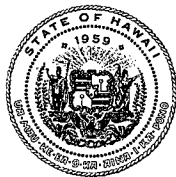


SB 1268, SD1

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



MICAH A. KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

KAULANA H. PARK
DEPUTY TO THE CHAIRMAN

ROBERT J. HALL
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF MICAH A. KANE, CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEFORE THE SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS COMMITTEE

ON SB 1268 SD1
RELATING TO AFFORDABLE HOUSING

February 25, 2009

Chair English, Vice-Chair Gabbard and Members of the Committee:

The Hawaiian Homes Commission and the Department of Hawaiian Home Lands support the intent of SB 1268 SD1 which proposes to amend the Hawaiian Homes Commission Act of 1920 and HRS Chapter 46-15.1 pertaining to County organization and administration. We support this legislation that promotes private-public partnerships that will bring affordable homes to each county during this economic downturn. We support this bill as amended by the Senate Committee on Water, Land, Agriculture and Hawaiian Affairs.

While the state is managing a housing shortage, housing developers in Hawaii, including DHHL, have difficulty meeting the demand because of funding and financing, especially in a recession. DHHL has approximately 20,000 native Hawaiians on our waitlist, waiting for an opportunity for home ownership. This bill would allow

DHHL Testimony on SB 1268 SD1
Senate Committee On Transportation, International and
Intergovernmental Affairs
February 25, 2009
Page 2

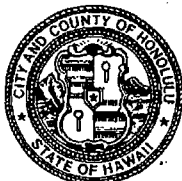
DHHL to provide homes to its beneficiaries and alleviate the housing crisis; a true win-win situation.

Thank you for this opportunity to testify.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.dpp.org • CITY WEB SITE: www.honolulu.gov

MUFI HANNEMANN
MAYOR



DAVID K. TANOUE
ACTING DIRECTOR
ROBERT M. SUMITOMO
DEPUTY DIRECTOR

February 25, 2009

The Honorable J. Kalani English, Chair
and Members of the Committee on Transportation,
International and Intergovernmental Affairs
State Senate
State Capitol
Honolulu, Hawaii 96813

Dear Chair English and Members:

**Subject: SENATE BILL SB 1268 SD1
Relating to Affordable Housing**

The Department of Planning and Permitting (DPP) has **comments** on Senate Bill 1268 SD1 which amends Section 46-15.1, HRS to allow the Department of Hawaiian Home Lands (DHHL) to receive, assign and transfer county affordable housing credits.

Once the county issues DHHL affordable housing credits, SD1 appears to allow DHHL to unilaterally transfer the credits to other projects without county approval. This could seriously compromise the City's ability to distribute affordable housing. The City works diligently to ensure that a variety of affordable housing unit types are provided within the community. These affordable housing units would be integrated within the market-priced neighborhoods to assure the creation of complete communities and avoid creating "housing" type neighborhoods. Some communities may end up with little or no affordable housing units, while others have more than their "fair share". Residents without Hawaiian ancestry could be at a disadvantage with less affordable housing units available in the County-wide inventory.

Please note that we are not opposed to DHHL's participation in our program. We have always been open to their participation; just as every other housing developer is welcome to participate. If this is the intent of the bill -- merely to clarify that DHHL can receive and apply county affordable housing credits -- then this bill is unnecessary.

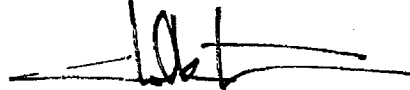
In short, as written, SB 1268 SD1 represents state intervention in a county program, and raises the question of "homerule." In addition, although SB1268 may provide DHHL with additional funds, it comes at the expense of non-Hawaiians by reducing the amount of affordable housing units for private developers who purchase the credits.

The Honorable J. Kalani English, Chair
and Members of the Committee on Transportation,
International and Intergovernmental Affairs
State Senate
Re: Senate Bill 1268, SD1
February 25, 2009
Page 2

Accordingly, we respectfully request that Senate Bill No. 1268 SD1 either be held, or revised to clearly note that the counties have approval as to where and when the credits can be used, and how the credits are calculated. This is already the practice under our affordable housing program.

Thank you for the opportunity to testify.

