

# SB2740

Increases the Hula Mae Multifamily Revenue Bond authorization amount.

NEIL ABERCROMBIE  
GOVERNOR



KAREN SEDDON  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
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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/**  
February 9, 2012, 1:15 p.m.,  
Room 225, State Capitol

In consideration of  
**S.B. 2740**  
**RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.**

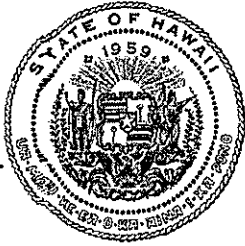
The HHFDC supports S.B. 2740, which is part of the Administration's legislative package. S.B. 2740 increases the Housing Loan and Mortgage program, popularly known as the Hula Mae Multifamily program, revenue bond authority from \$500,000,000 to \$750,000,000.

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.



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**Richard C. Lim**  
Director

Department of Business, Economic Development and Tourism  
before the

**SENATE COMMITTEE ON WATER, LAND AND HOUSING**

February 9, 2012, 1:15 p.m.

State Capitol, Room 225

In consideration of

**S.B. 2740**

**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 S.B. 2740, an Administration bill. S.B. 2740 increases the revenue bond authority of the Housing Loan and Mortgage program, known as the Hula Mae Multifamily program, 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.



**SB2740**  
**RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM**  
**SENATE COMMITTEE ON WATER, LAND, AND HOUSING**

February 9, 2012

1:15 p.m.

Room 225

The Office of Hawaiian Affairs (OHA) **SUPPORTS** SB2740. The bill would increase the Hula Mae Multifamily Revenue Bond authorization amount from \$500,000 to \$750,000.

Hawai'i is in dire need of affordable housing. The lack of such housing creates instability for many families, including the families of OHA's beneficiaries. In an attempt to promote systemic change in this area, OHA's strategic plan identifies as a strategic result the building of stability in housing. This bill represents a step in the right direction toward the creation and approval of affordable housing projects and the building of stability in housing for OHA's beneficiaries and others in need.

OHA urges the committee to PASS SB2740. Mahalo for the opportunity to testify on this important measure.