



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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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**

March 12, 2019 at 1:30 p.m.  
State Capitol, Room 225

In consideration of  
**H.B. 1142, H.D. 1**  
**RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.**

HHFDC ***strongly supports*** H.B. 1142, H.D. 1, which increases the bond authorization amount for the Housing Loan and Mortgage Program, popularly known as the Hula Mae Multifamily Bond Program. The Hula Mae Multifamily Bond Program promotes the development of new or the acquisition and rehabilitation of existing rental housing projects through the issuance of mortgage revenue bonds for interim and permanent financing at rates below conventional market interest rates. The requested increase in bond authority is needed for HHFDC to continue to issue bonds for much-needed affordable rental housing projects statewide.

As of Fiscal Year 2018 year end, Hula Mae Multifamily bonds have assisted in financing the development or acquisition and rehabilitation of 34 projects totaling 4,328 affordable rental units statewide. An additional 11 projects, totaling an additional 1,372 units, are in the planning phase and are pending issuance of approximately \$271,672,678 in bonds. HHFDC only has \$587,873,623 in uncommitted Hula Mae Multifamily bond authority remaining. The requested increase in bond authority is needed for HHFDC to continue to issue bonds for much-needed affordable rental housing projects statewide.

Thank you for the opportunity to testify.

March 12, 2019

**The Honorable Stanley Chang, Chair**  
Senate Committee on Housing  
State Capitol, Room 225  
Honolulu, Hawaii 96813

**RE: House Bill 1142, HD1, Relating to the Housing Loan and Mortgage Program**

**HEARING: Tuesday, March 12, 2019, at 1:30 p.m.**

Aloha Chair Chang, Vice Chair Kanuha, and Members of the Committee,

I am Ken Hiraki Government Affairs Director, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 9,500 members. HAR **supports** House Bill 1142, HD1, which increases the Hula Mae Multifamily Revenue Bond authorization to an unspecified amount.

Hawai'i REALTORS® feel firsthand the pride that accompanies the milestone of homeownership. However, there are many challenges to homeownership in Hawai'i from the high costs of living and land prices; expenses that delay savings, such as student loan debt; and the amount of savings needed for a down payment. Attached is a snapshot of some of the challenges first-time homebuyers face in purchasing a home.

The Hula Mae program is intended to make home buying more affordable for qualified families. The Program offers eligible first-time homebuyers with 30-year mortgage loans at very competitive interest rates. Additionally, downpayment assistance may be available for up to 3% of the contract sales price.

As such, the Hula Mae Program is a valuable tool to help first-time homebuyers and families reach the dream of owning their first home.



# SNAPSHOT OF CHALLENGES TO HOMEOWNERSHIP

## EXPENSES DELAYING SAVINGS FOR HOME PURCHASES

| EXPENSE       | ALL BUYERS | AGE 37 & YOUNGER | AGE 38-52 | AGE 53-62 | AGE 63-71 | AGE 72-92 |
|---------------|------------|------------------|-----------|-----------|-----------|-----------|
| Student Loans | 49%        | 53%              | 25%       | 8%        | 8%        | <1%       |
| Credit Cards  | 42%        | 32%              | 41%       | 30%       | 18%       | 14%       |
| Car Loans     | 37%        | 32%              | 24%       | 14%       | 6%        | 3%        |
| Child Care    | 20%        | 16%              | 18%       | 2%        | 2%        | 3%        |
| Health Care   | 19%        | 12%              | 14%       | 19%       | 8%        | 6%        |
| Other         | 17%        | 19%              | 29%       | 46%       | 70%       | 78%       |

Source: National Association of REALTORS® 2018 Home Buyer and Seller Generational Trends Report

## DIFFICULTY IN REACHING A 20% DOWN PAYMENT *AS OF NOVEMBER 2018*

### CONDOMINIUMS

| COUNTY            | MEDIAN    | 20% DOWN  |
|-------------------|-----------|-----------|
| Island of Hawai'i | \$339,000 | \$67,800  |
| Kaua'i            | \$552,500 | \$110,500 |
| Maui              | \$528,350 | \$105,670 |
| O'ahu             | \$420,000 | \$84,000  |

### SINGLE-FAMILY

| COUNTY            | MEDIAN    | 20% DOWN  |
|-------------------|-----------|-----------|
| Island of Hawai'i | \$358,000 | \$71,600  |
| Kaua'i            | \$782,500 | \$156,500 |
| Maui              | \$740,398 | \$148,080 |
| O'ahu             | \$797,000 | \$159,400 |