



**DEPARTMENT OF BUSINESS,  
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Statement of  
**Richard C. Lim**  
Director

Department of Business, Economic Development and Tourism  
before the

**HOUSE COMMITTEE ON HOUSING**

February 8, 2012 at 9:10 a.m.

Room 325, State Capitol

In consideration of

**HB 2478**

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

Chair Dela Cruz/Cabanilla and Members of the Senate Committee on Water,  
Land and Housing/House Committee on Housing.

DBEDT supports HB 2478, an Administration bill. HB 2478 increases the  
Housing Loan and Mortgage program, known as the Hula Mae Multifamily program,  
revenue bond authority from \$500,000,000 to \$750,000,000.

The Hula Mae Multifamily program is a very successful financing tool. The  
program has provided over \$290 million in revenue bond proceeds for 12 affordable  
rental projects totaling 2445 affordable units. Six additional projects totaling 722 units  
have been approved by the HHFDC Board and are pending bond closings. Additional  
bond authority is needed to ensure the continued use of this valuable affordable rental  
financing mechanism.

DBEDT respectfully requests that the Committee pass this bill. Thank you for the  
opportunity to testify.

NEIL ABERCROMBIE  
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 HOUSING**  
February 8, 2012, 9:10 a.m.  
Room 325, State Capitol

In consideration of  
**H.B. 2478**  
**RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.**

The HHFDC **supports** H.B. 2478, which is part of the Administration's legislative package. H.B. 2478 increases the Housing Loan and Mortgage program, popularly known as the Hula Mae Multifamily program, revenue bond authority 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. An additional 6 affordable projects comprising a total of 722 units have been approved by the HHFDC and are pending bond issuance. These 6 additional projects are requesting Hula Mae Multifamily program financing in the amount of \$123,850,000. That leaves only \$83,717,301 in uncommitted bond authority remaining.

The need for additional bond authority now is critical. Passage of this bill will allow HHFDC to continue to assist in the development and preservation of affordable rental housing. Accordingly, HHFDC respectfully requests that this bill be favorably considered.

Thank you for the opportunity to testify.



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February 8, 2012

**The Honorable Rida T.R. Cabanilla, Chair**  
House Committee on Housing  
State Capitol, Room 325  
Honolulu, Hawaii 96813

**RE: H.B. 2478, Relating to the Housing Loan and Mortgage Program**

**HEARING: Wednesday, February 8, 2012, at 9:10 a.m.**

Aloha Chair Cabanilla, Vice Chair Ito, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,500 members. HAR **supports** H.B. 2478, which increases the Hula Mae Multifamily Revenue Bond authorization amount.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Hula Mae Multifamily and Rental Housing Trust Fund Programs which can help effectuate the development of mixed-income and mixed-use projects. With the use of special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credits and deferred loan programs, the State in position to provide affordable housing opportunities for our residents.

Mahalo for the opportunity to testify.

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