

NEIL ABERCROMBIE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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Honolulu, Hawaii 96813  
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IN REPLY REFER TO:

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

**HOUSE COMMITTEE ON HOUSING**

March 10, 2014 at 8:30 a.m.  
State Capitol, Room 329

In consideration of  
**S.B. 2337, S.D. 1**  
**RELATING TO LOW-INCOME HOUSING.**

The HHFDC **supports** S.B. 2337, S.D. 1, 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 H.B. 1700, H.D. 1 Relating to the State Budget, did include the Administration's request for \$7,832,000 in General Obligation Bond funds for the LIHTC Loan program.

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  
SENATE BILL NO. 2337 S.D. 1

March 10, 2014

RELATING TO LOW INCOME HOUSING

Senate Bill No. 2337, S.D. 1, 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 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.

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# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

Uploaded via Capitol Website

March 10, 2014

TO: HONORABLE MARK HASHEM, CHAIR, HONORABLE JUSTIN WOODSON, VICE CHAIR AND MEMBERS OF THE HOUSE COMMITTEE ON HOUSING

SUBJECT: **SUPPORT OF S.B. 2337, SD1. RELATING TO HOUSING.** Authorizes the issuance and appropriation of general obligation bonds to fund low-income housing tax credit loans. Effective 07/01/2050. (SD1)

Hearing

DATE: Monday, March 10, 2014  
TIME: 8:30 a.m.  
PLACE: Conference Room 329

Dear Chair Hashem, Vice Chair Woodson and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over six hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

The GCA is **in support** of S.B. 2337, SD1 which would allow the issuance of general obligation bond to fund low income housing tax credit loans through the Hawaii Housing Finance Development Corporation. This measure provides an incentive to improve the housing availability for Hawaii's families.

In 2009, the legislature passed Senate Concurrent Resolution No. 132, S.D.1 which established the Construction Industry Task Force. The Task Force was tasked to develop and propose state actions, for the purpose of preserving and creating new jobs in the local construction industry. One of the main areas of concern was expediting the delivery of workforce housing, this bill proposes to provide a solution to the delivery of such.

GCA supports S.B. 2337, SD1 and respectfully requests that your Committee pass this measure.



Testimony of Cindy McMillan  
The Pacific Resource Partnership

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

SB 2337, SD1 – RELATING TO LOW-INCOME HOUSING  
Monday, March 10, 2014  
8:30 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** SB 2337, SD1 – Relating to Low-Income Housing, which authorizes the issuance and appropriation 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.



**House Committee on Housing**

The Hon. Mark J. Hashem, Chair

The Hon. Justin H. Woodson, Vice Chair

**Testimony in Support of SB 2337, SD 1**  
**Relating to Low-Income Housing**  
**Submitted by Robert Hirokawa, Chief Executive Officer**  
**March 10, 8:30 am, Room 329**

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports Senate Bill 2337, making an appropriation for low income housing tax credit loans.

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.

Senate Bill 2337 speaks to one of these major determinants by appropriating funds for low income housing tax credit loans. For that reason, we strongly support this measure and thank you for the opportunity to testify.

March 10, 2014

**The Honorable Mark J. Hashem, Chair**

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

**RE: S.B. 2337, S.D.1, Relating to Low-Income Housing**

**HEARING: Monday, March 10, 2014 at 8:30 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** S.B. 2337, S.D.1, 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.

HAR has and will continue to support initiatives that help increase the supply of low and moderate income affordable housing in Hawaii.

Mahalo for the opportunity to testify.

# Community Alliance for Mental Health

March, 10, 2014

## Board of Directors

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To: House Committee on Housing  
Re: SB 2337, SD1

Aloha Chair Hashem and the members of the committee,

On behalf of the Community Alliance for Mental Health along with United Self Help we most **strongly support** the passage of SB 2337, SD 1.

Quite simply put the need for affordable, low income, and very low income housing is the greatest need plaguing our island paradise. There is no place for our disabled or many of our elderly to live. The homeless sleep on our sidewalks as if we were in Calcutta.

There are not even homes for the majority of our service economy. There was a quote in today's paper stating that a person working full time for minimum wage would have to work 177 hours a week to afford a studio here in Honolulu.

This entire situation is simply untenable. SB 2337, SD 1 at least faces that and offers the beginnings of a solution.

Scott Wall  
VP/Legislative Advocate  
Community Alliance for Mental Health

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**woodson1-Brina**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 10, 2014 5:24 AM  
**To:** HSGtestimony  
**Cc:** thirr33@gmail.com  
**Subject:** Submitted testimony for SB2337 on Mar 10, 2014 08:30AM

**SB2337**

Submitted on: 3/10/2014

Testimony for HSG on Mar 10, 2014 08:30AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Arvid Tadao Youngquist	Sky Ohana	Support	Yes

Comments: Chair, HSG COmmittee Vice Chair, HSG Committee The Right Honorable HSG Committee Members The Sky Ohana supports and intent and the spirit of the SB 2337 and thank the support of the Senate thus far, and to the Sponsosr Sen. Kouki (by request). Please report it out and assist the consumers and target stakeholders. Mahalo. Arvid Tadao Youngquist, Founder & Administrator Sky Ohana \*Note: CD1 US Congressional District, Kalihi Valley registered voter.

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.

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