

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813  
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MUFI HANNEMANN  
MAYOR



DAVID K. TANOUE  
DIRECTOR  
ROBERT M. SUMITOMO  
DEPUTY DIRECTOR

March 25, 2009

The Honorable Mele Carroll, Chair  
and Members of the Committee on Hawaiian Affairs

The Honorable Rida Cabanilla, Chair  
and Members of the Committee on Housing  
State House of Representatives  
State Capital  
Honolulu, Hawaii 96813

Dear Chairs Carroll, Cabanilla and Members:

**Subject: SENATE BILL SB 1268, SD2  
Relating to Affordable Housing**

The Department of Planning and Permitting (DPP) **opposes** Senate Bill 1268, SD2, which requires counties to accept transfers of Department of Hawaiian Home Lands (DHHL) affordable housing credits within 60 days.

We support the progress that DHHL has made in providing affordable housing to its beneficiaries. We believe we have a long-standing cordial relationship with the department as it continues to develop its lands for housing. However, this bill is poorly worded and does not make it clear that the county can disapprove credit requests. Nor does the bill seem to allow the counties to have a say regarding which projects can use these credits. The award of any credits should be based on county requirements and not DHHL guidelines.

The City and County of Honolulu current practice is to allow up to fifty percent (50%) of an affordable housing requirement to be fulfilled by credits from another project. In addition, these credits would need to be earned from a project within the same area. The City would not allow affordable housing credits earned in Waianae to fulfill a requirement in Kaneohe. While affordable housing is a statewide issue, the counties should define priority areas for affordable housing. For Oahu, we prefer that affordable housing be built alongside new market units, especially in growing communities. We also prefer to have affordable housing be dispersed throughout the island, and avoid concentrating it in a few neighborhoods. The City should determine how much credit can be used and where these credits could be used. Senate Bill SB 1268, SD2, would appear to completely override the city's strategy on affordable housing location.

The Honorable Mele Carroll, Chair  
and Members of the Committee on Hawaiian Affairs

The Honorable Rida Cabanilla, Chair  
and Members of the Committee on Housing  
Re: Senate Bill 1268, SD2  
March 25, 2009  
Page 2 of 2

Please note that under the city's affordable housing program, a credit is earned if the unit is sold or rented at an affordable price; the occupant—buyer or tenant—qualifies as a household within the affordable housing range; and, more importantly, the unit remains in this affordable housing program for ten years. The 60-day deadline to approve the credits is not feasible to certify each applicant and confirm that the minimum ten year occupancy requirement has been fulfilled. Would Senate Bill 1268, SD2 force the county to approve the credits even though they do not comply with city requirements?

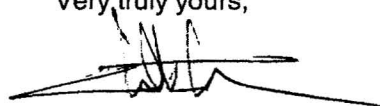
In short, as written, SB 1268, SD2 represents state intervention in a county program, and raises the question of "home rule".

As stated in previous testimony, 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 affordable housing credits-- then this bill is unnecessary.

Accordingly, we respectfully request that Senate Bill No. 1268, SD2 either be held, or revised to provide 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,



David K. Tanoue, Director  
Department of Planning and Permitting

DKT: jmf  
sb1268sd2-kst.doc

Council Chair  
Danny A. Mateo

Vice-Chair  
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Jo Anne Johnson  
Sol P. Kaho'ohalahala  
Bill Kauakea Medeiros  
Wayne K. Nishiki  
Joseph Pontanilla  
Michael P. Victorino

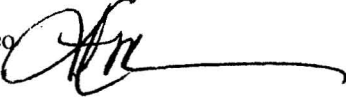


Director of Council Services  
Ken Fukuoka

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/council](http://www.mauicounty.gov/council)

March 24, 2009

TO: Honorable Mele Carroll, Chair  
House Committee on Hawaiian Affairs  
  
Honorable Rida Cabanilla, Chair  
House Committee on Housing

FROM: Danny A. Mateo   
Council Chair

SUBJECT: **HEARING OF MARCH 25, 2009; TESTIMONY OFFERING COMMENTS ON  
SB 1268, SD2, RELATING TO AFFORDABLE HOUSING**

Thank you for the opportunity to testify and offer comments on this measure. The purpose of this measure is to permit the Department of Hawaiian Home Lands (DHHL) to assign or transfer county affordable housing credits.

