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GOVERNOR

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IN REPLY PLEASE REFER TO:

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

HOUSE COMMITTEE ON FINANCE
February 24, 2023 at 10:00 a.m.
State Capitol, Room 308

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

HHFDC **strongly supports** H.B. 923 HD1, 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. These provisions will help ensure fairness and equity in the allocation of PAB cap, especially for the counties of Maui and Hawaii, which do not have PAB bond issuance programs.

Thank you for the opportunity to provide testimony.

February 24, 2023

Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

RE: **HB 923, HD1 – RELATING TO BONDS**
          Hearing date – February 24, 2023 at 10:00 a.m.

Aloha Chair Yamashita, Vice Chair Kitagawa 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 – 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, HD1 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, HDCD 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
Highridge Costa Development Company

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HB-923-HD-1
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Submitted By	Organization	Testifier Position	Testify
Kevin Carney	Individual	Support	Written Testimony Only

Comments:

AHC Hawaii is in strong support of HB923 HD1. This is a good first step toward having advance knowledge of HHFDC's capacity as related to Private Activity Bonds and the delivery of affordable rental housing utilizing 4% LIHTCs to serve those at 60% and below of the AMI.

Kevin R. Carney

President & Principal Broker

RB-16444