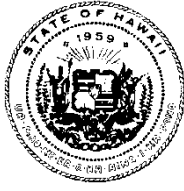


DAVID Y. IGE
GOVERNOR



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

HOUSE COMMITTEE ON HOUSING

February 8, 2018 at 9:30 a.m.
State Capitol, Room 423

In consideration of
H.B. 2743
**AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR
AFFORDABLE HOUSING.**

The HHFDC supports H.B. 2743, provided that its passage does not replace or adversely impact priorities indicated in our Executive Supplemental budget request.

H.B. 2743 makes an unspecified General Obligation Bond appropriation for deposit into the Dwelling Unit Revolving Fund and the Rental Housing Revolving Fund. We note that the Governor's Supplemental Budget request includes Capital Improvement Project appropriations of \$25,000,000 for the Dwelling Unit Revolving Fund and \$50,000,000 for the Rental Housing Revolving Fund.

Thank you for the opportunity to testify.

HB-2743

Submitted on: 2/7/2018 8:57:14 AM

Testimony for HSG on 2/8/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:



February 7, 2018

Hawaii State House of Representatives
Committee on Housing
Rep. Tom Brower, Chair
Rep. Nadine K. Nakamura, Vice Chair
State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Hearing: February 8, 2018

Time: 9:30AM, Room: 423

Subject: HB 2743 Issuance of General Obligation Bonds in Support of Housing

TESTIMONY IN SUPPORT

Chair Brower, Vice Chair Nakamura and members of the Committee on Housing:

EAH Housing is a 50 year old non-profit public benefit corporation whose mission is to develop, manage and promote affordable rental housing. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI).

We believe the main causes of our affordable housing crisis are the lack of funding availability in order to subsidize the development of housing to serve those most in need and the availability of developable, appropriately zoned land.

Recent studies have shown that those most in need of housing are those with incomes at 80% and below of the AMI. Roughly 68% of the demand for housing is attributed to those income levels. Twenty-one percent (21%) of the demand for housing is attributed to income levels from 80% - 120% of the AMI. The remaining 11% of demand is attributed to income levels of 140% and above of the AMI.

As developers of low income housing for families and seniors we depend on the Rental Housing Revolving Fund as our primary source of gap financing. We appreciate all efforts to provide more moneys and a more stabilized source of moneys to this Fund which is always over-subscribed. We also believe that government subsidies should be directed to those most in need which as described above is those with incomes at or below 80% of the AMI.

Thank you for the opportunity to submit testimony on this most important issue of affordable housing.

Sincerely,

Kevin R. Carney, (PB), NAHP-E, RB-16444
Vice President, Hawaii
EAH Housing, RB-16985



January 28, 2018

To: House Committee on Housing

Date: Hearing February 8, 2018 at 9:30 A.M.

Subj: HB2743, Authorizing the Issuance of General Obligation Bonds for Affordable Housing

Testimony in Strong Support

Chair, Brower, Vice Chair, Nakamura and members of the Committee on Housing. I am here today to provide testimony in strong support of HB2743

HB2743 if passed would provide much needed revenue to increase rate of affordable housing construction.

I need not to mention that we are in the midst of the most severe housing crisis in the history of our state. What is most disconcerting is that this crisis of our own making by failing to heed for the last 30 years all the warning signs pertaining to our increasing shortage of affordable housing.

We strongly believe that HB2743 will provide bond revenues for affordable housing development. As the committee members know the Dwelling Unit Revolving Fund is used to for the acquisition of real property, development and construction of residential, commercial and industrial properties, interim and permanent loans to developers, and any and all things necessary to carry out the purposes of the Housing Development Program, including administrative expenses. ***The question that needs to be asked is "is this amount enough?"***

Governor Ige has set a goal of 66,000 units within the next 10 years, assuming each unit will cost a minimum of \$150,000.00 we would need invest \$990 million to reach this goal. The reality is the housing unit cost will be much greater.

Please consider the above figure will determine the bond authorization.

George Massengale

Chair, Advocacy Committee

HB-2743

Submitted on: 2/5/2018 5:14:11 PM

Testimony for HSG on 2/8/2018 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez		Support	No

Comments: