

LINDA LINGLE
GOVERNOR



DENSE M. WISE
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Denise M. Wise
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

March 26, 11:00 A.M.
Room 308, Hawaii State Capitol

In consideration of
S.B. 2109, S.D. 2
RELATING TO LOW-INCOME HOUSING

The Hawaii Public Housing Authority (HPHA) supports S.B. 2109, S.D. 2, which would provide affordable rental housing developers with equity to finance construction of much-needed projects, at no increased cost to the State.

The tax credit exchange program proposed in this bill reflects the policy of the Section 1602 provisions in the American Recovery and Reinvestment Act of 2009, which are meant to assist projects receiving competitive Federal Low-Income Housing Tax Credits (LIHTCs). This bill would allow eligible affordable rental housing developers to trade in competitive, 9 percent State LIHTCs for a loan.

This method of turning tax credits into a monetized resource for affordable housing developers will result in more affordable housing being built, without increasing State costs. Given the overwhelming demand for affordable rental housing, this bill is an opportunity that should not be ignored.

Linda Lingle
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

March 26, 2010, 11:00 a.m.
Room 308, State Capitol

In consideration of
S.B. 2109, S.D. 2
RELATING TO LOW-INCOME HOUSING.

The HHFDC supports S.B. 2109, S.D. 2. This bill will provide needed flexibility to jump start the development and construction of stalled affordable rental housing projects for families at or below 60 percent of the area median income.

The tax credit exchange program proposed in S.B. 2109, S.D. 2 would allow eligible affordable rental housing developers to trade in competitive, 9 percent State Low-Income Housing Tax Credits (LIHTCs) for a loan, discounted to present day value of the total tax credit amount, and capitalized at the prevailing interest rate on taxable general obligation bonds. Further discounted to reflect the utilization rate of state tax credits as determined by the Department of Taxation, 70 percent, this proposal would be budget neutral.

We have attached to our testimony a spreadsheet illustrating how monetizing the state tax credit results in more affordable housing development at the same cost to the State.

The State LIHTC loan mechanism proposed in this bill mirrors the Section 1602 provisions in the American Recovery and Reinvestment Act of 2009, which are meant to assist projects receiving competitive Federal LIHTCs. As the State of Hawaii's LIHTC issuing agency, we support creation of an analogous loan option for the State Credit to provide affordable housing developers with sufficient equity to finance construction of much-needed rental projects.

Thank you for the opportunity to testify.

For 2010, \$1,352,500 in State low-income housing tax credits (TC) is estimated to be available for rental housing development. The following compares production under the existing state TC program and SB 2109.

Existing State TC							
	No. Yrs	Federal TC	State TC 50% of fed	Total TC	RHTF	Other	Total
2010 volume cap		2,705,000					
Carry forward		N/A					
Returned		N/A					
Subtotal credits		2,705,000	1,352,500				
State redeemed				<i>Per DoTAX, unrefundable state tax credits redeemed at:</i>			70%
Pricing		\$0.65	\$0.25				
Credit value		1,758,250	236,688				
Credit proceeds	10	17,582,500	2,366,875	19,949,375	8,000,000	8,000,000	35,949,375
							250,000 Cost/unit
							144 No. units
SB 2109 monetizes the state housing tax credit. Almost 3 times more state proceeds would be generated at the same cost to the State.							
	No. Yrs	Federal TC	State TC 50% of fed	Total TC	RHTF	Other	Total
2010 volume cap		2,705,000					
Carry forward		N/A					
Returned		N/A					
Subtotal credits		2,705,000	1,352,500				
Pricing		\$0.65	N/A				
Credit value		1,758,250	N/A				
Credit proceeds	10	17,582,500					
Bond interest			7%				
Bond proceeds			6,649,576	<i>Present value of taxable GO bonds amortized over 10 years</i>			
Total proceeds		17,582,500	6,649,576	24,232,076	8,000,000	8,000,000	40,232,076
							250,000 Cost/unit
							161 No. units

Bernard P. Carvalho, Jr.
Mayor

Gary K. Heu
Administrative Assistant



Eugene K. Jimenez
Housing Director

KAUAI COUNTY HOUSING AGENCY
Pi'ikoi Building 4444 Rice Street Suite 330
Lihue Hawaii 96766

March 25, 2010

Rep. Marcus R. Oshiro, Chair, and Committee on Finance Members
House of Representatives
The Twenty-Fifth Legislature
Regular Session of 2010
State of Hawaii

SUBJECT: TESTIMONY IN SUPPORT OF SB 2109, SD2, RELATING TO LOW-INCOME HOUSING
Hearing: FIN March 26, 2010 11:00 AM Conference Room 308

The Kaua'i County Housing Agency strongly supports SB 2109, SD 2 Relating to Low-Income Housing.

The tax credit exchange program proposed in S.B. 2109, SD2, mirrors the Section 1602 provisions in the American Recovery and Reinvestment Act of 2009, which are meant to assist projects receiving competitive Federal Low-Income Housing Tax Credits (LIHTCs). This bill would allow eligible affordable rental housing developers to trade in competitive, 9 percent State LIHTCs for a loan, discounted to present day value of the total tax credit amount, and capitalized at the prevailing interest rate on taxable general obligation bonds.

The option to convert state low-income housing tax credits to low-income housing tax loans would provide more financing avenues to developers of affordable housing, particularly in today's economic market for state housing tax credits. We believe that the proposed bill would enable the financing and development of more low-income affordable housing at the same cost to the State. The bill would improve construction opportunities, as well as provide tax payers a greater incentive to support affordable housing. This legislation represents a classic example of a win-win opportunity for the community and the State.

We humbly ask for your support of SB2109, SD2. Thank you for the opportunity to provide testimony on this matter.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "E. Jimenez".

Eugene K. Jimenez
Housing Director



TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Low-income housing credit

BILL NUMBER: SB 2109, SD-2

INTRODUCED BY: Senate Committee on Ways and Means

BRIEF SUMMARY: Amends HRS section 235-110.8 to provide that a qualified low-income building that has been awarded a subaward under section 1602 of the American Recovery and Reinvestment Act (ARRA) of 2009, (Public Law 111-5), shall also be eligible for the low-income housing credit in the amount of 50% of the amount of the federal low-income housing tax credits that would have been allocated to the qualified low-income building pursuant to IRC section 42(b) by the Hawaii housing finance and development corporation (HFDC) if a subaward had not been awarded to the qualified low-income building.

In lieu of the low-income housing tax credit, the owner of a qualified low-income building that has been awarded federal credits under IRC section 42(h)(3)(C) or a subaward under section 1602 of the ARRA, may request a loan under HRS section 201H, and shall not be eligible for the low-income housing tax credit.

Adds a new section to HRS chapter 201H to allow the HFDC to provide a no-interest, low-income housing tax credit loan to an owner of a qualified low-income building that has been awarded federal tax credits that are subject to the state housing tax credit ceiling under IRC section 42(h)(3)(C) or a subaward under section 1602 of the ARRA. The loan shall be equal to 70% of the cash value of the amount of the low-income housing tax credit for each taxable year in the 10-year credit period discounted to present day value and capitalized at the rate of interest on the taxable general obligation bonds used to fund the loan. Allows the HFDC to impose conditions or restrictions on the low-housing tax credit loans.

Authorizes the director of finance to issue general obligation bonds in the sum of \$_____ for fiscal 2011 for the purpose of low-income housing tax credit loans. The appropriation made for the low-income housing tax credit loans shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all moneys from the appropriation unencumbered as of June 30, 2012 shall lapse as of that date.

EFFECTIVE DATE: July 1, 2010; applicable to qualified low-income buildings placed in service after December 31, 2010

STAFF COMMENTS: Under section 1602 of the American Recovery and Reinvestment Tax Act of 2009 (ARRA)(P.L. 111-5), state housing credit agencies are eligible to receive section 1602 grants for low-income housing projects in lieu of low-income housing credits under IRC section 42 for 2009. Under Section 1602 state housing finance agencies may apply to the U. S. Treasury for an exchange of returned or unused FY 2007 and 2008 tax credits, as well as 40% of each state's housing finance agency's 2009 tax credit ceiling and these funds may be subawarded by a housing finance agency to

properties eligible for a tax credit but that have been unsuccessful in finding investors. Section 1602 funds must be spent on project costs by December 31, 2010.

While this is just one incentive to encourage developers to build affordable housing, consideration should be given to a number of strategies including debt financing, partnerships with financial institutions who could then turn around and sell the credits, and the use of federal private activity bonds. Finally, apparently public officials still have not recognized that one of the greatest contributors to the cost of housing in Hawaii is the draconian maze of permitting and regulatory processes in order to bring those homes to market. While those regulatory guidelines are to insure the health and safety of the public, streamlining the process would accelerate the time needed to secure those permits thereby reducing the cost of financing. This savings would go a long way toward reducing the final cost of the house to the consumer. For example, for one housing project on Kauai it took nearly five years to secure the necessary permits to build 14 affordable homes.

