



LAND USE RESEARCH  
FOUNDATION OF HAWAII

1100 Alakea Street, 4<sup>th</sup> Floor  
Honolulu, Hawaii 96813  
(808) 521-4717  
[www.lurf.org](http://www.lurf.org)

L A T E

April 2, 2012

Representative Marcus R. Oshiro, Chair  
Representative Marilyn B. Lee, Vice Chair  
House Committee on Finance

**Support of SB 2740, SD12 Relating to the Housing Loan and Mortgage Program.**  
(Increases the Hula Mae Multifamily program revenue bond authorization.)

**Monday, April 2, 2012, 4:00 p.m., in CR 308**

My name is Dave Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major-Hawaii landowners, developers and a major utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

**LURF strongly supports SB 2740, SD1.**

**SB 2740, SD1.** This measure would increase the Hula Mae Multifamily program revenue bond authorization from \$500,000,000 to \$750,000,000.

**LURF's Position.** LURF supports this measure, which is part of the Administration's legislative package. The purpose and intent is to assist residents in obtaining affordable housing by increasing the Hula Mae Multifamily revenue bond authorization ceiling from \$500,000,000 to \$750,000,000.

We understand that the Hula Mae Multifamily program, which is also used in conjunction with the Low Income Housing Tax Credit Program, promotes the development of new affordable rental projects and also promotes 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 Hawaii Housing Finance and Development Corporation ("HHFDC") which administers this program, has testified that the bond authority is a cumulative ceiling on the total amount of revenue bonds that can be issued by for this program; and 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 State Department of Budget and Finance.

Over the past twenty-seven years, the Hula Mae multifamily program has proven to be a very successful financing tool to produce and/or preserve affordable rental housing. According to HHFDC, 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 totally 2,445 affordable units.

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Given Hawaii's affordable housing crisis and Hawaii's challenging economic climate, this passage of this measure is critical to the production and preservation of needed multi-family affordable rental housing and the local economy.

For the reasons stated above, LURF is in **strong support** of **SB 2740, SD1** and respectfully urges your favorable consideration of this measure and LURF's comments.

Thank you for the opportunity to present testimony regarding this matter.