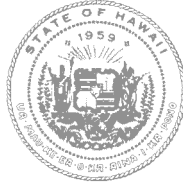


SB2112



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

SENATE COMMITTEE ON EDUCATION AND HOUSING
SENATE COMMITTEE ON HUMAN SERVICES

February 1, 2010, 2:15 p.m.
Room 225, State Capitol

In consideration of
S.B. 2112
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS
AND MAKING AN APPROPRIATION FOR THE SENIOR
RESIDENCE AT IWILEI, OAHU.

The HHFDC ***has concerns*** with S.B. 2113 because it would adversely impact priorities as indicated in the Executive Supplemental Budget for FY2010-2011.

The planned Senior Residence at Iwilei is a 160-unit affordable elderly rental housing development project located in the Honolulu urban core. The non-profit developer, Pacific Housing Assistance Corporation, an experienced affordable rental housing developer, has all necessary permits in place to begin construction immediately.

The HHFDC is providing a long-term land lease and construction financing for the Senior Residence at Iwilei. Unfortunately, the projected rents, which will be affordable to seniors at 60 percent and below of the area median income, results in a projected budget shortfall, and the HHFDC does not have sufficient uncommitted funds to fill in this financing gap. The appropriation proposed in S.B. 2112 would allow project construction to commence, and would provide much-needed senior rentals conveniently located near public transportation and support services.

Thank you for the opportunity to testify.

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

715 SOUTH KING STREET, SUITE 311 • HONOLULU, HAWAII 96813 • AREA CODE 808 • PHONE: 768-7762 • FAX: 768-7792



MUFI HANNEMANN
MAYOR

DEBORAH KIM MORIKAWA
DIRECTOR

ERNEST Y. MARTIN
DEPUTY DIRECTOR

January 29, 2010

Honorable Norman Sakamoto, Chair,
and Members of the Committee on
Education and Housing
Honorable Suzanne Chun Oakland, Chair,
and Members of the Committee on
Human Services
State Capitol
Honolulu, Hawaii 96813

Dear Chair Sakamoto and Chun and Members:

Subject: Senate Bill 2112

Senate Bill 2112 authorizes the issuance of up to \$30,000,000 in General Obligation bonds for the construction of the Senior Residences at Iwilei, Oahu to be expended by the Hawaii Housing Finance and Development Corporation. The City Department of Community Services (DCS) strongly supports Senate Bill 2112.

The Senior Residences at Iwilei will be a mixed-use project consisting of approximately 160 rental units for low-income elderly residents, a senior community center, and on-site parking. The issuance of General Obligation bonds will provide significant financing to support the development of the Senior Residences at Iwilei and is an appropriate means of addressing the affordable housing crisis facing Honolulu and the State as a whole. Given our aging population, there is a growing need for rental units for low-income elderly residents, especially in urban Honolulu where rents tend to be higher compared to rural areas. The DCS is supportive of efforts to provide affordable housing options which allow our senior citizens to live independently. The Senior Residences at Iwilei will also generate much needed employment for our construction industry.

The City and County of Honolulu has already committed \$2,306,941 in federal Community Development Block Grant funds to support the development of the community center, and the DCS respectfully asks for your support of this much needed project.

Sincerely,


Deborah Kim Morikawa
Director

Testimony In Support of
SB2112 AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS
AND MAKING AN APPROPRIATION FOR THE SENIOR RESIDENCE AT IWILEI,
OAHU.

By

Al Lardizabal, Director, Government Relations
Hawaii Laborers' Union

February 1, 2010

Honorable Norman Sakamoto, Chair, Senate Education and Housing Committee;
Honorable Susanne Chun Oakland, Chair, Senate Human Services Committee and
members of the joint committee:

The Hawaii Laborers' Union fully supports the intent and purpose of this bill to provide
\$30 million dollars in G.O. bonds for the housing needs of our senior population in
Iwilei, Oahu.

Thank you for the opportunity to provide this testimony.



HAWAII BUILDING AND CONSTRUCTION TRADES COUNCIL, AFL-CIO

GENTRY PACIFIC DESIGN CENTER, STE. 215A • 560 N. NIMITZ HIGHWAY, #50 • HONOLULU, HAWAII 96817
(808) 524-2249 • FAX (808) 524-6893

NOLAN MORIWAKI

President

Bricklayers & Ceramic Tile Setters
Local 1 & Plasterers/Cement
Masons Local 630

JOSEPH O'DONNELL

Vice President

Iron Workers Local 625

DAMIEN T. K. KIM

Financial Secretary

International Brotherhood of
Electrical Workers Local 1186

ARTHUR TOLENTINO

Treasurer

Sheet Metal Workers I.A. Local 293

REGINALD CASTANARES

Trustee

Plumbers & Fitters Local 675

THADDEUS TOMEI

Elevator Constructors Local 126

MALCOLM K. AHLO

Carpet, Linoleum, & Soft Tile
Local 1296

JOSEPH BAZEMORE

Drywall, Tapers, & Finishers
Local 1944

RICHARD TACGERE

Glaziers, Architectural Metal &
Glassworkers Local Union 1889

RONAN KOZUMA

Hawaii Teamsters & Allied
Workers Local 996

GARY AYCOCK

Boilermakers, Ironship Builders
Local 627

LYNN KINNEY

District Council 50
Painters & Allied Trades
Local 1791

KALANI MAHOE

Operating Engineers Local 3

PETER GANABAN

Laborers' International Union of North
America Local 368

DOUGLAS FULP

International Association of
Heat & Frost Insulators
& Allied Workers Local 132

January 31, 2010

Honorable Senator Norman Sakamoto, Chair
Honorable Senator Michelle Kidani, Vice Chair
Members of the Senate Committee on Education and Housing
Hawaii State Capital
415 South Beretania Street
Honolulu, HI 96813

RE: **IN SUPPORT OF SB 2112**
AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION
BONDS AND MAKING AN APPROPRIATION FOR THE
SENIOR RESIDENCE AT IWILEI, OAHU
Hearing: Monday, February 1, 2010, 2:15 p.m., Room 225

Dear Chair Sakamoto, Vice Chair Kidani and the Senate Committee on
Education and Housing:

For the Record my name is Buzz Hong the Executive Director for
the Hawaii Building & Construction Trades Council, AFL-CIO. Our
Council is comprised of 16-construction unions and a membership
of 26,000 statewide.

The Council SUPPORTS the passage of SB 2112 that authorizes the
issuance of general obligation bonds and makes an appropriation to
complete construction on the senior residence at Iwilei, Oahu.

Thank you for the opportunity to submit this testimony in support
of SB 2112.

Sincerely,

William "Buzz" Hong
Executive Director

WBH/dg



PACIFIC HOUSING ASSISTANCE CORPORATION

677 ALA MOANA BOULEVARD • SUITE 712 • HONOLULU, HAWAII 96813 • (808) 523-5681

TESTIMONY ON S.B. 2112 AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR THE SENIOR RESIDENCE AT IWILEI, OAHU.

**Before the Joint Senate Committee on Education & Housing/Human
Services;**

**February 1, 2010, CONFERENCE ROOM 225
Submitted By: Marvin Awaya, Executive Director**

Pacific Housing Assistance Corporation is the developer of this project having been awarded the development rights and lease of this State-owned property and supports this appropriation bill. This appropriation is critical to development of the project and will also provide a stimulus to our local construction industry. We believe that this appropriation will provide an economic benefit to our local economy.

This appropriation will fill a financing gap of the project. Please note that if this is appropriated, funds should be deposited into the Dwelling Unit Revolving Fund so that it may be used as "gap" financing. The Hula Mae Revenue Bonds will in the 1st mortgage position and the "gap" in a secondary position. The DURF has been enabled to make 2nd mortgage financing.

This project is very far along in the development process until it encountered financing problems caused by the meltdown of the world financial market in late 2007. In addition to State support the project has received support and financing from the Federal Home Loan Bank of Seattle (Affordable Housing Grant \$900,000) and the City and County of Honolulu (CDBG \$500,000 + \$800,000 + \$1 Million; Total \$2.3 million). This early funding of \$3.2 million has allowed the project to get to the point where construction could be imminent if not for the financing problems.

We have received all foundation permits and are in the final stages of the building permits. Water and sewer allocations have been approved and zoning approval are complete. A contractor, Albert C. Kobayashi, has been selected through a bidding process and has diligently stayed with us during this ordeal.

