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IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON HOUSING**  
**SENATE COMMITTEE ON LABOR, CULTURE AND THE ARTS**

February 7, 2019 at 1:15 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 1050**  
**RELATING TO HOUSING.**

The HHFDC *offers the following comments* on S.B. 1050. HHFDC is willing to administer the proposed task force. However, we question the need to establish a task force as State employees can access existing low down payment mortgage loan programs such as Fannie Mae Home Ready and FHA Basic 203(B). The Hawaii State Federal Credit Union also has a Combo 100 loan program for eligible members including active and retired employees of the State of Hawaii.

Given the increase in conventional interest rates, HHFDC is positioning to offer Hula Mae Single Family mortgage loans through participating lenders. We anticipate the loan program will offer a 3 percent down payment feature.

Thank you for the opportunity to testify.



## HAWAII GOVERNMENT EMPLOYEES ASSOCIATION

AFSCME Local 152, AFL-CIO

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The Thirtieth Legislature, State of Hawaii  
The Senate  
Committee on Housing  
Committee on Labor, Culture and the Arts

Testimony by  
Hawaii Government Employees Association

February 7, 2019

### S.B. 1050 – RELATING TO HOUSING

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO supports the purpose and intent of S.B. 1050 which establishes a task force within the Hawaii Housing Finance and Development Corporation to examine and report on the feasibility of the State establishing and operating a housing loan program for state employees, with a proposed amendment to ensure union representation on the task force.

The preamble of S.B. 1050 accurately identifies two of our state's largest problems: our affordable housing shortage coupled with the inability for low to moderate income earners to save for a down payment and the state's difficulty in attracting and retaining employees, and proffers the foundational steps to address these problems. In addition to salaries that do not keep pace with the private sector, the majority of the state government workforce pays 40% of the total cost of their medical premium, which depending on the plan and type of enrollment, can be as high as \$1,300 per month for family coverage. Their compensation package, coupled with Hawaii's high cost of living, is simply unaffordable and many take on additional jobs just to get by. Local residents deserve financial relief, including the ability to purchase an affordable home, and the creation of this task force step in the right direction.

Thank you for the opportunity to testify in support of S.B. 1050 and for the Committees' consideration in allowing our organization a seat at this important table.

Respectfully submitted,

Randy Perreira  
Executive Director