Finally, it should be noted that while it has been difficult to sell the state tax credits because of the freeze in the credit markets, the state low-income housing tax credits are also being by-passed because they must now compete with more generous credits such as the credit for investment in qualified high technology businesses. Thus, the incentive for affordable housing is being thwarted by those other generous credits.

Digested 3/24/10



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 2109, SD1: RELATING TO LOW-INCOME HOUSING

TO: Representative Marcus R. Oshiro, Chair, Representative Marilyn B. Lee, Vice Chair, and Members, Committee on Finance

FROM: Betty Lou Larson, Housing Programs Director, Catholic Charities Hawai'i

HEARING: Friday, March 26, 2010, 11:00 am; CR 308

Chair Oshiro, Vice Chair Lee, and Members, Committee on Finance:

Thank you for the opportunity to provide written testimony on this housing bill. I am Betty Lou Larson, Housing Programs Director at Catholic Charities Hawai'i. Catholic Charities Hawai'i supports this bill which would establish a program for granting low-income housing tax credits loans in lieu of low-income housing tax credits administered by the Hawaii Housing Finance and Development Corporation (HHFDC). It would also authorize general obligation bonds to fund the loans.

This bill would add one tool to the tool chest that developers could use to create more affordable housing. With the critical shortage of affordable rentals, this measure could promote more production and possibly assist some projects to begin construction since they have been stalled due to the downturn in the revenues generated from the existing tax credits.

With the dramatic decrease in the revenues generated from both federal and state tax credits, other resources are essential to keep the production of housing projects flowing. **This measure creates a win win situation, since it appears to be budget neutral, yet creates resources for affordable housing.**

Construction is an economic driver. This bill is one step to stimulate the economy and create permanent housing for the future of Hawaii.

Catholic Charities Hawai'i receives thousands of calls each year from families who need affordable housing. We strongly support measures that can serve the people of Hawaii by creating housing. In tough economic times, we urge you to efficiently utilize State resources for programs that result in long-term benefits. Affordable rental projects will continue to serve Hawaii's people for generations to come.

Thank you for your support to create more tools to continue the production of affordable housing, as well as promote growth in Hawaii's economy.



Catholic
Charities
USA



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808)524-HOPE(4673) • www.CatholicCharitiesHawaii.org



Aloha United Way



March 23, 2010

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The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
Hawai'i House of Representatives
415 South Beretania Street; Room 308
Honolulu, Hawai'i 96813

Re: Senate Bill No. 2109 SD2 - Relating to Low-Income Housing

Dear Chair Oshiro and Committee Members:

The Mutual Housing Association of Hawai'i, Inc. ("Mutual Housing") strongly supports Senate Bill No. 2109 SD2 which creates a tax credit exchange loan program for Hawai'i's low-income housing tax credit program ("LIHTC").

Mutual Housing is a developer and owner of affordable rental housing for very low-income families in Hawai'i. We are currently developing a 308-unit rental housing project in East Kapolei near the planned West O'ahu campus of the University of Hawai'i.

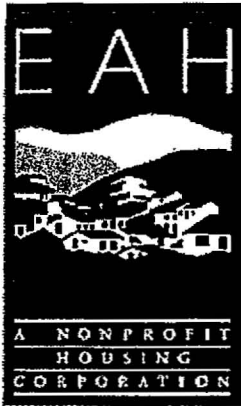
The current recession and turmoil in our country's financial markets has made the financing and development of low-income housing extremely difficult, if not impossible. Less than two years ago, there were ready and able investors to purchase State LIHTC which could fund almost 12.5% of the development cost of a project. The Great Recession of 2009, with its financial market collapse coupled with the saturation of the Hawai'i tax credit market by the High Tech credit program, resulted in the evaporation of investors for Hawai'i LIHTC. Non-profits, such as Mutual Housing, are now struggling to fill this 12.5% equity gap. SB 2019 would create an innovative loan program from the Hawai'i Housing Finance and Development Corporation to address the absence of State tax credit investors.

It will take years to develop the low-income rental projects necessary to meet all of the need in Hawai'i. SB 2019 will help the State avoid falling further behind in addressing our housing crisis. Thank you for the opportunity to provide this testimony.

Sincerely,

David M. Nakamura
Executive Director





March 25, 2010

Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair
House Committee on Finance
State Capitol, Room 308
415 South Beretania Street
Honolulu, Hawaii 96813

Subject: SB 2109 SD2; Hearing March 26, 2010 at 11:00 A.M.; Testimony in Support

Dear Chair Oshiro, Vice Chair Lee and Members of the House Committee on Finance:

Thank you for this opportunity to submit our testimony in support of SB2109 SD2. This bill establishes a program for granting low-income housing tax credit loans in lieu of low-income housing tax credits and also authorizes the issuance of general obligation bonds to fund the loans.

EAH Housing is a non-profit public benefit corporation dedicated to developing, managing, promoting and preserving affordable rental housing. We submitted similar testimony to the Senate Ways and Means Committee in support of the SD1 version of this bill.

We depend on the low-income housing tax credit program as a critical source of our equity financing for the development of new and the acquisition and rehabilitation of existing affordable rental housing. The sale of state low-income housing tax credits to potential investors has never been easy. This is primarily due to the limited number of investors with a state tax obligation sophisticated enough to take advantage of the program, which has a ten year redemption schedule. In recent years the state low-income housing tax credit has competed with the more attractive technology credit which provided for a quicker redemption period and drove down the price of state low-income housing tax credits. In the spring of 2008 the capital markets froze, companies were no longer able to predict long term profits and the need for state low-income housing credits evaporated, further driving down the value of the credits. This is where we stand today. Credits that were once worth \$.50 on the dollar are now worth about \$.30 on the dollar if and that is a big if, you are lucky enough to find an investor. This reduction in value places an increased burden on other local financing vehicles, such as the Rental Housing Trust Fund.

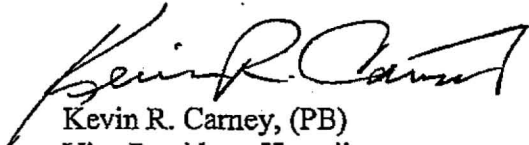
This bill would allow eligible affordable rental housing developers to trade in competitive, 9 percent State LIHTCs for a loan, discounted to present day value of the total tax credit amount, and capitalized at the prevailing interest rate on taxable general obligation bonds.

Monetizing the state tax credit results in more affordable rental housing development at the same cost to the State.

SB 2109 SD1 will help to alleviate the stall mate we are currently in with projects unable to proceed for lack of investors. It will act as an economic stimulus to provide both

construction and permanent jobs while creating housing for those who need it most. Please give it your full support.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin R. Carney". The signature is fluid and cursive, with the first name "Kevin" and last name "Carney" clearly legible.

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

March 25, 2010

The Honorable Marcus R. Oshiro, Chair
House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

RE: S.B. 2109, S.D. 2, Relating To Low-Income Housing

DECISION MAKING: Friday, March 26, 2010 at 11:00 a.m.

Aloha Chair Oshiro, Vice Chair Lee and Members of the Committee:

I am Craig Hirai, the Chair of the Subcommittee on Taxation and Finance, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,800 members in Hawai'i. HAR supports S.B. 2109, S.D.2, which establishes a program for granting low-income housing tax credit loans in lieu of low-income housing tax credits administered by the Hawaii Housing Finance and Development Corporation ("HHFDC") and authorizes the issuance of taxable general obligation bonds to fund the loans.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Trust Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

HAR believes that it may be difficult for a qualified low-income building to sell State Low-Income Housing Credits at a reasonable price if it receives a subaward from the HHFDC under Sections 1602 and 1404 of the American Recovery and Reinvestment Tax Act of 2009 and has no Federal Low-Income Housing Tax Credits to sell.

The intent of S.B. 2109, S.D.2, is to give owners of qualified low-income buildings an election to "monetize" the State Low-Income Housing Tax Credits which are subject to the state housing tax credit ceiling under IRC §42(h)(3)(C) in a manner similar to what the federal government has done with the "exchange program" for subawards under Sections 1602 and 1404 of the American Recovery and Reinvestment Tax Act of 2009. Like the federal election, this election would be in lieu of receiving State Low-Income Housing Tax Credits under HRS §235-110.8.



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Because the State cannot provide an up-front award like the federal government, and because the State cannot generally appropriate funds for a period as long as the 10-year credit period for the federal and Hawaii Low-Income Housing Tax Credits, S.B. 2109, S.D.2 uses taxable general obligation bond proceeds in an amount equal to 70% of the present value of the annual State Low-Income Housing Tax Credits a qualified low-income building would currently receive under HRS §235-110.8 discounted at the rate of interest the State pays on the taxable general obligation bonds.

HAR would note that S.B. 2109, S.D.2, is or can be made budget-neutral, and therefore, help both the State and property owners by setting a floor for a qualified low-income building's State Low-Income Housing Tax Credits, and thus make it unnecessary to sell credits at an unreasonable discount.

Mahalo for the opportunity to testify.



Castle & Cooke
Hawai'i

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Miliama, Hawai'i 96789-3917
P.O. Box 898900
Miliama, Hawai'i 96789-8900
O'ahu: (808) 548-4811 • Fax (808) 548-2980
Lana'i: (808) 363-3000 • Fax (808) 363-3312

Harry S. Saunders
President

Fax Submittal: 586-6001

Email Submittal: <http://www.capitol.hawaii.gov/emailtestimony>

Testimony by Harry Saunders
President, Castle & Cooke Hawai'i
March 24, 2010

Before the **House FINANCE Committee**

March 26, 2010
11:00 a.m.
Room 308

In Support of SB 2109 SD2
RELATING TO LOW INCOME HOUSING

Chair Oshiro, Vice Chair Lee and Members of the House Finance Committee.

I am Harry Saunders, President of Castle & Cooke Hawai'i. We support SB 2109 SD2 because it addresses one of the critical areas indentified by the Construction Industry Task Force.

As we understand it, the tax credit exchange program proposed in SB 2109, SD2, mirrors the Section 1602 provisions in the American Recovery and Reinvestment Act of 2009, which are meant to assist projects receiving competitive Federal Low-Income Housing Tax Credits (LIHTCs). This bill would allow eligible affordable rental housing developers to trade in competitive, nine percent State LIHTCs for a loan, discounted to present day value of the total tax credit amount, and capitalized at the prevailing interest rate on taxable general obligation bonds. **Monetizing the state tax credit results in more affordable rental housing development at the same cost to the State.** This can provide affordable rental housing developers with sufficient equity to finance construction of much-needed projects.

As a member of the Construction Industry Task Force, established by Senate Concurrent Resolution No. 132, SD1 (2009), we were directed to determine the direct contributions of the construction industry to the local economy as well as its impact on related industries, such as tourism and housing. We were also

tasked with developing and proposing state actions that would promote overall economic growth, create jobs and accelerate construction and its associated positive impacts on the economy.

Based on its findings, the task force developed recommendations and proposed actions to address a number of issues, which was presented in a report to the 2010 Legislature. SB 2109 SD2 addresses the issue identified by the task force as follows:

Tax Incentives: To combat economic conditions, the task force's Tax & Incentives committee, headed by Ray Kamikawa, a partner at Chun Kerr Dodd Beaman & Wong, made several recommendations to establish or increase tax credits to encourage continued development and increase resources available to developers, including:

- o Creating a 10-percent refundable hotel/timeshare construction and remodeling tax credit, to encourage developers to continue with the planning and construction of millions of dollars worth of hotel and timeshare projects that are currently stalled or stopped.
- o **Monetizing the state low-income tax credit by permitting the exchange of unused tax credits for an interest-free loan from the Hawai'i Housing Finance Development Corporation;** and
- o Introducing a new construction income tax credit for qualified homebuyers equal to two percent of a home's purchase price or \$6,000, whichever is lower. This will work to stimulate construction activity, particularly in the residential sector.

In response to the current economic climate, we ask for your consideration and support of SB 2109 SD2 as it will help to generate an immediate impact on our state's delicate economy by creating jobs to build low-income homes for Hawai'i families.

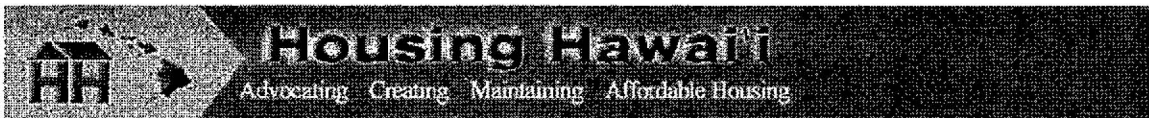
On behalf of Castle & Cooke, I respectfully request your support for SB 2109 SD2. Mahalo for your consideration of our testimony. If you have questions, please feel free to contact us:

Harry Saunders, President
Castle & Cooke Hawai'i
aktsukamoto@castlecooke.com
548-4884

Richard Mirikitani, Senior Vice President and Counsel
Castle & Cooke Hawai'i
rmirikitani@castlecooke.com
548-4890

Bruce Barrett, Executive Vice President
Castle & Cooke Hawai'i
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Carleton Ching, Vice President – Community and Government Relations
Castle & Cooke Hawai'i
cching@castlecooke.com
548-3793



Housing Hawaii Inc., 841 Bishop Street, Suite 228 – Honolulu, HI 96813 – 808-523-8826

March 25, 2010

Committee on Finance
Marcus Oshiro, Chair
Marilyn Lee, Vice Chair

Hearing: Friday, March 26, 2010, 11:00 A.M.
Hawaii State Capitol, Room 308

Re: SB2109, SD2 – Relating to Low-Income Housing

Testimony in Support

Chair Oshiro, Vice Chair Lee and members of the Committee on Finance. On behalf of the Board of Directors of Housing Hawaii, thank you for the opportunity to offer testimony in support of SB2109, SD2, which would establish a program for granting low-income housing tax credit loans in lieu of low-income housing tax credits administered by the Hawaii Housing Finance and Development Corporation (HHFCD).

Housing Hawaii Inc. is a non-profit 501(c)(3) corporation that advocates for affordable housing which includes both rentals and home sales units throughout the state. We are a broad coalition of public, private, and nonprofit organizations dedicated to creating, preserving, and supporting the development of homes our workers can afford through education, advocacy, and development. Through our public and private sector relationships, we highlight the housing crisis affecting our state, provide research, data, and analysis, ultimately advocating for an overall healthy housing policy environment in Hawaii.

SB2109, SD2 will be an important step in helping our local economy by allowing many stalled affordable housing projects to commence construction. **These construction projects are important component in stimulating our local economy and will create an important affordable housing resource for our community.**

As this Committee is aware, the lack of affordable housing remains a significant problem affecting our community. Working families are finding it harder to purchase or rent a home. On Wednesday, **the Pacific Business News reported that Honolulu was the second-most-expensive residential rental market in 2009 among 210 metropolitan areas surveyed** by the Washington, D.C., based Center for Housing Policy. The average monthly rent in Honolulu was \$1,704 for a two-bedroom unit, up 4.5 percent from \$1,631 in 2008. Honolulu also ranked second highest in rent in 2008.

Passage of SB2109, SD2 will be a win-win for our depressed economy. First, it will increase the supply of new, affordable housing; and second, it will restart housing projects that are currently in suspension, putting hundreds of people back to work.

Mahalo for this opportunity to testify in support of SB2109, SD2.

Respectfully,

A handwritten signature in black ink, appearing to read 'George Massengale', is written over a light-colored background.

George Massengale, J.D.
Member, Board of Directors

 SCD

STANFORD CARR DEVELOPMENT, LLC

March 25, 2010

Committee on Finance
State Capitol, Conference Room 308
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting SB2109, SD 2: Relating To Low-Income Housing
Hearing date Friday, March 26, 2010 at 11:00 A.M
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Representative Marcus R. Oshiro:

We are writing in **SUPPORT** of SB2109 SD 2 which establishes a program for granting low-income housing tax credit loans in lieu of low-income housing tax credit allocations by the Hawaii Housing Finance and Development Corporation. By exchanging the state tax credit allocations for a deferred payment loan, we are more effectively using our existing resources to create affordable units here in Hawaii.

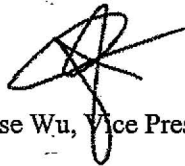
The proposed language follows Section 1602 of the American Recovery and Reinvestment Act of 2009 where the Internal Revenue Service has monetized the volume-cap (9%) low income housing tax credits to stimulate affordable housing construction. This program will result in more efficient use of the existing subsidies like the Rental Housing Trust Fund and directly increase overall affordable housing production levels and positive economic impact for our community.

Thank you for considering our testimony. Please feel free to contact Jesse Wu of my staff (808-990-5678) if you have any questions.

Sincerely,



Stanford S. Carr, President



Jesse Wu, Vice President | Special Projects

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 25, 2010 8:54 AM
To: FINTestimony
Cc: RKatsuda@halemahaolu.org
Subject: Testimony for SB2109 on 3/26/2010 11:00:00 AM

Testimony for FIN 3/26/2010 11:00:00 AM SB2109

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: Roy K.Katsuda
Organization: Hale Mahaolu
Address: 200 Hina Ave Kahului, HI 96732
Phone: (808)872-4100
E-mail: RKatsuda@halemahaolu.org
Submitted on: 3/25/2010

Comments:
I support SB 2109, SD2 Relating to Low-Income Housing