

Linda Lingle
GOVERNOR



ORLANDO "DAN" DAVIDSON
EXECUTIVE DIRECTOR

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
Orlando "Dan" Davidson
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

February 22, 2008, 11:00 a.m.
Room 211, State Capitol

In consideration of
S.B. 2980
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

The HHFDC strongly supports S.B. 2980, an Administration bill, which would increase the Hula Mae Multifamily revenue bond authority to \$500 million. The Hula Mae Multifamily program promotes the development of new or the preservation/rehabilitation of existing affordable rental housing projects through the issuance of mortgage revenue bonds for interim or permanent financing at below-market interest rates.

Since its inception, the Hula Mae Multifamily program has provided \$125,878,000 in revenue bond proceeds for 7 affordable rental housing projects totaling 1,133 affordable units. An additional 5 affordable housing projects comprising a total of 829 units have been approved by the HHFDC and are pending bond issuance. These additional projects are requesting Hula Mae Multifamily program financing in the amount of \$119,500,000.

The HHFDC is proposing an increase in its revenue bond authority from \$400,000,000 to \$500,000,000 in order to ensure that sufficient authority is in place to meet increased future demand for program assistance. The increase in Hula Mae Multifamily bond authority does not impact any other state bond authority ceiling.

Thank you for the opportunity to provide written testimony in support of this bill.

TESTIMONY IN SUPPORT OF SB2980

RELATING TO HOUSING LOAN AND MORTGAGE PROGRAM

Ways and Means Committee – 2/22/2008 - 11:00a.m. Hearing

Submitted by Keith Kato, Executive Director, Hawaii Island Community Development Corp.

We support the passage of Senate Bill 2980 as it provides resources for the development of more affordable housing for the state and island of Hawaii.

The Hawaii Island Community Development Corporation is a 501(c)(3) tax exempt corporation whose mission is to provide affordable housing for low and moderate income residents. In the course of our work we are involved with self help housing as a means of achieving homeownership and in developing rental housing for low income residents.

Thank you for the opportunity to submit testimony on this matter.



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February 20, 2008

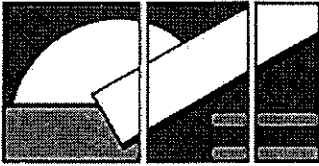
The Honorable Rosalyn H. Baker, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: SB. 2980 Relating to the Housing Loan and Mortgage Program
Hearing Date: February 22, 2008 @ 11:00 a.m., Room 211

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS® (HAR) **supports** S.B. 2980 which provides an increase in Hula Mae multifamily revenue bond authority from \$400 million to \$500 million to provide financing assistance for the development and preservation/rehabilitation of affordable housing in the State of Hawaii.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.



PACIFIC HOUSING ASSISTANCE CORPORATION

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TESTIMONY ON S.B. 2980, RELATING TO THE HOUSING LOAN & MORTGAGE PROGRAM

**Before the Senate Committee on Ways & Means
February 22, 2008, 11:00 am; CONFERENCE ROOM 211**

Submitted By: Marvin Awaya, Executive Director

Pacific Housing Assistance Corporation supports SB 2980 which increases the Hula Mae Multifamily Revenue bond authorization to \$500 million, an increase of \$100 million.

Hula Mae MF revenue bonds are becoming an important financing tool of affordable rental housing. The importance of this tool is because of its automatic linkage to the allocation of 4% "Non-competitive" Federal Low Income Housing Tax credits. The low interest rate of the mortgage revenue bonds combined with private investor equity through the sale of the tax credits makes this an ideal tool for mixed income affordable and workforce rental housing projects.

State tax credits are also provided with the Federal credits and we ask that this committee also consider SB 2981 which among other things reduces the horizon of years over which the low-income housing tax credit must be claimed from 10 years to 5 years. This makes the credit far more attractive to investors and increases the value of the credits thereby increasing the proceeds invested in the affordable rental housing project. This combination makes the Hula Mae bonds a more formidable element in financing rental housing.

We urge that this committee pass SB 2980.