, workforce and market housing). This bill would encourage the use of another tool – Community Facilities Districts – to assist in funding infrastructure for affordable housing, but will still place the burden of the costs of such infrastructure on the new homebuyer over time. Thus, LURF prefers the equity of government funding all the major infrastructure for all types housing projects and the use of Tax Increment Financing - both of which would not increase the costs of housing by adding the burden of infrastructure costs on a new homebuyer and would allow the state and county governments to recoup their investments in infrastructure over time through increased general excise taxes, income taxes, and real property taxes.

For the reasons stated above, LURF respectfully recommends that this Committee **favorably consider HB 277.**

Thank you for the opportunity to provide comments regarding this proposed measure.