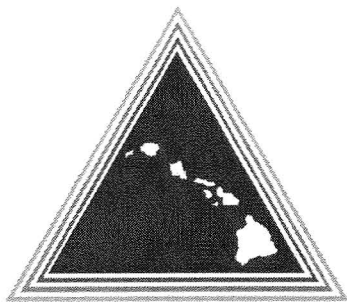
The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I provide the following comments to be considered in your deliberations on this measure:

1. This measure empowers the counties to issue affordable housing credits to DHHL, and to approve of a transfer or assignment of these credits within 60 days. Such a proposal would create a mechanism that would enable the DHHL to transfer or assign affordable housing credits to developers of luxury homes without requiring the developer to construct the required affordable housing within the same community plan area.
2. Allowing the transfer of DHHL credits to large developers to satisfy the developer's affordable housing obligations imposed by the county circumvents Maui County's residential workforce housing policy.
3. The measure does not disclose the counties' role in determining where and when the affordable housing credits will be used and how the credits will be calculated.
4. The measure does not address the status of the affordable housing credits if the county fails to approve the transfer or assignment of credits within 60 days.

Thank you for the opportunity to comment on this measure.

**Sovereign Councils**  
of the



**Hawaiian Homelands  
Assembly**

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

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Maui

Richard Soo  
Executive Director

**3-23-09**

To: **Rep. Mele Carroll, Chair**  
**Rep. Maile S.L. Shimabukuro, Vice Chair & Members of the**  
**Committee on Hawaiian Affairs**  
**Rep. Rida Cabanilla, Chair**  
**Rep. Roland Sagum, , Vice Chair & Members of the**  
**Committee on Housing**

From: **Michael P. Kahikina, Legislative Committee Chairman**  
**SCHHA**  
**Honolulu, Hawaii**

Re: **Hearing on SB -1268 SD2 Relating to DHHL Affordable**  
**Housing Credits**

March 25, 2009 at 10:00 am  
Conference Room 329, State Capitol

**TESTIMONY IN SUPPORT**

Dear Chairs Carroll and Cabanilla, Vice Chairs Shimabukuro and Sagum  
and

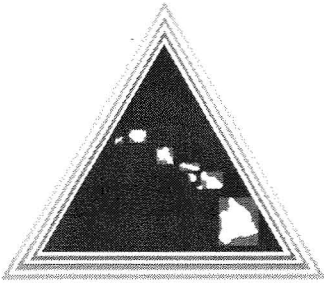
Members:

Thank you for the opportunity to provide testimony in support to SB 1268 SD2-relating to County Affordable Housing Credits. This bill permits DHHL to receive and subsequently assign, transfer, or exchange county affordable housing credits. This bill is a way to assist in the cost of developing more affordable housing while helping in cases such as the Hawaiian Community Development Board, a nonprofit developer, along with Everett Dowling Company, who recently attempted to do a 75 unit homestead 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 use County Affordable Housing Credits, the Project may have survived.

There is no funding required to give the Counties "Home Rule" authorization. I represent the Sovereign Councils of the Hawaiian Homelands Assembly, who 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. We urge you to please pass this measure, SB 1268.

Mahalo!

**Sovereign Councils  
of the**



**Hawaiian Homelands  
Assembly**

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1050 Queen St. Suite 200  
Honolulu, Hawai'i 96814  
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Kamaki Kanahale  
Chair  
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Secretary  
Moloka'i

M. Kanani Kapuniai  
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Executive Officer  
Maui

Richard Soo  
Executive Director

**March 21, 2009**

**To: Rep. Mele Carroll, Chair  
Rep. Maile S.L. Shimabukuro, Vice Chair & Members of the  
Committee on Hawaiian Affairs  
Rep. Rida Cabanilla, Chair  
Rep. Roland Sagum, , Vice Chair & Members of the  
Committee on Housing**

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

**Re: Hearing on SB -1268 SD2 Relating to DHHL Affordable  
Housing Credits  
March 25, 2009 at 10:00 am  
Conference Room 329, State Capitol**

**TESTIMONY IN SUPPORT**

Dear Chairs Carroll and Cabanilla, Vice Chairs Shimabukuro and Sagum and Members:

Thank you for the opportunity to provide testimony in support to SB 1268 SD2-relating to County Affordable Housing Credits. This bill permits DHHL to receive and subsequently assign, transfer, or exchange county affordable housing credits. If your Committees are 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 homestead 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 use County Affordable Housing 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 1268.

