



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

Statement of
Richard C. Lim
Director

Department of Business, Economic Development and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

February 26, 2014 at 9:00 a.m.
State Capitol, Room 211

In consideration of

S.B. 2800

RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

Chair Ige, and Members of the Senate Committee on Ways and Means.

DBEDT **supports** S.B. 2800, an Administration bill. S.B. 2800 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 provide written comments in support of this bill.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

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

SENATE COMMITTEE ON WAYS AND MEANS

February 26, 2014 at 9:00 a.m.
State Capitol, Room 211

In consideration of
S.B. 2800
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

The HHFDC **supports** S.B. 2800, which 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.**

Thank you for the opportunity to submit written comments in support of this bill.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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TESTIMONY TO THE SENATE COMMITTEE ON WAYS AND MEANS WEDNESDAY, FEBRUARY 26, 2014

9:00 A.M.

STATE CAPITOL - ROOM 211

RE: S.B. 2800, RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM

Dear Chair Ige, Vice-Chair Kidani, 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** S.B. 2800, which would increase the Housing Loan and Mortgage Program revenue bond authority from \$750,000,000 to \$1,000,000,000. This program 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.

February 26, 2014

The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: S.B. 2800, Relating to the Housing Loan and Mortgage Program

HEARING: Wednesday, February 26, 2014 at 9:00 a.m.

Aloha Chair Ige, Vice Chair Kidani, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, submitting comments 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. 2800 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 offer comments.