

woodson1-Brina

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 24, 2014 11:35 AM
To: HSGtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB1595 on Jan 27, 2014 09:00AM*

Follow Up Flag: Follow up
Flag Status: Flagged

HB1595

Submitted on: 1/24/2014

Testimony for HSG on Jan 27, 2014 09:00AM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|-----------------------|---------------------|---------------------------|---------------------------|
| Javier Mendez-Alvarez | Individual | Support | No |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

January 27, 2014 at 9:00 a.m.
State Capitol, Room 329

In consideration of
H.B. 1595
RELATING TO LOW-INCOME HOUSING.

The HHFDC **supports** H.B. 1595, which appropriates an unspecified amount in General Obligation bond funds for the Low Income Housing Tax Credit (LIHTC) Loan program that we administer. We note that the Executive Supplemental Budget request includes \$7,832,000 in General Obligation Bond funds for the LIHTC Loan program.

The LIHTC Loan Program was created in 2011 to support the development and preservation of rental housing for households at or below 60% of the area median income. The LIHTC Loan Program allows LIHTC awardees to return State LIHTC when the market value of State tax credits is below 50 cents on the dollar in exchange for a loan of \$0.50 per dollar of LIHTC returned. This effectively creates a floor for the value of the State LIHTC, and provides more equity for the development of the affordable rental project. The Loan Program is budget-neutral. Any returned tax credits are not reissued. There is no double dipping.

To date, the LIHTC Loan program has awarded \$4,696,870 in LIHTC loans to 3 affordable rental housing projects totaling 187 units on Maui and Oahu. The Loan Program was initially funded by a CIP appropriation of \$7 million in FY 2012. The remainder of the appropriation will lapse on June 30, 2014, so a new appropriation is now needed.

Thank you for the opportunity to testify.



TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HOUSING
ON
HOUSE BILL NO. 1595

January 27, 2014

RELATING TO LOW-INCOME HOUSING

House Bill No. 1595 authorizes the issuance of general obligation bonds and makes an appropriation to fund low-income housing tax credit loans.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects/programs that serve public purposes. As private entities will derive the benefit from this legislation, tax-exempt general obligation bonds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to fund the low-income housing tax credit loans.

In addition, as public funding for this project is not in the proposed Executive Budget, should this bill proceed or pass the Legislature, an amount for the corresponding annual debt service relative to the appropriation (once determined) will need to be included in the Legislature's version of proposed budget.

Thank you for the opportunity to provide our testimony on this bill.

January 27, 2014

The Honorable Mark J. Hashem, Chair

House Committee on Housing
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: H.B. 1595, Relating to Low-Income Housing

HEARING: Monday, January 27, 2014, @ 9:00 a.m.

Aloha Chair Hashem, Vice Chair Woodson, 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 8,300 members. HAR **supports** H.B. 1595, which authorizes the issuance and appropriation of GO bonds to fund low-income housing tax credit loans.

The Low Income Housing Tax Credit (LIHTC) will continue to support the development and preservation of rental housing for households at or below 60% of the area median income by providing equity for the development of the affordable rental project.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Trust Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

Mahalo for the opportunity to testify.



House Committee on Housing

The Hon. Mark J. Hashem, Chair

The Hon. Justin H. Woodson, Vice Chair

Testimony in Support of HB 1595

Relating to Housing

Submitted by Robert Hirokawa, Chief Executive Officer

January 27, 2014, 9:00 am, Room 329

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 1595, authorizing the issuance of general bonds to fund low-income housing tax credits.

The HPCA is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. These conditions serve as risk factors endemic to a person's living and working environment, rather than their behavioral or genetic histories. Factors such as income, education, access to recreation and healthy foods, housing, and employment, can and do have measurable impacts on a person and a community, both in health and financial outcomes.

House Bill 1595 speaks to one of these major determinants directly by authorizing the issuance of general obligation bonds to fund low-income housing tax credit loans.

For these reasons, we **strongly support** this measure and thank you for the opportunity to testify.

woodson1-Brina

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, January 26, 2014 7:23 PM
To: HSGtestimony
Cc: shannon@gcahawaii.org
Subject: *Submitted testimony for HB1595 on Jan 27, 2014 09:00AM*

LATE

HB1595

Submitted on: 1/26/2014

Testimony for HSG on Jan 27, 2014 09:00AM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---|---------------------------|---------------------------|
| Shannon Alivado | General Contractors Association of Hawaii | Support | Yes |

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 27, 2014 7:16 AM
To: HSGtestimony
Cc: robertscottwall@yahoo.com
Subject: Submitted testimony for HB1595 on Jan 27, 2014 09:00AM

LATE

HB1595

Submitted on: 1/27/2014

Testimony for HSG on Jan 27, 2014 09:00AM in Conference Room 329

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------------------------------|--------------------|--------------------|
| Scott Wall | Community Alliance for Mental Health | Support | No |

Comments: Aloha Chair Belatti and members of the committee, On behalf of the Community Alliance for Mental Health along with United Self Help we strongly support HB1595. This bill is a part in the State's addressing our critical shortage of low income housing. It is also necessary in addressing our homeless situation. Scott Wall VP/Legislative Advocate Community Alliance for Mental Health

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

Do not reply to this email. This inbox is not monitored. For assistance please email webmaster@capitol.hawaii.gov



Testimony of Cindy McMillan
The Pacific Resource Partnership

House Committee on Housing
Representative Mark J. Hashem, Chair
Representative Justin H. Woodson, Vice Chair

HB 1595 – RELATING TO LOW-INCOME HOUSING

Monday, January 27, 2014

9:00 AM

Conference Room 329

Aloha Chair Hashem, Vice Chair Woodson and Members of the Committee:

The Pacific Resource Partnership (PRP) is a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters.

PRP **supports** HB 1595 – Relating to Low-Income Housing, which authorizes the issuance and appropriate of general obligation bonds to fund low-income housing tax credit loans.

According to the Demographia International Housing Affordability survey, Honolulu has the least affordable housing market in the U.S. The cost of housing in Hawaii is rapidly becoming out of reach for many, especially young professionals and working families. Alternative financing mechanisms would help to sustain and complete low-income housing projects. The idea of taxpayers in the construction industry foregoing certain state tax credits in exchange for an interest-free loan would provide an optimal solution for the affordable housing crisis in the State and would also help get the State's economy back on its feet by providing local employment opportunities to those in the construction industry.

Thank you for the opportunity to share our opinion and we kindly ask for your support.