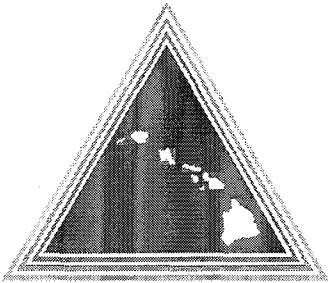
Very truly yours,

A handwritten signature in black ink, appearing to read 'DKT', is written over a horizontal line.

David K. Tanoue, Acting Director
Department of Planning and Permitting

DKT: jmf
sb1268sd1-kst.doc

Sovereign Councils
of the



Hawaiian Homelands
Assembly

1050 Queen St. Suite 200
Honolulu, Hawai'i 96814
Ph: (808) 529-1627
Fax: (808) 357-3556

Kamaki Kanahale
Chair
O'ahu

Leah K. Pereira
Vice-Chair
Kaua'i

Louise M. Bush
Secretary
Moloka'i

M. Kanani Kapuniai
Treasurer
Hawai'i

Rev. N. Tasha Kama
Executive Officer
Maui

Richard Soo
Executive Director

February 21, 2009

To: **Senator Kalani English, Chair**
Sen. Mike Gabbard, Vice Chair & Members of the
Committee on Transportation, International Affairs &
Intergovernmental Affairs

From: **Kali Watson**
Chairman of Statewide Economic Development Committee
SCHHA
Honolulu, Hawaii

Re: **Hearing on SB 1268 SD1 Relating to DHHL Affordable Housing**
Credits
February 25, 2009 at 1:45 pm
Conference Room 224, State Capitol

TESTIMONY IN SUPPORT

Dear Chair English, Vice Chair Gabbard and Members:

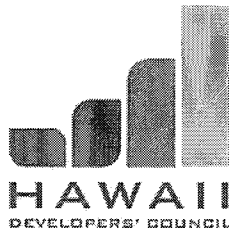
Thank you for the opportunity to provide testimony in support to SB 1268 SD1-relating to County Affordable Housing Credits. This bill permits DHHL to receive and subsequently assign, transfer, or exchange county affordable housing credits. If your Committee is serious about helping native Hawaiians obtain housing, then this bill is a significant and timely way to assist in the cost of housing. Hawaiian Community Development Board, a nonprofit developer, along with Everett Dowling Company recently attempted to do a 75 unit project on Maui in Keokea Waiohuli. Both developers pulled out because of expensive on site infrastructure and housing costs. If DHHL had been able to offer County Tax Credits, the Project may have survived.

The Sovereign Councils of the Hawaiian Homelands Assembly, formerly the State Council of Hawaiian Homestead Associations was founded more than 20 years ago to unite homestead communities and to advocate for the beneficiaries of the Hawaiian Homes Commission Act of 1921. The SCHHA is the oldest statewide advocacy organization representing the interests of more than 30,000 beneficiaries and families residing in the communities of the Hawaiian Home Land Trust. Its mission is to promote the self determination of native Hawaiians and the well being of homestead communities. I urge you to please pass this measure, SB 1268SD1

Sincerely,

A handwritten signature in black ink that reads "Kali Watson". The signature is written in a cursive, flowing style.

Kali Watson
Chairman of Economic Development



February 25, 2009

Senator J. Kalani English, Chair
COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS
State Capitol, Conference Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Senator English:

Subject: Senate Bill No. 1268, SD1, RELATING TO AFFORDABLE HOUSING

My name is Dean Uchida, Vice President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

The HDC supports S.B. 1268, SD1, to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As we understand it, the bill will allow the Department of Hawaiian Home Lands to partner with other developers who are interested in satisfying their affordable housing requirements through agreements with DHHL. The bill essentially provides an option that presently does not exist, and still requires approval from the respective County authority where the projects are being permitted.

As the real estate market constricts, providing flexibility and creative solutions for the real estate industry would help get us through these tough economic times.

We strongly support S.B. No. 1268.

Thank you for the opportunity to share our views with you.

THE GENTRY COMPANIES



February 25, 2009

Senator J. Kalani English, Chair
Committee on Transportation, International
and Intergovernmental Affairs
State Capitol, Conference Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair English and Committee Members:

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

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

We believe that private-sector development of affordable homes for DHHL beneficiaries is a key element in helping to solve Hawaii's affordable housing shortfall. We further believe that these DHHL homes should qualify for county affordable housing credits despite the fact that the sale of these homes is limited in scope to Hawaii's indigenous population. By increasing the supply of homes on DHHL lands, the overall supply of homes in our State is likewise increased, thus making more homes available to the general public. Allowing use of these 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 the private sector to get involved with DHHL's affordable housing program.

