



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

SENATE COMMITTEE ON HOUSING

January 29, 2019 at 1:30 p.m.
State Capitol, Room 225

In consideration of
**S.B. 14 RELATING TO THE
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.**

HHFDC **supports** S.B. 14 **with the requested amendments shown below.**

1. \$100,000,000 (MOF: C) in FY 2020 and \$100,000,000 (MOF: C) in FY 2021 Cash Infusion for Rental Housing Revolving Fund, Statewide (BED160/HF) in taxable General Obligation Bond funds for infusion into the Rental Housing Revolving Fund (RHRF).

RHRF applications are due to HHFDC in February 2019. Based on a survey of affordable rental housing developers, we anticipate RHRF requests totaling approximately \$115.4 million, to support the development of 835 rental units statewide. While the redevelopment of Mayor Wright Homes (MWH) is a priority, an earmark of \$150 million in FY 2020 would preclude the use of RHRF for other rental projects.

2. \$50,000,000 (MOF: C) in FY 2020 and \$25,000,000 (MOF: C) in FY 2021 Dwelling Unit Revolving Fund Infusion, Statewide (BED 160/HD) in taxable General Obligation Bond funds for infusion into the Dwelling Unit Revolving Fund (DURF).

The major backbone infrastructure in the Villages of Kapolei was built under Act 15, SLH 1988. Consequently, HHFDC has been maintaining the infrastructure because of the inability to dedicate it to the City & County of Honolulu. HHFDC and the City are nearing agreement on necessary infrastructure improvements for dedication, which the requested DURF infusion will help fund. DURF funds may also be needed in FY 2020 to acquire the ground lease for Front Street Apartments in Lahaina, Maui pursuant to Act 150, Session Laws of Hawaii 2018. Thank you for the opportunity to testify.