A fact sheet is attached to the testimony with detail of this project. As a summary this project is a 15 story apartment building of 160 units with 146 1-bedroom and 14 2-bedroom units. A separate parking structure is provided. The proposed transit rail line is to be located along side the mauka side of the project and transit station located nearby will provide convenient access for the residents. The project will be within a "transit oriented development" zone.

**FACT SHEET
 SENIOR RESIDENCE AT IWILEI
 January 29, 2010**

Type:	15-Story Tower and 4-Story Parking Structure
No. of Units:	146 1-Bedroom Units (576 – 710 sf) 14 2-Bedroom Units (790 – 821 sf) 160 Units Total (Including Manager's Unit)
No. of Parking Stalls:	146 Parking Stalls; TOTAL 72 Residential Stalls 74 Stalls for the Offices and Day Care Facility)

<u>UNIT MIX</u>	30%	50%	60%	TOTAL
1 – Bedroom	16	24	106	146
2 – Bedroom			13	13

<u>INCOME LIMITS</u>	Median Income Limit	2009 Income 1 & 2 Person
8 Units	30%	\$20,000 - \$22,850
32 Units	50%	\$33,300 - \$38,050
119 Units	60%	\$39,960 - \$45,660
159 Units Total, (Excluding Mgr.'s Unit)		

<u>RENTS: HHFDC 2009</u>	30%	50%	60%
1 – Bedroom	\$535	\$891	\$1,070
2 – Bedroom			\$1,284

FINANCING

Sponsor Equity	\$	250,000	\$	-
Hula Mae Revenue Bond	\$	30,000,000	\$	7,600,000
DURF	\$	12,653,300		
State G.O Bond CIP	\$	21,500,000	\$	30,000,000
Rental Housing Trust Fund			\$	2,065,900
CDBG	\$	2,300,000	\$	2,300,000
Private Foundation	\$	-	\$	2,474,000
Federal Home Loan Bank of Seattle AHP	\$	649,900	\$	899,900
Low Income Housing Tax Credit Equity	\$	-	\$	23,350,400
Deferred Reserves	\$	587,000	\$	-
Deferred Developer's Fees	\$	1,500,000	\$	750,000
TOTAL	\$	69,440,200	\$	69,440,200



PACIFIC HOUSING
ASSISTANCE CORPORATION

Senior Residence at Iwilei



sakamoto2 - Erin

From: ACK [ack@ack-inc.com]
Sent: Friday, January 29, 2010 2:01 PM
To: EDH Testimony
Subject: SB 2112

SB 2112

Date of Hearing - Monday, February 1, 2010

Time: 2:15 pm

Please support SB 2112. We are in favor of this bill because it will create jobs in the construction industry and provide affordable housing for the elderly.

Elvera Toes

Albert C. Kobayashi, Inc.

94-535 Ukee Street

Waipahu, Hawaii 96797

Telephone: (808) 671-6460

FAX: (808) 676-5832

sakamoto2 - Erin

From: Charles Uehara [cu722@yahoo.com]
Sent: Friday, January 29, 2010 1:53 PM
To: EDH Testimony
Subject: SB 2112, February 1, 2010, 2:15 p.m.

Dear Sir/Madam,

Please support and vote in favor of Senate Bill #2112 to authorize the issuance of General Obligation Bonds for the construction of the Senior Residence at Iwilei project.

Besides providing affordable rentals for our elderly, this project will provide needed jobs in our depressed construction industry.

Thank you.

Charles Uehara

sakamoto2 - Erin

From: Russell Young [rky@ack-inc.com]
Sent: Friday, January 29, 2010 1:38 PM
To: EDH Testimony
Subject: FW: S,B. 2112

From: Russell Young
Sent: Friday, January 29, 2010 1:33 PM
To: 'EDHTestimony@Capitol.hawaii.gov'
Subject: S,B. 2112

Dear Sir/Madam,

We would greatly appreciate it if you would vote in favor of Senate Bill #2112. This Bill will authorize the issuance of General Obligation Bonds and making an appropriation for the Senior Residence at Iwilei, Oahu.

This Bill will create work for 150-200 construction workers. The project is ready to start construction so many workers will be employed immediately. When the project is completed, it will provide 160 low income rental apartments for the elderly.

A favorable response from you will be greatly appreciated.

Mahalo,

Russell Young
President
Albert C. Kobayashi, Inc.