

# **SB 590**

Measure Title: RELATING TO AFFORDABLE HOUSING.  
Report Title: Affordable Housing; Condominium Developments; Lottery  
Description: Requires the Hawaii housing finance and development corporation to sell condominium development units with zero or one bedrooms on a lottery basis and not give preference to qualified purchasers.  
Companion:  
Package: None  
Current Referral: HOU, CPH  
Introducer(s): ESPERO, Harimoto

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**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 HOUSING**

January 31, 2016 at 2:45 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 590**  
**RELATING TO AFFORDABLE HOUSING.**

The HHFDC opposes S.B. 590 because it constrains the use of preferences to select purchasers of affordable studio and one-bedroom condominium units that participate in our affordable sales program, and may have the effect of favoring higher income households.

Our sales preferences are intended to satisfy the statutory criteria for our programs set forth in Section 201H-31, HRS, as follows:

[T]he corporation shall give preference to those applicants most in need of assistance in obtaining housing, in light of the amount of moneys available for the various programs. In doing so, the corporation shall take into consideration the applicant's household income and number of dependents; the age of the applicant; the physical disabilities of the applicant or those living with the applicant; whether or not the present housing of the applicant is below standard; whether or not the applicant's need for housing has arisen by reason of displacement of the applicant by governmental actions; and other factors as it may deem pertinent.  
(emphasis added.)

HHFDC already uses a lottery system to select qualified residents to purchase units in affordable for sale projects within each preference category. If the intent of this measure is to streamline HHFDC's sales program, we would be happy to work with the Committee to do so. Thank you for the opportunity to testify.