



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. 1046

RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

The HHFDC **strongly supports** H.B. 1046, an Administration bill to update and expand the HHFDC's downpayment loan program to help make affordable home more achievable for Hawaii households.

The Governor's State of Hawaii Housing Plan makes strengthening financial tools a key strategy to address the major housing needs of Hawaii households. One of the major barriers to homeownership is the lack of availability of down payment assistance. Approximately 28 percent of households responding to a housing demand survey conducted by SMS Research for the State and county housing agencies indicated they could not afford the down payment for a home. Even small amounts of down payment assistance increase the probability of moving first-time buyers into homeownership.

The existing down payment loan program was created over 20 years ago, but due to funding and outdated programmatic constraints, has been inactive for some time. Due to the changes to the housing market over that period, existing loan limits must be increased. The bill also allows HHFDC to procure the services of non-profit partners to originate the loans on behalf of the State instead of doing so in-house, which would make the program more efficient. It also adds a new downpayment loan loss reserve program, which would leverage State funds in a public-private partnership to obtain downpayment loan capital from financial institutions.

We respectfully request your support for this important measure. 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

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

Thursday, February 16, 2017
9:30 A.M.
State Capitol, Conference Room #423

In consideration of
H.B. 1046
RELATING TO THE THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM.

Chair Brower, Vice Chair Nakamura, and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) strongly supports H.B. 1046, that would update the Hawaii Housing Finance and Development Corporation's downpayment loan program to help make affordable homeownership more achievable for Hawaii households.

The proposed amendments would update obsolete provisions in the existing program, and expand it to incorporate a new downpayment loan loss reserve program, which would leverage State funds in a public-private partnership to obtain downpayment loan capital from financial institutions. The loan loss reserve program could increase the number of first-time homebuyers that receive downpayment assistance significantly.

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

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February 14, 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 1046
Hearing Date: February 16, 2017
Time: 9:30am
Conference Room: 423

The Office of Housing and Community Development (OHCD) **supports** House Bill 1046 which expands the Downpayment Loan Program to provide greater assistance to low and moderate income first-time homebuyers.

With some of the most expensive real estate in the country even a modest down payment is often difficult for first-time homebuyers to afford. Expanding the Downpayment Loan Program can make the difference for families struggling to save the down payment to buy their first home.



The OHCD asks that you support affordable housing and support HB1046. Thank you for your careful consideration of the positive impacts of this bill.


Neil S. Gyotoku
Housing Administrator



EQUAL HOUSING OPPORTUNITY
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OPPORTUNITY PROVIDER AND
EMPLOYER"



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February 16, 2017

The Honorable Tom Brower, Chair

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

RE: H.B. 1046, Relating to the Downpayment Loan Assistance 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. 1046 which expands the Downpayment Loan Program to provide greater assistance to low and moderate income first-time homebuyers.

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.

Programs to assist first-time homebuyers such as the Downpayment Loan and the Hula Mae Programs are intended to make home buying more affordable for qualified families. As such, the Downpayment Loan Program helps first-time homebuyers and families reach the dream of owning their first home.

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





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February 15, 2017

The Honorable Representative Tom Brower
Chairman, House Committee on Housing

The Honorable Representative Nadine Nakamura
Vice Chair, House Committee on Housing

The Honorable Representative Sylvia Luke
Chairwoman, House Finance Committee

The Honorable Representative Ty Cullen
Vice Chair, House Finance Committee

Re: Testimony in Support of HB1046 Relating to The DownPayment Loan Assistance Program.

Aloha Chairs Brower, Luke and members of the House Housing and House Finance Committees:

I am Dennis Oshiro, Executive Director of Hawaii HomeOwnership Center (HHOC) and HHOC Mortgage, both 501c3 non-profit organizations, testifying in support of H.B. 1046, relating to Downpayment Loan Assistance Program (DLAP). This bill's intent is to modernize DLAP under The Hawaii Housing Finance and Development Corporation (HHFDC) and to establish a loan loss reserve program which will further leverage the numbers served of low and moderate income households wishing to become first-time homebuyers.

Why homeownership? The Legislature itself believes that homeownership creates strong communities through economic growth. Homeowners and their families have a greater sense of security, belonging and pride in their communities.

According to the United States Department of Housing and Urban Development, with careful loan underwriting, homeownership helps lower income households build wealth even during tough economic times.

HHOC also supports Section 5(a)7 requiring completed homeownership counseling provided by a HUD-approved agency. Statistically, sustainable homeownership chances improve by over 30% with this added feature. I urge your support of HB1046 and thank you for your consideration. I can be contacted at: office direct: 523-8115; email: dennis@hihomeownership.org.

Sincerely,

Dennis Oshiro
Executive Director

To: Rep. Tom Brower, Chair
Rep. Nadine K. Nakamura, Vice Chair
Members of the committee

From: Guanqing Li

Date: Thursday, February 16, 2017

Time: 9:30 a.m.

Place: Conference Room 423
State Capitol
415 South Beretania Street

Support for HB 1046, Relating to the downpayment loan assistance program

I am Guanqing Li, a legal immigrant from China. I moved to Hawaii five years ago with my family and work in Hawaii for 5 years. My family is in low and moderate income level. We strongly support HB 1046, Relating to the downpayment loan assistance program, which expands the downpayment Loan Program to greater assistance to low and moderate income first-time homebuyers.

My family is eager to own a home here to have a safe place to live and more space for the family. However, we need to spend most of our income to maintain our livelihood. The rent and prices are higher and higher in Hawaii. We want to own a home but we are lacking cash to pay the down payment. We believe there are many low and moderate income households have the same situations with us. It would be great to get an assist from the downpayment loan assistance program to become first-time home buyers.

My family strongly support expanding the downpayment loan program to greater assistance to low and moderate income first-time homebuyers and we have a need for down payment assistance. Thank you for this opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 13, 2017 7:03 PM
To: HSGtestimony
Cc: mamaupin@hotmail.com
Subject: *Submitted testimony for HB1046 on Feb 16, 2017 09:30AM*

HB1046

Submitted on: 2/13/2017

Testimony for HSG on Feb 16, 2017 09:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Margaret Maupin	Individual	Support	No

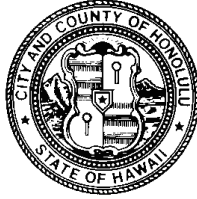
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DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

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MAYOR

GARY K. NAKATA
DIRECTOR

GAIL KAITO
ACTING DEPUTY DIRECTOR

TESTIMONY OF GARY K. NAKATA, DIRECTOR
DEPARTMENT OF COMMUNITY SERVICES
BEFORE HOUSE COMMITTEE ON HOUSING

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

LATE

HOUSE BILL 1046, RELATING TO THE DOWNPAYMENT LOAN ASSISTANCE PROGRAM

Position: Support

TO: The Honorable Tom Brower, Chair
The Honorable Nadine Nakamura, Vice Chair
and Members of the Committee on Housing

The Department of Community Services strongly supports House Bill No. 1046 to improve the Hawaii Housing Finance and Development Corporation's downpayment loan program.

With home prices among the nation's highest, Hawaii residents face formidable odds in competing for housing units available for purchase. The City and County of Honolulu, through its Department of Community Services, offers a down payment loan program for families with incomes up to 80% of median income. When the State's program is funded, HHFDC will be able to assist prospective homeowners with incomes up to 120% of median income. In addition, the proposed loan loss reserve in H.B. 1046 is expected to leverage the state's funds through a public-private partnership with local lenders.

Thank you for the opportunity to provide testimony. Should you have any questions or concerns, please feel free to contact me at 768-7760.