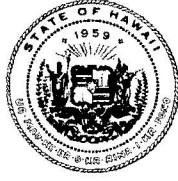


Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

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
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

April 1, 2009, 11:00 a.m.
Room 308, State Capitol

In consideration of
S.B. 862, S.D. 2
RELATING TO HOUSING.

The Hawaii Housing Finance and Development Corporation (HHFDC) **strongly supports** S.B. 862, S.D. 2. This bill is similar to H.B. 1044, H.D. 2, which was deferred in the Senate. S.B. 862, S.D. 2 enables the HHFDC to more easily collect the value of shared appreciation equity and other restrictions when an affordable housing property is sold and to require advance written notification of intent to foreclose on properties encumbered by such priority liens.

Passage of this bill will protect HHFDC's lien rights in the event of foreclosure, and enable us to recover funds to support the development of additional housing.

Thank you for the opportunity to testify.



SB 862, SD 2 (HSCR 1139) Relating to Housing
House Committee on Finance

April 1, 2009
308

11:00 am

Room

The Office of Hawaiian Affairs supports the purpose and intent of SB 862, SD 2 (HSCR 1139).

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 and reduce government barriers for the development of affordable housing has not ceased. The demand for affordable housing has not ceased. The partnerships created by government with non profit and for profit developers to keep our affordable housing inventory in a position to meet the demand reasonably need to address the "how to" versus "we cannot do it". The necessary housekeeping amendments to be able to service the shared appreciation equity during foreclosure proceedings is a "how to" and provides for fair servicing of terms originally agreed to by all parties.

We recognize that physical solutions by themselves will not solve social and economic problems, but neither can economic vitality, community stability, and environmental health be sustained without a coherent and supportive physical framework. This bill may assist HHFDC a much needed changed framework.

Mahalo nui loa for the opportunity to provide this testimony and request your support.