

JOSH GREEN, M.D.
GOVERNOR



DEAN MINAKAMI
INTERIM EXECUTIVE DIRECTOR

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

IN REPLY PLEASE REFER TO:

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
PHONE: (808) 587-0620
FAX: (808) 587-0600

Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

April 18, 2023 at 2:00 p.m.
State Capitol, Room 225

In consideration of
H.C.R. 179

**REAFFIRMING THE COMMITMENT TO INCREASE THE STATE'S AFFORDABLE
HOUSING STOCK BY NOT ALLOCATING SPECIAL PURPOSE REVENUE BONDS
AND DISCOURAGING THE USE OF SPECIAL PURPOSE REVENUE BONDS.**

HHFDC is in **strong support** of H.C.R. 179.

Private activity bonds (PABs) are used in conjunction with Low-Income House Tax Credits (LIHTC) to develop rental housing for households at or below 60% of the area median income. PABs, which are capped by the federal government, have been the primary limiting source in the financing of affordable housing. This year, it is capped at \$359 million.

SPRBs, which also use up bond cap, have no cap, as this resolution notes.

HHFDC appreciates the introducer's acknowledgment of the conflict between housing and SPRBs in the use of bond cap and this body's commitment to increasing the State's affordable housing inventory by prioritizing housing for the bond cap.

Thank you for the opportunity to provide testimony.

HCR-179

Submitted on: 4/13/2023 8:06:06 AM

Testimony for HOU on 4/18/2023 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin Carney	Testifying for Affordable Housing Connections LLC	Support	Written Testimony Only

Comments:

Senate Committee on Housing: Thank you for the opportunity to submit testimony in strong support of HCR179 which recognizes the nexus between the cap and use of PABs and the development of affordable rental housing serving those most in need at 60% and below of the AMI.

Housing advocates celebrated a few years ago when the Rental Housing Revolving Fund (RHRF), the primary source of "gap" funding for the above mentioned projects, received an unusually high allocation of \$200M, commonly known as the Reverand Bob Nakata bill. Unfortunately the celebration was short-lived as the funds were not able to be employed quickly because of the bond cap. Projects intended to help solve the housing crisis were stacked up in HHFDC's funding application process because PABs were no longer available for that year.

HCR179 could help to avoid a similar situation in the future.

Mahalo,

Kevin R. Carney, (PB) NAHP-E

Affordable Housing Connections LLC

DbA AHC Hawaii