



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

HOUSE COMMITTEE ON HOUSING

February 16, 2017 at 9:30 a.m.
State Capitol, Room 423

In consideration of
H.B. 1045
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

The HHFDC **strongly supports** H.B. 1045, an Administration bill to increase the bond authorization amount for the Housing Loan and Mortgage Program, popularly known as the Hula Mae Multifamily Bond Program.

The Hula Mae Multifamily Bond Program promotes the development of new or the acquisition and rehabilitation of existing rental housing projects through the issuance of mortgage revenue bonds for interim and permanent financing at rates below conventional market interest rates. Over the last few years, it has become an increasingly popular financing tool for nonprofit and for profit developers of affordable rental housing.

As of January 2017, Hula Mae Multifamily bonds have assisted in financing the development or acquisition and rehabilitation of 29 projects totaling 3,895 affordable rental units statewide. An additional 12 projects, totaling an additional 2,538 units, are in the planning phase and are pending issuance of approximately \$229,854,575 in bonds.

Currently, HHFDC has only \$234,726,726 in uncommitted Hula Mae Multifamily bond authority remaining. The requested increase in bond authority is needed to continue to issue bonds for much-needed affordable rental housing projects statewide.

Thank you for the opportunity to testify.



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
LUIS P. SALAVERIA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON HOUSING

Thursday, February 16, 2017
9:00 A.M.
State Capitol, Conference Room #423

In consideration of
H.B. 1045
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

Chair Brower, Vice Chair Nakamura, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** H.B. 1045, that would increase the bond authorization ceiling for the private activity revenue bonds issued by Hawaii Housing Finance and Development Corporation to finance affordable rental housing development under the Housing Loan and Mortgage Program, which is better known as the Hula Mae Multifamily Bond Program.

This measure will increase the existing bond authorization ceiling from \$1 billion to \$1.5 billion. Doing so will allow the Hula Mae Multifamily Bond Program to continue to finance affordable rental housing development going forward.

Thank you for the opportunity to testify.

Harry Kim
Mayor



Neil S. Gyotoku
Housing Administrator

Lance M. Niimi
Assistant Housing Administrator

County of Hawai'i
Office of Housing and Community Development

50 Wailuku Drive • Hilo, Hawai'i 96720 • (808) 961-8379 • Fax (808) 961-8685
Existing Housing: (808) 959-4642 • Fax (808) 959-9308
Kona: (808) 323-4300 • Fax (808) 323-4301

February 15, 2017

The Honorable Tom Brower, Chair
The Honorable Nadine K. Nakamura, Vice Chair
and Committee Members
Committee on Housing


Twenty-Ninth Legislature
Regular Session of 2017

SUBJECT: House Bill 1045
Hearing Date: February 16, 2017
Time: 9:30am
Conference Room: 423

While, the Office of Housing and Community Development (OHCD) **supports** House Bill 1045 which increases the Hula Mae Multi-family Revenue Bond authorization amount, OHCD would like to see a significant increase in funding.



With the high cost of construction development in Hawai'i, increasing the Hula Mae Multifamily Revenue Bond authorization from \$1,000,000 to \$1,500,000 will only assist in creating a few additional low-income units. To have meaningful impact in our housing shortage, Hawai'i County would like to see Hula Mae Multifamily Revenue Bond increased by at least three-fold.


The OHCD asks that you support affordable housing and support HB1045. Thank you for your careful consideration of the positive impacts of this bill.


Neil S. Gyotoku
Housing Administrator





 | 808-733-7060
 | 808-737-4977

 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 16, 2017

The Honorable Tom Brower, Chair

House Committee on Housing
State Capitol, Room 423
Honolulu, Hawaii 96813

RE: H.B. 1045, Relating to the Housing Loan and Mortgage Program

HEARING: Wednesday, February 16, 2017, at 9:00 a.m.

Aloha Chair Brower, Vice Chair Nakamura, and Members of the Committee.

I am Myoung Oh, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,000 members. HAR **supports** H.B. 1045 which increasing the Hula Mae Multifamily Revenue Bond authorization from \$1 billion to \$1.5 billion.

One of the largest challenges for first-time homebuyers to own a home in Hawai'i is the downpayment. For example, as of December 2016, the median price for a single-family home on O'ahu was \$730,000. A conventional loan at 20% would require a downpayment of \$146,000, which is often out of reach for many working families.

The Hula Mae program is intended to make home buying more affordable for qualified families. The Program offers eligible first-time homebuyers with 30-year mortgage loans at very competitive interest rates. Additionally, downpayment assistance may be available for up to 3% of the contract sales price.

As such, the Hula Mae Program is a valuable tool to help first-time homebuyers and families reach the dream of owning their first home.

Mahalo for the opportunity to testify in support of this measure.