Sincerely,

A handwritten signature in black ink that reads "Kali Watson". The signature is fluid and cursive.

Kali Watson  
Chairman of Economic Development



March 25, 2009

Representative Mele Carroll, Chair  
Committee on Hawaiian Affairs  
Representative Rida Cabanilla, Chair  
Committee on Housing  
State Capitol, Conference Room 329  
415 South Beretania Street  
Honolulu, Hawaii 96813

Representatives Carroll and Cabanilla:

Subject: Senate Bill No. 1268, SD2, RELATING TO AFFORDABLE HOUSING

My name is Shane Peters, 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, SD2, 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, SD2.

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



**House Committees on Hawaiian Affairs and Housing**  
**Wednesday, March 25, 2009**  
**10:00 a.m.**  
**Conference Room 329**  
**State Capitol**

**Subject: Senate Bill No. 1268, SD2, RELATING TO AFFORDABLE HOUSING**

Chairs Carroll and Cabanilla, Vice Chairs Shimabukuro and Chong 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, SD2, 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, SD2.

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

**BIA-HAWAII**  
BUILDING INDUSTRY ASSOCIATION

March 25, 2009

Representative Mele Carroll, Chair  
Committee on Hawaiian Affairs  
Representative Rida Cabanilla, Chair  
Committee on Housing  
State Capitol, Conference Room 329  
415 South Beretania Street  
Honolulu, Hawaii 96813

Chairs Carroll and Cabanilla and Members of the Joint Committees:

Subject: Senate Bill No. 1268, SD2, 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, SD2, 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.

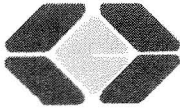
We strongly support S.B. No. 1268, SD2.

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



Chief Executive Officer  
BIA-Hawaii





March 25, 2009

The Honorable Mele Carroll, Chair  
House Committee on Hawaiian Affairs  
The Honorable Rida Cabanilla, Chair  
House Committee on Housing  
State Capitol, Conference Room 329  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Carroll and Cabanilla and Committee Members:

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

My name is Debbie Luning and I am testifying on behalf of Gentry Homes, Ltd. in SUPPORT of S.B. 1268, S.D. 2, 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.

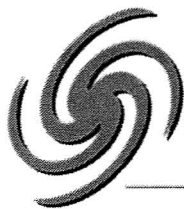
We urge your support of this measure and its passage out of committee.

Sincerely,

GENTRY HOMES, LTD.

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

ng:PL-K00018



## COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

1050 Queen Street, Suite 200, Honolulu, Hawai'i 96814  
Tel: 808.596.8155/800.709.2642 • Fax: 808.596.8156/800.710.2642  
[www.hawaiiancouncil.org](http://www.hawaiiancouncil.org)

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Date: March 23, 2009

To: Representative Mele Carroll, Chair, Committee on Hawaiian Affairs  
Representative Rida Cabanilla, Chair, Committee on Housing

From: Robin Puanani Danner, CNHA CEO & President

Re: **SB 1268 SD2, Relating to Affordable Housing  
Testimony in Support**

Hearing Scheduled for Wednesday, March 25, 2009 at 10:00 a.m.  
Conference Room 329, State Capitol

Thank you for the opportunity to submit testimony on SB 1268 SD2, which articulates affordable housing policy that is important to our state and its people.

The Council for Native Hawaiian Advancement (CNHA) is a nonprofit network of over 90 community organizations. Our mission is to enhance the well-being of Hawaii through the cultural, economic and community development of Native Hawaiians. We administer the **Native Hawaiian Policy Center**, along with our coalition partners, the **Native Hawaiian Economic Alliance** (NHEA) and the **Sovereign Councils of the Hawaiian Homeland Assembly** (SCHHA). Throughout the year, we convene our respective members of small business owners, nonprofit executives, and homestead leaders to identify our annual policy priorities.

Of the thirteen policy issues adopted at our October 2008 convention that over 800 attended, one was to *"ensure access to county affordable housing credit programs that attract development of affordable housing in homestead communities."*

Honorable Chairs, Vice Chairs, and committee members, the administration of the trust lands established by the U.S. Congress in 1921 was accepted by the state of Hawaii as part of statehood in 1959. The Hawaii State Legislature, along with the administration through its agency, the Department of Hawaiian Home Lands (DHHL), represents all of us in Hawaii to reach the full potential of this special trust and commitment to the federal government and to native Hawaiians.

