



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

SENATE COMMITTEE ON WATER, LAND, AND HOUSING
In consideration of

**INFORMATIONAL BRIEFING ON MIXED USE DEVELOPMENT IN THE URBAN
CORE AND MAIN STREETS, WAYS OF CONSTRUCTING DENSITY IN THE URBAN
CORE TO MINIMIZE SPRAWL, AND MIXED USE DEVELOPMENT REGARDING
TRANSIT STATIONS.**

August 30, 2011 at 2:00 p.m.
Room 016, State Capitol

Good afternoon, Chair Dela Cruz, and Vice Chair Solomon. HHFDC's mission is to increase the supply of workforce and affordable housing statewide by providing leadership, tools, and resources to facilitate housing development.

Our development tools and resources can help develop affordable housing within the urban core. In addition to affordable housing, Section 201H-44, Hawaii Revised Statutes authorizes HHFDC to "develop commercial, industrial, and other properties if it determines that the uses can be an integral part of the development and can help to preserve the lifestyles of the purchasers of dwelling units in the development."

The HHFDC's Dwelling Unit Revolving Fund (DURF) was established "for carrying out the purposes of housing development programs..." Because it is a revolving fund, DURF loans must be repaid to enable the fund to revolve. Therefore, DURF is primarily used for interim construction financing of privately-owned affordable housing projects.

Since its inception, DURF has financed the delivery of 14,953 residential units.

County	For Sale unit count	Rental unit count
Oahu	6,953	3,069
Hawaii	1,389	596
Kauai	1,048	164
Maui	1,175	559
Statewide	10,565	4,388

Existing DURF loan commitments are expected to provide another approximately 1,136 units over the next five Fiscal Years. Those commitments make use of the majority of available DURF funds. Because DURF is currently oversubscribed, if the Legislature and Administration envision the increased utilization of DURF to develop affordable housing on public lands, an infusion of additional funds is required to support additional development.

Thank you for the opportunity to testify.