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GOVERNOR



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IN REPLY REFER TO

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

**SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION AND
AFFORDABLE HOUSING**

February 6, 2008, 9:00 a.m.
Room 229, State Capitol

In consideration of
S.B. 2980
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM

The HHFDC strongly supports S.B. 2980, 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 (see attached list).

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.

**HULA MAE MULTIFAMILY PROGRAM
Projects Pending Bond Issuance**

Pending Bond Issuance	Location	Year Approved	Total Units	Set-Aside Units	Bond Issue	Status
Senior Residence at Iwilei	Oahu	2003	155	154	\$20,000,000	Planning
Hale Wai Vista Phase II	Oahu	2006	132	132	\$30,000,000	Planning
Kahului Town Terrace	Maui	2007	72	71	\$9,000,000	Planning
Hale Mohalu II	Oahu	2007	164	163	\$30,000,000	Planning
Lokahi Ka'u	Hawaii	2007	306	304	\$30,500,000	Planning
TOTALS			829	827	\$119,500,000	



SB 2980 Relating to the Housing Loan and Mortgage Program
Committee on Commerce, Consumer Protection, and Affordable
Housing
Committee on Intergovernmental and Military Affairs

February 6, 2008
229

9:00 am

Room

The Office of Hawaiian Affairs supports the purpose and intent of SB 2980.

The growing affordable housing problem is one of the most critical issues faced by our communities, especially our Native Hawaiian communities. This issue seems to have many of our families struggling to find adequate housing and to make ends meet.

The continued increased pressure on government to provide financing assistance for the development and preservation/rehabilitation of affordable housing has not ceased. The increase in Hula Mae multifamily revenue bond authority is a very viable way to address the high infrastructure cost to development.

Mahalo nui loa for this opportunity to provide testimony.



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February 5, 2008

The Honorable Russell S. Kokubun, Chair
Senate Committee on Commerce, Consumer Protection, and
Affordable Housing
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: SB. 2980 Relating to the Housing Loan and Mortgage Program
Hearing Date: February 6, 2008 @ 9:00 a.m., Room 229

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS® (HAR) supports S.B. 2980.

S.B. 2980 provides an increase in Hula Mae multifamily revenue bond authority from \$400 million to \$500 million to provide financing assistance for the development and preservation/rehabilitation of affordable housing in the State of Hawaii.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.