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GOVERNOR



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**STATE OF HAWAII**

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IN REPLY REFER TO

Statement of  
**Orlando "Dan" Davidson**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON FINANCE**

February 25, 2008, 12:30 p.m.  
Room 308, State Capitol

In consideration of  
**H.B. 3058**

**RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.**

The HHFDC strongly supports H.B. 3058, an Administration bill, which would increase the Hula Mae Multifamily revenue bond authority to \$500 million. The Hula Mae Multifamily program promotes the development of new or the preservation/rehabilitation of existing affordable rental housing projects through the issuance of mortgage revenue bonds for interim or permanent financing at below-market interest rates. Hula Mae Multifamily revenue bonds are typically coupled with 4 percent noncompetitive federal and state low-income housing tax credits to provide financing for affordable rental housing projects.

Since its inception, the Hula Mae Multifamily program has provided \$125,878,000 in revenue bond proceeds for 7 affordable rental housing projects totaling 1,133 affordable units. An additional 5 affordable housing projects comprising a total of 829 units have been approved by the HHFDC and are pending bond issuance. These additional projects are requesting Hula Mae Multifamily program financing in the amount of \$119,500,000.

The HHFDC is proposing an increase in its revenue bond authority from \$400,000,000 to \$500,000,000 in order to ensure that sufficient authority is in place to meet increased future demand for program assistance. The increase in Hula Mae Multifamily bond authority does not impact any other state bond authority ceiling.

Thank you for the opportunity to testify.