

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



LATE TESTIMONY

MICAH A. KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

KA ULANA 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 HOUSE COMMITTEES ON HAWAIIAN AFFAIRS AND HOUSING

ON SB 1268 SD2
RELATING TO AFFORDABLE HOUSING

March 25, 2009

Chair Carroll, Chair Cabanilla and Members of the Committees:

The Hawaiian Homes Commission and the Department of Hawaiian Home Lands strongly support SB 1268 SD2 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.

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

Thank you for this opportunity to testify.

William P. Kenoi
Mayor



LATE TESTIMONY
William T. Takaha
Managing Director

County of Hawai'i

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Walter K.M. Lau
Deputy Managing Director

March 25, 2009

The Honorable Mele Carroll, Chair and
The Honorable Rida Cabanilla, Chair,
And Members of the House Committee on Hawaiian Affairs and
House Committee on Housing
State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

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

Aloha Chair Carroll, Chair Cabanilla and Representatives:

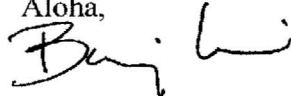
Thank you for this opportunity to submit testimony on Senate Bill 1268 Senate Draft 2, which as currently written would amend subsection (a) of Section 46-15.1, Hawaii Revised Statutes to allow the counties to:

“Issue affordable housing credits to the department of Hawaiian home lands, and approve within sixty days a transfer or assignment of credits by the department of Hawaiian home lands. The credits may be applied to satisfy the affordable housing obligations imposed by the county. The credits shall be issued on a one-for-one basis and may be applied to any project by the developer who built the affordable units within the same county for which the credit was earned; and

The County of Hawai'i respectfully requests that Senate Bill 1268 Senate Draft 2 be amended to require that all credits issued to the Department of Hawaiian Homes or transferred or assigned by Hawaiian Homes within the County of Hawai'i 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.

We also ask that the bill be amended to sunset the amendments on Dec. 31, 2010.

Mahalo for your consideration.

Aloha,

Billy Kenoi
MAYOR



LATE TESTIMONY

LAND USE RESEARCH
FOUNDATION OF HAWAII
700 Bishop Street, Ste. 1928
Honolulu, Hawaii 96813
Phone 521-4717
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Via Capitol Website

March 25, 2009

**House Committee on Hawaiian Affairs and Committee on Housing
Hearing Date: March 25, 2009, at 9:30 a.m in CR 329**

**Testimony in Support of SB 1268 SD2. Relating to Affordable Housing
(Permits the DHHL to assign, transfer or exchange county affordable
housing tax credits)**

Honorable Chair Mele Carroll, Vice Chair, Maile S.L. Shimabukuro and Members of the House Committee on Hawaiian Affairs; Honorable Chair Rida Cabanilla, Vice-Chair Pono Chong and Members of the Committee on Housing:

My name is Dave Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawai'i's significant natural and cultural resources and public health and safety.

LURF **supports SB 1268 SD2**, which permits the Department of Hawaiian Homelands (DHHL) to assign, transfer, or exchange county affordable housing tax credits; and requires county approval within sixty days for DHHL to transfer credits.

Background. The lack of affordable housing remains a significant problem affecting Hawaii. Finding ways to provide sufficient 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 affordable housing projects.

SB 1268 SD2. The purpose of this bill is to permit DHHL to receive and subsequently assign, transfer, or exchange county affordable tax credits.

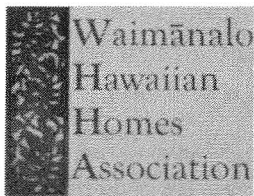
SB 1268 SD2 amends HRS §46-15.1 by amending subsection (a) allowing counties to exercise the following:

(g) Issue affordable housing credits to the department of Hawaiian home lands and allow the department of Hawaiian home lands to transfer or assign credits. The credits may be applied to satisfy the affordable housing obligations imposed by the county. The credits shall be issued on a one-for-one basis and may be applied to any project by the developer who built the affordable units within the same county for which the credit was earned; and

LURF's Position. LURF supports SB 1268, SD2. This bill provides an alternative tool for developers who want to invest in affordable housing projects. Private-sector development of affordable homes for DHHL is expected to increase the number of DHHL homes and the overall supply of housing in Hawaii, and thus is a key element in helping to solve Hawaii's affordable housing shortfall. Extension of the tax credit for DHHL projects will encourage the private sector to consider participating in DHHL sponsored projects. Moreover, allowing affordable housing tax credits to be applied to other projects located in the same county is a valuable incentive for developers who wish to partner with DHHL to produce more affordable housing. Access to affordable housing is critical to our communities and creative incentives such as SB 1268 will encourage further development of affordable housing projects which will assist in ending the housing shortage crisis.

Based on the above, we respectfully request your **favorable consideration of SB 1268 SD2.**

Thank you for the opportunity to express our **support for SB 1268 SD2.**



LATE TESTIMONY

P.O. Box 353, Waimanalo, Hawaii 96795-0353

TESTIMONY IN SUPPORT OF

SENATE BILL 1268 – SD 2 - RELATING TO AFFORDABLE HOUSING

House Committee on Hawaiian Affairs & Housing

March 24, 2009

Honorable Chair Mele Carroll, Vice Chair Maile Shimabukuro and Members of the House Committee on Hawaiian Affairs and Honorable Chair Rida Cabanilla and Vice Chair Pono Chong and Members of the House Committee on Housing, Aloha!

My name is Paul P. Richards and as the President of the Waimanalo Hawaiian Homes Association (WHHA) testifying in support of Senate Bill 1268, SD 2 relating to affordable housing credits, more specifically to be issued to the Department of Hawaiian Home Lands (DHHL) to be applied to satisfy the affordable housing obligation imposed by the counties.

In addition to the ability to extend affordable housing credits to DHHL, we support this measure because it will then encourage private investment through private developers to help increase the state's affordable housing inventory. During this economic downturn the state and various counties are facing deep budget cuts, whereas, this type of measure is necessary to promote partnerships between the public and private sector to address the shortage of affordable housing.

As a leader of a Hawaiian homestead community association, I and those of our membership respectfully urge you and the members of the committee's pass this bill during your scheduled hearing. Mahalo for allowing us this opportunity to submit our testimony.

Aloha pumehana,

Paul P. Richards

Paul P. Richards, President

Paul P. Richards, President • Roxanne Hanawahine, 1st Vice President • N. Kilauea Wilson, 2nd Vice President • Maile Villarín, Recording and Corresponding Secretary • John K. Sang, Treasurer • Mary Ann Crowell, Historian • Roy Sang, Director • Squeaky Peahi, Director • Heidi "Ilima" Ho-Ramseyer • Anthony H. Sang, Sr., Director

LATE TESTIMONY

**DOWLING
COMPANY, INC**

Room # 329 10:00 AM March 25, 2009

SB1268,SD2 RELATING TO AFFORDABLE HOUSING

Chairs Carroll and Cabanilla 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**, 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**. Thank you for the opportunity to express our **support for SB 1268 SD2**.