

HB1036 HD2

RELATING TO HOUSING.

Increase the Hula Mae multifamily program revenue bond authorization. (Proposed SD1)

NEIL ABERCROMBIE
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WATER, LAND AND HOUSING

March 22, 2012 1:15 p.m.,
Room 225, State Capitol

In consideration of
H.B. 1306, H.D. 2 Proposed S.D. 1
RELATING TO HOUSING.

The HHFDC **supports** H.B. 1306, H.D. 2, Proposed S.D.1, which is similar to S.B. 2740, S.D. 1, previously heard by this Committee. The Proposed S.D. 1 increases the revenue bond authority for the Housing Loan and Mortgage program, popularly known as the Hula Mae Multifamily program, from \$500,000,000 to \$750,000,000.

The Hula Mae Multifamily program promotes the development of new or the preservation of existing affordable rental projects through the issuance of mortgage revenue bonds for interim or permanent financing at below-market interest rates. The bond authority is a cumulative ceiling on the total amount of revenue bonds that can be issued by HHFDC for this program. HHFDC's ability to issue these bonds in any given year is subject to the State's overall annual bond cap, and accordingly, the approval of the Department of Budget and Finance.

Since its first bond issuance in 1985, the Hula Mae Multifamily program has provided \$292,432,699 in revenue bond proceeds for 12 affordable rental projects totaling 2445 affordable units. Passage of the Proposed S.D. 1 will allow HHFDC to continue to assist in the development and preservation of affordable rental housing.

Thank you for the opportunity to testify.

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CITY AND COUNTY OF HONOLULU

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PETER B. CARLISLE
MAYOR

KEITH I. ISHIDA
EXECUTIVE DIRECTOR
TRISH K. MORIKAWA
COUNTY HOUSING COORDINATOR

March 20, 2012

The Honorable Donovan M. Dela Cruz, Chair, and Members
Committee Water, Land, and Housing
The Senate
Twenty Sixth Legislature
Regular Session of 2012
State of Hawaii

RE Testimony In Opposition to Section 1 of H.B. 1306, HD2, Relating to Housing

We are very concerned that Section 1 of H.B. 1306, HD2. deletes the general excise tax exemption for projects assisted by the Counties under Chapter 46-15.1, Hawaii Revised Statutes. The general excise tax exemption provides a significant cost reduction to affordable housing projects undertaken by nonprofit agencies in the City and County of Honolulu. Under this measure, projects undertaken with County funds or federal funds provided through the City and County of Honolulu would be subject to the payment of the General Excise Tax.

Section 8-10.21 of the Revised Ordinances of Honolulu provides a 100 percent property tax exemption for qualifying affordable housing projects irrespective if they were developed with State or County assistance. Likewise, with respect to the General Excise Tax exemption for affordable housing projects, we believe that State and County assisted affordable housing projects should be treated equally. We therefore respectfully request that the amendment to Section 46-15.1, Hawaii Revised Statutes that is shown in Section 1 of H.B. 1306, HD2 be deleted.

Thank you for the opportunity to provide this testimony.

A handwritten signature in black ink, appearing to read "Keith I. Ishida".

Keith I. Ishida
Executive Director

Bernard P. Carvalho, Jr.
Mayor

Gary K. Heu
Managing Director



Eugene K. Jimenez
Housing Director

KAUA'I COUNTY HOUSING AGENCY

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March 20, 2012

Senator Donovan M. Dela Cruz, Chair
Senator Malama Solomon, Vice Chair
And Committee Members
Committee on Water, Land and Housing
The Senate
The Twenty-Sixth Legislature
Regular Session of 2012

SUBJECT: Testimony in Support of HB1306 HD2 Proposed SD1 Relating to Housing
HEARING: WLH 3/22/12 1:15PM Conference Room 225

The Kaua'i County Housing Agency **supports** the amendment of HB1306 HD2 Proposed SD1. The Proposed SD1 would increase multi-family revenue bond authority available to the HHFDC from a maximum **of \$500,000,000 to \$750,000,000.**

As confirmed by the recent 2011 Hawai'i Housing Planning Study, the greatest need for affordable housing is for rental housing for households earning less than 80% of Area Median Income (AMI). This need is best addressed by developing multi-family rental housing by government partnership with non-profit developers. Loans made available through HHFDC Hula Mae multi-family program revenue bonds are an important component of funding these projects. Please support this bill as proposed in SD1.

Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in cursive script that reads "Eugene K. Jimenez".

EUGENE K. JIMENEZ
Housing Director



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