



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

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

HOUSE COMMITTEE ON HOUSING

February 9, 2017 at 9:00 a.m.
State Capitol, Room 423

In consideration of
H.B. 389
RELATING TO HOUSING.

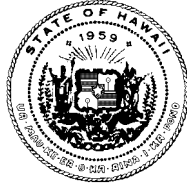
The HHFDC supports H.B. 389 as long as it does not replace priorities requested in the Executive Budget. In particular, HHFDC supports Parts II, III, and IV of the bill, which include unspecified General Obligation (G.O.) Bond appropriations for infusion into the Rental Housing Revolving Fund (RHRF), the Dwelling Unit Revolving Fund (DURF), and an unspecified General Fund appropriation for the construction of micro apartment housing units. The Executive Budget includes G.O. Bond appropriations of \$50 million for infusion into the RHRF and \$50 million for infusion into the DURF.

The RHRF provides loans to projects that set aside rental units affordable to extremely- and very low-income families. The loans fill the financing gap to develop an affordable rental housing project. Since its inception, Rental Housing Revolving Fund awards have been made to 78 affordable rental projects comprising a total of 6,232 units statewide. In Fiscal Year 2016, the RHRF received approximately \$33,056,876 in conveyance tax revenues, which we anticipate being able to fully utilize to make awards to qualified projects during our 2017 competitive funding rounds.

Act 132 broadened the uses of the DURF to include regional state infrastructure construction in conjunction with housing and mixed-use transit-oriented development projects. This funding will enable the state to address a significant barrier to housing development - the lack of roads, water, sewer, drainage, and utilities.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
DIRECTOR

BRIDGET HOLTHUS
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STATE OF HAWAII
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LATE

February 9, 2017

TO: The Honorable Representative Tom Brower, Chair
House Committee on Housing

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 389 – RELATING TO HOUSING**

Hearing: Thursday, February 9, 2017, 9:00 a.m.
Conference Room 423, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to address the State's homeless crisis as there is a need for construction of affordable homes. DHS offers comments and defers to the Hawaii Housing Finance and Development Corporation (HHFDC) and the Department of Hawaiian Homelands for the sections impacting those agencies.

PURPOSE: The purpose of the bill is to authorize the issuance of general obligation bonds and appropriates funds to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units, development of infrastructure and improvements of on-site and off-site development, for the construction of micro apartment housing units, to construct housing for native Hawaiian beneficiaries on department of Hawaiian home lands homestead land, to build affordable housing projects for veterans, and provide a report to the legislature.

DHS asks the Legislature to support budget requests identified in the Executive Budget that support increasing available inventory of affordable rentals and for maintenance and repair of public housing units.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI
LT. GOVERNOR
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WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

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**TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON HOUSING**

IN SUPPORT OF

HB 389 RELATING TO HOUSING

February 9, 2017

Aloha Chair Brower and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill that authorizes the issuance of general obligation bonds and appropriates funds to several state agencies for the purposes of improving and increasing the existing public and affordable housing stock in the State. As it pertains specifically to DHHL, the bill proposes to appropriate funding for fiscal year 2018-2019 to construct housing for native Hawaiian beneficiaries on Hawaiian Home Lands.

The Department appreciates any additional funding to support its initiatives as long as it doesn't affect the priorities identified in the Governor's Executive budget request.

Thank you for your consideration of our testimony.