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DENISE ISERI-MATSUBARA
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STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

January 30, 2020 at 9:45 a.m.
State Capitol, Room 423

In consideration of
H.B. 2183
RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM.

HHFDC **strongly supports** H.B. 2183, 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.

As of December 31, 2019, Hula Mae Multifamily bonds have assisted in financing the development or acquisition and rehabilitation of 44 projects totaling 5,449 affordable rental units statewide. An additional 11 projects, totaling an additional 1,392 units, are in the planning phase and are pending issuance of approximately \$345,910,271 in bonds. HHFDC only has \$221,858,518 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.

January 28, 2020

The Honorable Tom Brower, Chair
House Committee on Housing
State Capitol, Room 423
Honolulu, Hawaii 96813

RE: H.B. 2183, Relating to the Housing Loan and Mortgage Program

HEARING: Thursday, January 30, 2020, at 9:45 a.m.

Aloha Chair Brower, Vice Chair Matayoshi 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 10,000 members. HAR **supports** House Bill 2183, which increases the Hula Mae multifamily revenue bond authorization from \$1.5 billion to \$2.5 billion.

One of the largest challenges for first-time homebuyers to own a home in Hawai'i is the downpayment. For example, as of December 2019, the median price for a single-family home on O'ahu was \$820,000. A conventional loan at 20% would require a downpayment of \$164,000, which is often out of reach for many working families.

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.

Mahalo for the opportunity to testify on this measure.