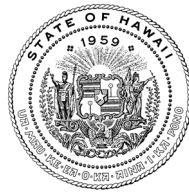


JOSH GREEN, M.D.
GOVERNOR



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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON HOUSING
ON
HOUSE BILL NO. 923

**February 10, 2023
9:30 A.M.
Room 312 and Videoconference**

RELATING TO BONDS.

The Department of Budget and Finance (the "Department") offers the following comments on House Bill No. 923 which (1) requires counties with a private activity bond issuance program to exhaust their allotment before applying to the State for the state allocation; (2) requires a project to first apply to the county in which the project is located, if the county has available private activity bond cap before applying to the State; (3) requires the State to award any allocation assigned from a county to projects in the assigning county before awarding to projects located in other counties; and (4) requires the Department to indicate to the Hawaii Housing Finance and Development Corporation any county amount of unused or unassigned allocation.

The Department recommends the deletion of the proposed language "and the department indicates the same intent to the Hawaii housing finance and development corporation by November 30," to Section 39B-4 and consider the following amendment:

§39B-4 Report of unused allocation; reversion to State. The director of finance of each county shall report to the department and the Hawaii housing finance and development corporation in writing by November 15 of each year as to the amount of allocation to such county which has not been applied to private activity bonds in such year or assigned pursuant to this chapter.

Thank you for your consideration of our concerns.

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
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Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING
February 10, 2023 at 9:30 a.m.
State Capitol, Room 312

In consideration of
H.B. 923
RELATING TO BONDS.

HHFDC ***strongly supports*** H.B. 923, which makes various amendments to Chapter 39B, Hawaii Revised Statutes, relating to private activity bonds.

HHFDC agrees that counties who have elected to retain their bond ceiling should be allocating bond ceiling to qualified projects in their respective counties before seeking private activity bonds (PABs) from the state's allocation. In return, if a county decides to return its PAB allocation to the State, it is only fair that the allocation be applied to projects located in that county.

The PAB bond cap is currently the most limited resource in terms of multi-family rental housing financing and these provisions will help ensure fairness and equity in the allocation of PAB cap, especially for the county of Maui and Hawaii, which do not have PAB bond issuance programs.

Thank you for the opportunity to provide testimony.



February 9, 2023

Representative Troy N. Hashimoto, Chair
Representative Micah P.K. Aiu, Vice Chair
Members of the Committee on Housing

RE: **HB 923 – RELATING TO BONDS**
Hearing date – February 10, 2023 at 9:30 a.m.

Aloha Chair Hashimoto, Vice Chair Aiu 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 – RELATING TO BONDS**. **HCDC** is an affordable housing developer with significant experience in Hawaii. HCDC currently has over 2,300 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 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 recommends that the rules be amended to allow HHFDC to administer both the bonds and the RHRF funds. This 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
Highridge Costa Development Company