

# HB 2448

## HD2

<b>Measure Title:</b>	RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.
<b>Report Title:</b>	Hawaii Housing Finance and Development Corporation; Infrastructure Bonds (\$)
<b>Description:</b>	Allows the Hawaii Housing Finance and Development Corporation to issue bonds to eligible developers for infrastructure on land owned by the eligible developer for the construction of affordable housing. Authorizes revenue bonds to be issued by the Hawaii Housing Finance and Development Corporation. Effective July 1, 2030. (HB2448 HD2)
<b>Companion:</b>	
<b>Package:</b>	None
<b>Current Referral:</b>	HMS, WAM
<b>Introducer(s):</b>	HASHEM, BELATTI, CREAGAN, ING, MORIKAWA, NISHIMOTO, TOKIOKA, WOODSON, YAMASHITA, Fukumoto



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

NEIL ABERCROMBIE  
GOVERNOR

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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 1:30 p.m.  
State Capitol, Room 016

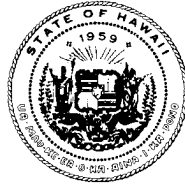
In consideration of  
**H.B. 2448, H.D. 2**  
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION.**

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

DBEDT supports H.B. 2448, H.D. 2. This measure authorizes HHFDC to issue revenue bonds to finance infrastructure development on land owned by an eligible developer of an affordable housing project being constructed under a State or county affordable housing requirement. We believe this bill would provide a valuable new tool to finance the infrastructure improvements needed to construct affordable housing developments.

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

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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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 1:30 p.m.  
State Capitol, Room 016

In consideration of  
**H.B. 2448, H.D. 2**  
**RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT  
CORPORATION.**

The HHFDC supports H.B. 2448, H.D. 2, which would allow HHFDC to issue revenue bonds to finance infrastructure development on land owned by an eligible developer of an affordable housing project being constructed under a State or county affordable housing requirement.

The lack of available land with infrastructure is a significant barrier to the development of affordable housing statewide. H.B. 2448, H.D. 2 would provide another tool by which such infrastructure improvements may be financed.

Thank you for the opportunity to testify.



**Testimony to the Senate Committee on Human Services  
Tuesday, March 11, 2014 at 1:30 P.M.  
Conference Room 016, State Capitol**

**RE: HOUSE BILL 2448 HD2 RELATING TO THE HAWAII HOUSING FINANCE  
AND DEVELOPMENT CORPORATION**

Chair Chun Oakland, Vice Chair Green, and members of the committee:

The Chamber **supports** HB 2448 HD 2, which would allow the Hawaii Housing Finance and Development Corporation to issue revenue bonds to eligible developers for infrastructure on land owned by the eligible developer for the construction of affordable housing.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

Infrastructure capacity is one of the limiting factors in increasing density in the urban core. The Chamber supports any and all means to develop innovative ways to finance infrastructure capacity building. While bonds may be the more traditional means of financing infrastructure, perhaps other alternative means of financing should also be explored.

One area that the State might want to explore is expanding the 201H HRS process to allow for commercial or revenue generating opportunities in conjunction with an affordable rental project on the same site. Depending on the location, HHFDC could establish a minimum number of units or minimum percentage of the overall parcel that would be dedicated to affordable rentals. To offset some of the development costs, the developer would be allowed to develop or sell development rights for the commercial or revenue generating portion of the parcel. This may attract more developers into the market to develop affordable rentals and provides HHFDC with another “tool” to use in creating incentives for developing affordable rentals in Hawaii. Moreover, the overall mixed-use development may be more attractive for the renters, especially for locations near the proposed transit stations.

Another area presently untapped in Hawaii is public private partnerships for both civil and social government infrastructure. We support the intent and suggest that other innovative means to finance infrastructure also be considered by the legislature.

Thank you for the opportunity to express our views on this matter.