

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

LATE

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

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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 HOUSING

February 10, 2023 at 9:30 a.m.

State Capitol, Room 312

In consideration of
H.B. 675
RELATING TO THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION.

HHFDC supports the intent but due to federal government limitations on some of our financing resources, we will be **offering comments** on H.B. 675. This measure requires HHFDC to offer at least two application periods each year for housing financing from its Low-Income Housing Tax Credit (LIHTC) program, Hula Mae multi-family revenue bond program, rental housing revolving fund program (RHRF), and dwelling unit revolving fund program (DURF).

HHFDC supports the desire to afford developers more opportunities to apply for housing financing in light of the demand for affordable housing. However, there are several limiting factors that prevent us from doing so. The main limitation is the private activity bond (PAB) cap, which is set annually by the federal government and exhausted in one funding round.

Bonds must be used in conjunction with the 4% LIHTC in order to qualify for the housing tax credits. This is the primary tool currently available to make projects feasible to build for lower income households Tier 1.

One option would be to offer a second round of financing exclusively for RHRF Tier II funds, which targets individuals and families with incomes between 60-100% AMI. This category consists of the work force who earn too much to qualify for LIHTC projects but cannot afford to buy their own homes—such as teachers, firefighters, police officers, and nurses.

Affordable housing projects that weren't awarded Low-Income Housing Tax Credit (LIHTC) can apply for RHRF Tier II financing without having to wait for the next funding cycle. This keeps the financing pipeline for affordable housing going.

Thank you for the opportunity to provide testimony.



STANFORD CARR DEVELOPMENT, LLC

February 9, 2023

LATE

The Honorable Troy N. Hashimoto, Chair
The Honorable Micah P.K. Aiu, Vice Chair
and Members of the House Committee on Housing

Re: Testimony in Support - HB 675
Relating to the Hawaii Housing Finance and Development Corporation
Hearing: February 10, 2023 at 9:30 AM
Conference Room 312

Dear Chair Hashimoto, Vice Chair Aiu, and Committee Members:

Stanford Carr Development is writing to **support** HB 675, which proposes to mandate two application periods per year for the financing programs administered by the Hawaii Housing Finance and Development Corporation (HHFDC).

HHFDC recently modified prerequisites to require a project to submit an approved 201-H-38 permit prior to applying for tax credits, bonds, and Rental Housing Revolving Funds. Having a two-application cycle will avoid a year or more delay in applying for such resources.

Thank you for the opportunity to offer support for this measure.

Respectfully,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr'.

Stanford S. Carr

HB-675

Submitted on: 2/8/2023 9:24:01 PM

Testimony for HSG on 2/10/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Please support HB675.