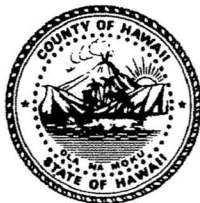


William P. Kenoi
Mayor



LATE

William T. Takaba
Managing Director

Walter K.M. Lau
Deputy Managing Director

County of Hawai'i

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April 7, 2009

The Honorable Marcus R. Oshiro, Chair,
And Members of the House Committee on Finance
State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Senate Bill 1268, SD2, HD1 RELATING TO AFFORDABLE HOUSING

Aloha Chair Oshiro and Representatives:

Thank you for this opportunity to submit testimony requesting an important amendment to Senate Bill 1268, Senate Draft 2, House Draft 1. As written, this bill would amend subsection (a) of Section 46-15.1, Hawaii Revised Statutes to allow the counties to:

“Authorize and issue affordable housing credits to the department of Hawaiian home lands, and deny, or approve within sixty days a request for the transfer or assignment of credits by the department of Hawaiian home lands. The credits shall be issued on a one-for-one basis. The credits shall only be applied within the same county in which the credits were earned to satisfy affordable housing obligations imposed by the county...”

The County of Hawai'i respectfully requests that Senate Bill 1268 Senate Draft 2 House Draft 1 be amended to require that Department of Hawaiian Homes' use of affordable housing credits conform to existing county policy on affordable housing credits. All credits issued to the Department of Hawaiian Homes or transferred or assigned by Hawaiian Homes within the County of Hawai'i should be issued or assigned subject to Hawai'i County Code Chapter 11, which sets out consistent county requirements and restrictions for all recipients of affordable housing credits.

Mahalo for your consideration.

Aloha,

A handwritten signature in black ink, appearing to read "W.P. Kenoi".

William P. Kenoi
MAYOR

**DOWLING
COMPANY, INC**

Room # 308 2:00 PM April 7, 2009

SB1268,SD2, HD1 RELATING TO AFFORDABLE HOUSING

Chair Oshiro and Committee Members:

Introduction: My name is Jennifer Stites and I am the Green Development Manager for Dowling Company, Inc. ("DCI"). DCI is a Maui-based real estate development company that is committed building in balance. We have assisted the Department of Hawaiian Home Lands in developing and building 450 units for native Hawaiians in four separate projects: 3 in Waiehu and 1 in Lahaina.

DCI **supports SB 1268 SD2, HD1** which permits the Department of Hawaiian Homelands (DHHL) to assign, transfer, or exchange county affordable housing tax credits; requires county approval within sixty days for DHHL to transfer credits; and allows the developer that built the affordable housing units to apply it to any project built within the same county in which the credits were earned.

The lack of affordable housing remains a significant problem affecting Hawaii. Finding ways to increase the supply of affordable housing and market housing for Hawaii's residents has been a major objective for our elected officials, and state and county agencies, and members of the housing industry and business community. Creating incentives to develop more affordable housing units is a way to encourage more investments in housing projects and will increase the supply of affordable and market housing.

SB 1268 SD2. provides a valuable new incentive and opportunity for developers who wish to establish a public-private partnership with DHHL to invest in and to produce increased numbers of affordable and market housing. Making county affordable housing credits available to private developers who build affordable homes in DHHL projects and allowing them to apply the affordable housing credits to any project built within the same county will encourage the private- sector to consider participating in DHHL sponsored projects.

Such private-sector development of affordable homes for DHHL is expected to increase the number of DHHL homes. The DHHL affordable housing credits, which can be applied to other private projects located in the same county, will also increase the number of market units built – by providing the necessary incentive for private developers to build market units which would not otherwise be built. Increasing the overall housing supply (both affordable as well as market units) is the key to solving Hawaii's affordable housing shortfall; and the combination of increasing the number of DHHL homes, and using the DHHL credits to build market units will increase the overall supply of housing in Hawaii. Access to affordable housing is critical to our communities; and creative incentives such as SB 1268, SD2, will encourage further development of

**DOWLING
COMPANY, INC**

affordable and market housing projects which will assist in addressing Hawaii's housing shortage crisis. Moreover, this measure could stimulate our local economy during this recession, as it would support the construction industry and other professionals and small businesses related to the housing industry, as well as lenders and financial institutions.

Based on the above, we respectfully request your **favorable consideration of SB 1268 SD2, HD1**. Thank you for the opportunity to express our **support for SB 1268 SD2, HD1**.

THE GENTRY COMPANIES

LATE TESTIMONY

April 7, 2009

The Honorable Marcus Oshiro, Chair
House Committee on Finance
State Capitol, Room 306
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Oshiro and Committee Members:

RE: S.B. 1268, S.D. 2, H.D. 1 - RELATING TO AFFORDABLE HOUSING

My name is Debbie Luning and I am testifying on behalf of Gentry Homes, Ltd. in SUPPORT of the intent of S.B. 1268, S.D. 2, H.D. 1, which would permit private developers to receive affordable housing credits for the development of affordable homes on DHHL lands.

We believe that public-private partnerships in the development of homes for DHHL beneficiaries are one of the keys to solving Hawaii's affordable housing shortfall. The State of Hawaii is faced with a severe shortage of decent, affordable homes and DHHL provides some of the most affordable homes for Hawaii's residents, albeit for a group that is limited by blood quantum requirements. Nevertheless, that group represents a significant number of Hawaii residents desirous of purchasing a home, and addressing the housing needs of DHHL beneficiaries will contribute to an increase in the overall housing stock in Hawaii. Allowing use of affordable housing credits to be applied to other projects located in the same county for which the credits were earned would be a great incentive for private developers to get involved with DHHL's affordable housing program.

We urge your support of this measure.

Sincerely,

GENTRY HOMES, LTD.

Debra M. A. Luning
Director of Governmental Affairs and
Community Relations