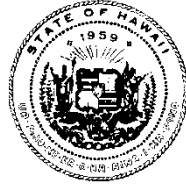


DAVID Y. IGE  
GOVERNOR



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**STATE OF HAWAII**

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Statement of  
**Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**HOUSE COMMITTEE ON FINANCE**

**Tuesday, February 28, 2017**  
**3:00 PM**  
**Room 308, Hawaii State Capitol**

In consideration of  
**HB 1550, HD1**  
**RELATING TO THE HOMEOWNERSHIP**

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide testimony regarding House Bill 1550, HD1, relating to homeownership.

The Hawaii Public Housing Authority (HPHA) **provides comments** on HB 1550, HD1, which 1) establishes within HPHA the Section 8 Voucher Homebuyer Assistance Program for recipients of federal Section 8 Housing Choice vouchers; 2) authorizes issuance of revenue bonds; 3) authorizes the HPHA to make downpayment loans to eligible borrowers; and 4) establishes a special fund.

The Section 8 Voucher Homebuyer program enables recipients of Section 8 vouchers to use their voucher to buy a home and receive monthly assistance in meeting homeownership expenses. The ability to make down-payment loans through HPHA could assist voucher participants in successfully completing the Homebuyer program.

The HPHA would request that the bill be amended to allow our agency time to establish and build the proper capacity to administer a loan program. The HPHA estimates it would need 5 new FTE positions (4 staff and 1 supervisor), and asks that the positions be exempt from civil service, and staffed according to demand. On page 2, lines 11-13, the bill states that the loan down-payment "shall not exceed fifteen per cent of the purchase price or appraised value of the residential property or \$15,000, whichever is less." HPHA requests that "shall" on line 11 be changed to "may," and notes that fifteen percent or a maximum of \$15,000 is a very low

loan amount as the average condo price is quite high. We would respectfully request that the Committee consider increasing the loan amount to better reflect high housing costs in Hawaii.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the HPHA's comments regarding HB 1550, HD1. We thank you very much for your dedicated support.

**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 27, 2017 12:57 AM  
**To:** FINTestimony  
**Cc:** blawaiianlvr@icloud.com  
**Subject:** Submitted testimony for HB1550 on Feb 28, 2017 15:00PM

**HB1550**

Submitted on: 2/27/2017

Testimony for FIN on Feb 28, 2017 15:00PM in Conference Room 308

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
De MONT R. D. CONNER	Ho'omana Pono, LLC.	Support	Yes

Comments: We continue to STRONGLY SUPPORT this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 1550, H.D. 1



**February 28, 2017**  
**3:00 p.m.**  
**Room 308**

**RELATING TO HOMEOWNERSHIP**

House Bill No. 1550, H.D. 1, establishes the Section 8 Voucher Homebuyer Assistance Program and its special fund in the Hawaii Public Housing Authority (HPHA), authorizes HPHA to issue revenue bonds to establish and implement the program, and appropriates general funds for positions necessary to implement and operate the program.

The Department of Budget and Finance, as a matter of general policy, does not support the creation of special funds which do not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 1550, H.D. 1, it is difficult to determine whether the proposed source of revenues will be self-sustaining at this time.

Further, the department is opposed to using revenue bonds to pay for operating expenses of the proposed program.

Thank you for your consideration of our comments.