

February 11, 2009

Senator Norman Sakamoto, Chair
Senate Committee on Education and Housing
State Capitol, Room 230
Honolulu, Hawaii 96813

Subject: S.B. No's. 1161, 1118, 184 and 278; Hearing February 9, 2009; **Late Testimony in Support**

Dear Senator Sakamoto and Members of the Senate Committee on Education and Housing:

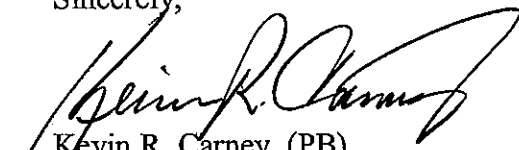
This is written testimony to follow-up with the verbal testimony I provided on Monday, February 9th. EAH Housing thanks the legislature and this committee for entertaining measures that would increase the value of low income housing tax credits and make them more competitive. We depend on the low income housing tax credit (LIHTC) as a primary source of equity financing for new developments and for acquisition and preservation of existing affordable rental housing.

HHFDC pointed out in their testimony that SB1161 would decrease the value of LIHTCs and that the language in SB861 would be more appropriate because it retains the value while reducing the take down period from 10 years to 5 years. **We support this position.**

Hawaii still has a housing crisis. As you can imagine, what was recognized as a housing crisis by the State legislature in 2006 as a shortfall in available affordable rental housing is now impacted by an increase in foreclosures. This has increased demand for more affordable rental housing. With a tax credit marketplace as small as Hawaii's it is critical that the LIHTC program be as competitive as possible in order to attract potential investors. As it stands today, the high technology business investment tax credit is much more attractive to potential investors. In general these bills make the LIHTC more competitive and we support these initiatives.

Thank you for this opportunity to submit our thoughts.

Sincerely,



Kevin R. Carney, (PB)
Vice President, Hawaii