



HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

NEIL ABERCROMBIE
GOVERNOR

CRAIG K. HIRAI
EXECUTIVE DIRECTOR

FOR IMMEDIATE RELEASE

June 30, 2014

Enacted Measures Aid State Efforts to Address Affordable Housing

HONOLULU — Two bills signed into law today by Gov. Neil Abercrombie increase financing for affordable rental housing, enhancing the state's ability to address the demand for workforce and affordable housing in Hawaii.

Senate Bill 2542 (Relating to the Disposition of the Conveyance Tax Collections to the Rental Housing Trust Fund) restores the percentage of funds allocated from the state's conveyance tax to the Rental Housing Trust Fund (RHTF) from 30 percent to 50 percent. In 2006, the Legislature raised the allocation to 50 percent, but the economic crisis in 2008 reduced that amount to 30 percent. The increase is estimated to add \$10 million per year or a total of approximately \$30 million annually to the RHTF.

House Bill 2251 (Relating to Housing Loan and Mortgage Program) increases the bond authority of the Hawaii Housing Finance and Development Corporation (HHFDC) Hula Mae Multi Family (HMMF) Revenue Bond Program from \$750 million to \$1 billion.

"The Rental Housing Trust Fund and Hula Mae Multi Family Revenue Bond Program are critical to helping us meet the demand for additional rental housing in Hawaii," Gov. Abercrombie said. "They leverage state resources to create homes people can afford and new jobs, which in turn generate economic development. An investment in these programs is an investment in the people of Hawaii."

HHFDC Executive Director Craig K. Hirai added: "Moving ahead, HHFDC has 5,405 units in the development pipeline through 2019. Of these, 68 percent, or approximately 3698 units are targeted for renter households at or below 80 percent of AMI. The remaining 1707 homes are targeted for sale to households at 80-140 percent of AMI and market."

The RHTF provides equity gap low-interest loans or grants for the development, pre-development, construction, acquisition or preservation of affordable rental housing. Since 1993, the RHTF has successfully built and preserved more than 4,500 rental housing units statewide. Most people living in rental housing financed by the RHTF earn 30-60 percent of area median income. The RHTF leverages other sources of private and public support at a ratio of \$2.33 in additional funds for every RHTF dollar.

The HMMF Revenue Bond Program provides low interest financing through the issuance of tax-exempt revenue bonds for the construction and/or acquisition and rehabilitation of rental housing projects. Developers are able to secure 4 percent non-competitive federal and state Low Income Housing Tax Credits in conjunction with HMMF financing. As of June 30, 2013, the HMMF program has issued more than 20 series of bonds, including one refunding series totaling \$418,244,699.

The mission of the HHFDC is to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools and resources to facilitate housing development. Since 2006, HHFDC has facilitated the development or preservation of over 6,100 housing units. About 82 percent were rentals for households with incomes at or below 80 percent of area median income (AMI). Approximately 18 percent of homes were for sale to households earning 140 percent and below AMI and market.

#

Media Contact:

Kent K. Miyasaki
Hawaii Housing Finance and Development Corporation
Housing Information Specialist
(808) 341-4069
Kent.K.Miyasaki@hawaii.gov