

HB 2251

HD1

Measure Title:	RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.
Report Title:	Housing; Hula Mae Multifamily Revenue Bonds (\$)
Description:	Increases the Hula Mae Multifamily Revenue Bond authorization limit from \$750,000,000 to \$1,000,000,000. Effective July 1, 2030. (HB2251 HD1)
Companion:	<u>SB2800</u>
Package:	Governor
Current Referral:	HMS, WAM
Introducer(s):	SOUKI (Introduced by request of another party)



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

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

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Statement of
Richard C. Lim
Director
Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON HUMAN SERVICES

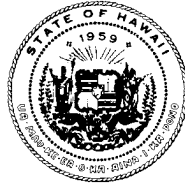
March 11, 2014 at 1:15 p.m.
State Capitol, Room 016

In consideration of
H.B. 2251, H.D. 1
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

Chair Chun Oakland, and Members of the Senate Committee on Human Services.

DBEDT **supports** H.B. 2251, H.D. 1, an Administration bill. H.B. 2251, H.D. 1, increases the revenue bond authority for the Housing Loan and Mortgage program, familiarly known as the Hula Mae Multifamily program, from \$750,000,000 to \$1,000,000,000. Passage of this bill will allow for the continuation of an important financing tool for the development and preservation of affordable rental housing for lower income households.

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



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
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IN REPLY REFER TO:

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

SENATE COMMITTEE ON HUMAN SERVICES

March 11, 2014 at 1:15 p.m.
State Capitol, Room 016

In consideration of
H.B. 2251, H.D. 1
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

The HHFDC supports H.B. 2251, H.D. 1, an Administration bill. H.B. 2251, H.D. 1, increases the Housing Loan and Mortgage program, popularly known as the Hula Mae Multifamily program, revenue bond authority from \$750,000,000 to \$1,000,000,000.

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 \$418,244,699 in revenue bond proceeds for 18 affordable rental projects comprised of 2,954 affordable units.

The HHFDC Board has approved Hula Mae Multifamily financing of up to \$106,850,000 for 9 pending projects with 971 total units. That leaves only \$224,905,000 in uncommitted bond authority available at a time where demand is high for this form of financing. For example, the total dollar value of requests for Hula Mae Multifamily financing in 2013 exceeded this balance amount.

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.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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TESTIMONY TO THE SENATE COMMITTEE ON HUMAN SERVICES

TUESDAY, FEBRUARY 11, 2014

1:15 P.M.

STATE CAPITOL - ROOM 016

RE: H.B. 2251 H.D. 1, RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM

Dear Chair Chun Oakland, Vice-Chair Green, and members of the Committee:

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955, and affiliated with the National Association of Home Builders.

BIA-Hawaii **supports** H.B. 2251 H.D. 1, which would increase the Housing Loan and Mortgage Program revenue bond authority from \$750,000,000 to \$1,000,000,000. This programs is probably better known as the Hula Mae Multifamily (HMMF) program.

The purpose of the HMMF Tax-exempt Bond program is to promote the development of new, or the rehabilitation of existing, rental housing projects through the issuance of mortgage revenue bonds for interim and/or permanent financing at rates below market interest rates. The HHFDC serves as the issuer of the bonds.

BIA-Hawaii **supports** efforts to increase the supply of all types of housing.

We appreciate the opportunity to share with you our views.

March 11, 2014

The Honorable Suzanne Chun Oakland, Chair

Senate Committee on Human Services
State Capitol, Room 016
Honolulu, Hawaii 96813

RE: H.B. 2251, H.D.1, Relating to the Housing Loan and Mortgage Program

HEARING: Tuesday, March 11, 2014 at 1:15 p.m.

Aloha Chair Chun Oakland, Vice Chair Green, 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. 2251, H.D.1, which increases the Hula Mae Multifamily Revenue Bond authorization amount from \$750 million to \$1 billion.

The Hula Mae Multi-Family program provides low interest rate financing through the issuance of tax-exempt revenue bonds for the construction and/or acquisition and rehabilitation of housing projects. Developers are able to secure non-competitive low income housing tax credits in conjunction with the Hula Mae multi-family financing.

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.

Mahalo for the opportunity to testify.



LAND USE RESEARCH
FOUNDATION OF HAWAII

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March 10, 2014

Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair
Senate Committee on Human Services

Support of HB 2251, HD1, Relating to the Housing Loan and Mortgage Program. (Increases the Hula Mae Multifamily program revenue bond authorization limit from \$750,000,000 to \$1,000,000,000. Effective July 1, 2030.)

Tuesday, March 11, 2014, 1:15 p.m., in CR 016

The Land Use Research Foundation of Hawaii (LURF) is 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.

HB 2251, HD1. This measure would increase the Hula Mae Multifamily program revenue bond authorization from \$750,000,000 to \$1,000,000,000, effective July 1, 2030.

LURF's Position. LURF **strongly supports** HB 2251, HD1, 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 \$750,000,000 to \$1,000,000,000. However, LURF would respectfully request that the effective date for this measure be amended to July 1, 2014.

The Hawaii Housing Finance and Development Corporation ("HHFDC") which administers this program, has testified that the passage of this measure will substantially increase the funding for the Hula Mae Multifamily Revenue Bond program, and will allow HHFDC to assist in the development of new affordable rental projects and the preservation of existing affordable rental projects through the issuance of mortgage revenue bonds for interim or permanent financing at below-market interest rates.

Over the years, LURF has supported affordable housing financing tools such as the Hula Mae Multifamily Revenue Bond program. According to HHFDC, since its first bond issuance in 1985, the Hula Mae Multifamily program has proven to be a very successful financing tool to produce and/or preserve affordable rental housing, providing \$418,255,699 in revenue bond proceeds for 18 affordable rental projects totally 2,954 affordable units.

Given Hawaii's current 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 HB 2251, HD1**, and respectfully urges your favorable consideration of this measure, **together with LURF's recommendation to amend the effective date to July 1, 2014.**

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