The intent of SB 1268 SD2 is to ensure inclusion of Hawaiian home land communities in every county affordable housing credit program where credits are issued to encourage private investment and development of affordable housing inventory. We applaud this legislation because it promotes private sector momentum in moving capital and partnerships to create affordable housing across the state.

Some may say that Hawaiian home land communities should not be included, or that this issue is best left to the local home rule of county governments to decide. Hawaiian home lands, however, is a trust responsibility of state government, squarely the responsibility of the state

Testimony of CNHA

Re: SB 1268 SD2 – Affordable Housing Credits

March 23, 2009

Page 2 of 2

legislature under Article 12 of our constitution and of the state agency, DHHL, through the statehood act. As we approach the anniversary of five decades since statehood, this simple and inclusive legislation is exactly the type of good housing policy required by state government as the trustee.

We ask that your committee advance this legislation to ensure that the trust lands established by the Congress in 1921, located in every county in the state, and administered by state government, be allowed to be part of the solution to our ailing economy and housing crisis.

Hawaiian home lands are not fee simple lands, nor are they owned by a private sector individual or the responsibility of county governments. They are part of a compact made between our state and our federal governments that, with access and inclusion to affordable housing credit programs, will address tens of thousands of Hawaii citizens on the waitlist, and in doing so, serve the interest and benefit all of the people of Hawaii. Indeed SB 1268 SD2 ensures that county policies with regard to affordable housing credits are in sync with state priorities and responsibilities.

The state legislature has an incredible opportunity to advance economic stimulus, create jobs in the construction trades, shepherd in valuable infrastructure development throughout the state, and open the pathway for healthy neighborhoods to take root. Thank you for the opportunity to support SB 1268 SD2.

The Pacific Resource  
**PARTNERSHIP**



Testimony of C. Mike Kido  
External Affairs  
The Pacific Resource Partnership

Before the House Committee on Hawaiian Affairs  
Representative Mele Carroll, Chair  
Representative Maile Shimabukuro, Vice Chair

Before the House Committee on Housing  
Representative Rida Cabanilla, Chair  
Representative Pono Chong, Vice Chair

SB 1268, SD2 – RELATING TO AFFORDABLE HOUSING  
Wednesday, March 25, 2009  
10:00 a.m.  
Conference Room 329

Chair Carroll, Vice Chair Shimabukuro, Members of the House Committee on Hawaiian Affairs, Chair Cabanilla, Vice Chair Chong, and Members of the House Committee on Housing:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Carpenters Union.

PRP and its member contractors support the intent and purpose of SB 1268, SD2 – Relating to Affordable Housing, which permits the department of Hawaiian home lands to assign or transfer county affordable housing credits and requires county approval with sixty days for DHHL to transfer credits.

This measure provides an incentive to develop more affordable housing which is key to solving Hawaii's affordable housing shortfall. It will also provide jobs which is greatly needed during this tough economic time.

PRP respectfully ask for your favorable consideration of SB 1268, SD2.

TESTIMONY OF SHIRLEY SWINNEY, PRESIDENT  
MALUOHAI RESIDENTS' ASSOCIATION  
ON **SB 1268 SD2**  
BEFORE THE JOINT HOUSE COMMITTEE ON HAWAIIAN AFFAIRS AND HOUSING

March 25, 2009

Chair Carroll, Chair Cabanilla, Vice-Chair Shimabukuro, Vice-Chair Chong and Members of the Committee:

Mahalo for this opportunity to testify in support of SB 1268 SD2 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.

## Rep. Maile Shimabukuro

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 23, 2009 4:16 PM  
**To:** HAWtestimony  
**Cc:** annie@schhahomesteads.org  
**Subject:** Testimony for SB1268 on 3/25/2009 9:30:00 AM

Testimony for HAW/HSG 3/25/2009 9:30:00 AM SB1268

Conference room: 329  
Testifier position: support  
Testifier will be present: No  
Submitted by: Chairman Kamaki Kanahale  
Organization: SCHHA  
Address: 1050 Queen St. Suite 200 Honolulu, Hawaii 96814  
Phone: 808.529.1627  
E-mail: [annie@schhahomesteads.org](mailto:annie@schhahomesteads.org)  
Submitted on: 3/23/2009

Comments: