

JOSH GREEN, M.D.  
GOVERNOR



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

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Statement of  
**DELMOND WON**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

March 30, 2023 at 10:05 a.m.  
State Capitol, Room 211

In consideration of  
**H.B. 923 HD1 SD1**  
**RELATING TO BONDS.**

HHFDC **strongly supports** H.B. 923 HD1 SD1, which makes various amendments to Section 39B-2, Hawaii Revised Statutes relating to private activity bond (PAB) ceiling (or cap).

HHFDC agrees that counties that have elected to retain their bond allocation under Section 39B-2 should use their allocations to help developers to construct qualified projects in their respective counties before those developers seek PAB financing from the State's allocation. In exchange, if a county decides to return its PAB allocation to the State, it is only fair that the returned allocation be applied to projects located in that county.

The PAB cap is currently the most limiting resource in terms of financing affordable multi-family rental housing. This bill's provisions will help to ensure fairness and equity in the allocation of PAB cap, especially for the counties of Maui and Hawaii, which do not have PAB issuance programs.

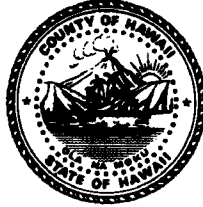
Thank you for the opportunity to provide testimony.

**LATE**

**Mitchell D. Roth**  
*Mayor*

**Lee E. Lord**  
*Managing Director*

**Robert H. Command**  
*Deputy Managing Director*



**Susan K. Kunz**  
*Housing Administrator*

**Harry M. Yada**  
*Assistant Housing Administrator*

**County of Hawai'i**  
**Office of Housing and Community Development**

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March 29, 2023

**TESTIMONY IN SUPPORT OF HOUSE BILL 923 HD1**  
**A BILL FOR AN ACT RELATING TO BONDS**  
**COMMITTEE ON WAYS AND MEANS**  
**Senator Donovan M. Dela Cruz, Chair**  
**Senator Gilbert S.C. Keith-Agaran, Vice Chair**  
**Hearing Date: Thursday, March 30, 2023, at 10:05 AM**  
**Time/Place of Hearing: Via Video Conference/ Conference Room 211**

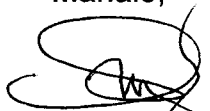
Aloha Honorable Chair Dela Cruz and Honorable Vice Chair Keith-Agaran, and Members of the Committee on Ways and Means,

The Hawai'i County Office of Housing and Community Development **supports HB 923 HD1** which (1) requires counties to apply its allocation of the state ceiling before requesting an additional allocation from the State (2) requires the State to award to the counties any allocation assigned to the State to projects in the assigning county before awarding to projects in other counties (3) requires projects to apply to the county in which the project is located before applying to the State provided that the county has a private bond issuance program, and (4) requires counties to report any unused or unassigned allocation to the State and HHFDC.

Hawai'i County currently does not have a Private Activity Bond issuance program. These proposed amendments to Chapter 39B of the Hawai'i Revised Statutes will ensure equity in the allocation of the PAB cap to the counties for the delivery of multi-family affordable rental housing.

Thank you for this opportunity to testimony in **support** of this measure.

Mahalo,

  
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**Susan K. Kunz**  
Housing Administrator





March 28, 2023

Senator Donovan M. Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Members of the Committee on Ways & Means

RE: **HB 923, HD1, SD1 – RELATING TO BONDS**  
**Hearing date – March 30, 2023 at 10:05 a.m.**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee,

My name is Moe Mohanna and I am President of Highridge Costa Development Company (“HCDC”). Thank you for allowing me to submit testimony with **COMMENTS on HB 923, HD1, SD1 – RELATING TO BONDS**. HCDC is an affordable housing developer with significant experience in Hawaii. HCDC currently has over 2,900 affordable rental units in development or operation throughout Oahu and Maui, including downtown Honolulu, Kapolei, Waipahu and Kihei. HCDC works closely with various state and local agencies to bring low- and moderate-income housing to communities Hawaii’s communities.

HCDC supports HB 923, HD1, SD1 which allows HHFDC to apply each respective counties percentage allocation of bonds to qualified projects within that county, with excess going to projects in counties with the most needed. However, HCDC believes that legislation as written will have the potential to create chaos and unnecessary delays in the delivery of affordable housing. HCDC recommends that HHFDC, the counties, affordable housing developers and bond purchasers should have the opportunity to meet and confer on a coordinated bond financing program that achieves the goals of the counties (in assuring their bond allocation is spent on housing in their county) but that does not delay the delivery of housing. Amending the current rules to allow HHFDC to administer both the bonds and the RHRF funds would allow for a single agency to coordinate the scoring systems and reduce duplicative costs of applying to separate programs. This would also help to reduce the risk of losing allocated bonding when the counties are unable to administer the program.

Mahalo for your consideration.

Moe Mohanna  
President