



LAND USE RESEARCH
FOUNDATION OF HAWAII

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Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair
Senate Committee on Ways and Means

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 25, 2014, 9:05 a.m., in CR 211

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.