



March 24 2014

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

Support of HB 2448, HD2, Relating to the Hawaii Housing Finance and Development Corporation (“HHFDC”) (Allows the HHFDC to issue bonds to eligible developers for infrastructure on land owned by HHFDC, or the eligible developer for the construction of affordable housing. Authorizes revenue bonds to be issued by the HHFDC. 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 2448, HD2. The purpose of this measure is to: (1) Allow the Hawaii Housing Finance and Development Corporation to issue bonds to eligible developers for infrastructure on land owned by HHFDC, or lands owned by the eligible developer, for the construction of affordable housing required as part of a state of county housing project approval; and (2) Authorize HHFDC to issue revenue bonds of up to \$125,000,000 for the purpose of financing the development of infrastructure for such affordable housing projects, as provided under section 201H-72, Hawaii Revised Statutes. The effective date for this bill is July 1, 2030.

LURF’s Position. LURF **strongly supports HB 2448, HD2**, which provides one mechanism for financing infrastructure improvements necessary for affordable housing developments. However, LURF would respectfully request that the effective date for this measure be amended to July 1, 2014.

The lack of available land with adequate infrastructure is a significant barrier to the State’s critical need for affordable housing. The HHFDC, which will administer this program, has testified that the passage of this measure will provide another tool to finance the infrastructure needed for more affordable housing units.

Over the years, LURF has supported various affordable housing financing tools and has supported various infrastructure financing alternatives for development of housing, commercial, industrial, agricultural and renewable energy projects.

Given Hawaii's current affordable housing crisis, its lack of infrastructure and challenging economic climate, the passage of this measure is critical to the production of needed affordable housing.

For the reasons stated above, LURF is in **strong support of HB 2448, HD2**, 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.