We urge your support of this measure and its passage out of committee.

Sincerely,

GENTRY HOMES, LTD.

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

ng:K00017

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 25, 2009

Senator J. Kalani English, Chair
COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND INTERGOVERNMENTAL AFFAIRS
State Capitol, Conference Room 224
415 South Beretania Street
Honolulu, Hawaii 96813

Senator English:

Subject: Senate Bill No. 1268, SD1, RELATING TO AFFORDABLE HOUSING

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-HAWAII supports S.B. 1268, SD1, to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As we understand it, the bill will allow the Department of Hawaiian Home Lands to partner with other developers who are interested in satisfying their affordable housing requirements through agreements with DHHL. The bill essentially provides an option that presently does not exist, and still requires approval from the respective County authority where the projects are being permitted.

As the real estate market constricts, providing flexibility and creative solutions for the real estate industry would help get us through these tough economic times.

We strongly support S.B. No. 1268.

Thank you for the opportunity to share our views with you.



Chief Executive Officer
BIA-Hawaii



**SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS
February 25, 2009 at 1:45 p.m.
State Capitol, Conference Room 224
Honolulu, Hawaii 96813**

Subject: Senate Bill No. 1268, SD1, Relating to Affordable Housing

Chair English, Vice Chair Gabbard and members of the committee:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber of Commerce of Hawaii supports S.B. 1268, SD1, to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As we understand it, the bill will allow the Department of Hawaiian Home Lands to partner with other developers who are interested in satisfying their affordable housing requirements through agreements with DHHL. The bill essentially provides an option that presently does not exist, and still requires approval from the respective County authority where the projects are being permitted.

As the real estate market constricts, providing flexibility and creative solutions for the real estate industry would help get us through these tough economic times.

We strongly support S.B. No. 1268.

Thank you for the opportunity to share our views with you.



KAMEHAMEHA SCHOOLS

Testimony to the Senate Committee on Transportation,
International and Intergovernmental Affairs
Hearing Date: Wednesday, February 25, 2009
1:45 p.m. – Conference Room 224

Robert Oda
Project Manager, Commercial Assets Division
Kamehameha Schools

Thank you for the opportunity to comment on SB No. 1268 SD1.

Kamehameha Schools supports this measure.

Kamehameha Schools broadly supports the increasing availability of affordable housing throughout Hawai'i. We believe that the housing crisis in Hawai'i is real and requires immediate action. We also believe it is critically important to implement policies that will result in the construction of new affordable units (or retention of existing supply) and not have the unintended and ironic consequence of inhibiting construction altogether.

Our overarching comment is that provisions in statute, rules and policies concerning affordable housing must be viewed collectively for their contribution to an overall effective policy that promotes actual development of affordable housing. We believe that a range of strategies will help provide realistic options for many Hawaii residents. We want to engage in constructive dialog with you and key stakeholders and thank you for allowing us to highlight several key issues. We support this measure which would permit the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

567 South King Street • Honolulu, Hawai'i 96813-3036 • Phone 808-523-6200

Founded and Endowed by the Legacy of Princess Bernice Pauahi Bishop

TESTIMONY OF SHIRLEY SWINNEY, PRESIDENT
MALUOHAI RESIDENTS' ASSOCIATION
ON **SB 1268 SD1**
BEFORE THE SENATE COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS

February 25, 2009

Chair English, Chair Gabbard, and Members of the Committee:

Mahalo for this opportunity to testify in support of SB 1268 in its amended form. This bill enables the Department of Hawaiian Home Lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As a leader of a Hawaiian homestead community association, I respectfully urge that you pass this bill. We support this measure because it encourages private investment to help increase the state's affordable housing inventory. During this economic downturn where the state and counties are facing deep budget cuts, this type of measure is necessary to promote partnerships between the public and private sector to address the shortage of affordable housing. This bill, while addressing affordable housing on Hawaiian home lands, will remove thousands from the waitlist and in doing so, serves to benefit all the people of Hawaii.

We respectfully ask that you approve this bill and thank you for this opportunity to testify.