



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 FINANCE

March 30, 2017 at 3:00 p.m.
State Capitol, Room 308

In consideration of
S.B. 911, S.D. 1, H.D. 1
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

The HHFDC **strongly supports** S.B. 911, S.D. 1, H.D. 1, an Administration bill to increase the bond authorization amount for the Housing Loan and Mortgage Program, popularly known as the Hula Mae Multifamily Bond Program.

The Hula Mae Multifamily Bond Program promotes the development of new or the acquisition and rehabilitation of existing rental housing projects through the issuance of mortgage revenue bonds for interim and permanent financing at rates below conventional market interest rates. Over the last few years, it has become an increasingly popular financing tool for nonprofit and for profit developers of affordable rental housing.

Hula Mae Multifamily bonds have assisted in financing the development or acquisition and rehabilitation of 29 projects totaling 3,895 affordable rental units statewide. An additional 12 projects, totaling an additional 2,538 units, are in the planning phase and are pending issuance of approximately \$229,854,575 in bonds.

Currently, HHFDC has only \$234,726,726 in uncommitted Hula Mae Multifamily bond authority remaining. The requested increase in bond authority is needed to continue to issue bonds for much-needed affordable rental housing projects statewide.

Thank you for the opportunity to testify.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
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Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Thursday, March 30, 2017
3:00 PM
State Capitol, Conference Room #308



In consideration of
S.B. 911, S.D. 1, H.D. 1
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.


Chair Luke, Vice Chair Cullen, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** S.B. 911, S.D. 1, H.D. 1 that would increase the bond authorization ceiling for the private activity revenue bonds issued by Hawaii Housing Finance and Development Corporation to finance affordable rental housing development under the Housing Loan and Mortgage Program, which is better known as the Hula Mae Multifamily Bond Program.

Increasing the bond authorization ceiling from \$1 billion to \$1.5 billion will allow the Hula Mae Multifamily Bond Program to continue to finance affordable rental housing development going forward.

Thank you for the opportunity to testify.



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March 30, 2017

The Honorable Sylvia Luke, Chair

House Committee on Finance

State Capitol, Room 308

Honolulu, Hawaii 96813

RE: S.B. 911, S.D.1, H.D.1, Relating to the Housing Loan and Mortgage Program

HEARING: Thursday, March 30, 2017, at 3:00 p.m.

Aloha Chair Luke, Vice Chair Cullen, and Members of the Committee.

I am Myoung Oh, Director of Government Affairs, submitting written testimony on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,200 members. HAR **supports** S.B. 911, S.D.1, H.D.1 which increasing the Hula Mae Multifamily Revenue Bond authorization from \$1 billion to an unspecified amount.

The increase of the bond authorization will assist with the development of new or the acquisition and rehabilitation of existing rental housing projects through the issuance of mortgage revenue bonds for interim and permanent financing at rates below conventional market interest rates. HAR supports the increase in furtherance of HHFDC's mission.

Mahalo for the opportunity to submit written testimony in support of this measure.





LATE

LAND USE RESEARCH
FOUNDATION OF HAWAII

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March 30, 2017

Representative Sylvia Luke, Chair
Representative Ty J.K. Cullen, Vice Chair
House Committee on Finance

Strong support of SB 911, SD1, HD1 - Relating to the Housing Loan and Mortgage Program (Increases the Hula Mae Multifamily Revenue Bond authorization amount. Requires the Hawaii Housing Finance and Development Corporation to submit annual reports to the Legislature describing the activity of the revenue bond.)

FIN Hearing: Thursday, March 30, 2017, at 3:00 p.m., in Conf. Rm. 308

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.

LURF is in **strong support of SB 911, SD1, HD1.**

SB 911, SD1, HD1. The purpose of this measure is to assist Hawaii residents in obtaining affordable rental housing through the Housing Loan and Mortgage Program (aka Hula Mae Multifamily Bond Program), by increasing the Hawaii Housing Finance and Development Corporation's (HHFDC) revenue bond authorization ceiling; and to require the HHRDC to submit an annual report to the Legislature on the multifamily revenue bond activity, prior to each regular legislative session. The current HD1, provides for an increase from \$1,000,000,000 to an *unspecified amount*.

LURF's Position. Over the past few years, the Hula Mae Multifamily Program has become an increasing popular financing tool for nonprofit and for profit developers of affordable rental housing, and HHFDC believes that an **increase to at least \$1,500,000,000** is essential to provide financing assistance for the statewide development, acquisition and rehabilitation of more affordable rental projects.

LURF **strongly supports SB 911, SD1, HD1** and respectfully urges your favorable consideration to **increase the revenue bond ceiling to \$1,500.000.000.**

Thank you for the opportunity to present testimony regarding this matter.