

HB 960 HD1

RELATING TO LOW-INCOME HOUSING.

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. Authorizes issuance of general obligation bonds to fund the loans. Effective July 1, 2011. (HB960 HD1)

NEIL ABERCROMBIE
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

SENATE COMMITTEE ON WATER, LAND AND HOUSING

March 17, 2011 at 1:15 p.m.
Room 325, State Capitol

In consideration of

H.B. 960, H.D. 1

RELATING TO LOW-INCOME HOUSING.

The HHFDC **supports** H.B. 960, H.D. 1, with **requested amendments**. We defer to the Department of Taxation with respect to the fiscal impact of this bill.

HHFDC respectfully suggests replacing the text of this bill with S.B. 695, S.D. 1, which was previously heard by this Committee, as well as replacing "shall" with "may" with respect to forgiving the repayment of the loan after 30 years. The text of S.B. 695, S.D. 1 includes technical corrections and a findings and purpose clause suggested by HHFDC's Deputy Attorneys General.

The Low-Income Housing Tax Credit (LIHTC) program is a major financing tool to construct or rehabilitate affordable **rental housing** for families at or below 60 percent of the area median income. Under the program, HHFDC awards federal and state tax credits that may be used to obtain a dollar-for-dollar offset (tax credit) in income tax liability for 10 years or may be syndicated to generate project equity. Approximately \$2.719 million in federal and \$1.359 million in state volume cap tax credits may be awarded each year. There is no cap on the 4% non-competitive LIHTCs, which are normally paired with Hula Mae Multifamily revenue bonds.

The tax credit exchange program proposed in H.B. 960, H.D. 1 would help to remedy the lack of project equity generated by the sale of state LIHTCs. In lieu of awarding state LIHTCs, this bill authorizes HHFDC to make a no-interest loan to the owner of a qualified low-income rental housing project that has been awarded federal LIHTCs; thereby generating nearly three times more equity for the rental housing project.

We would like to point out that, unlike S.B. 1240 (the Administration's bill), this bill would also authorize HHFDC to make a loan to a project owner that has been awarded 4% non-competitive LIHTCs, that are not subject to the state's volume cap.

Thank you for the opportunity to testify.

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WATER, LAND, AND HOUSING
ON
HOUSE BILL NO. 960, H.D. 1

March 17, 2011

RELATING TO LOW INCOME HOUSING

House Bill No. 960, H.D. 1, establishes a program for providing low-income housing tax credit loans in lieu of State of Hawaii low-income housing credits administered by the Hawaii Housing Finance and Development Corporation, and authorizes the issuance of general obligation bonds to fund the loans.

The Department offers a technical comment on this bill. Please be advised that as the bond proceeds will be used for private purposes, taxable general obligation bonds, with interest rates higher than those of tax-exempt general obligation bonds, will need to be issued to fund the low-income housing tax credit loans.

Thank you for the opportunity to provide our testimony on this bill.

NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1530
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FREDERICK D. PABLO
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR
DEPUTY DIRECTOR

SENATE COMMITTEE ON WATER, LAND AND HOUSING

**TESTIMONY OF THE DEPARTMENT OF TAXATION
REGARDING HB 960, HD 1
RELATING TO LOW-INCOME HOUSING**

TESTIFIER: FREDERICK D. PABLO, DIRECTOR OF TAXATION (OR
DESIGNEE)
COMMITTEE: WLH
DATE: MARCH 17, 2011
TIME: 1:15PM
POSITION: DEFER TO HHFDC

This measure 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 and authorizes the issuance of general obligation bonds to fund the loans.

The Department of Taxation **defers to the Hawaii Housing Finance and Development Corporation** on the merits of this legislation.

This legislation is not projected to impact general fund revenues because the grant program is in lieu of tax credits that would have otherwise been claimed.



TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2011

ON THE FOLLOWING MEASURE:

H.B. NO. 960, H.D. 1, RELATING TO LOW-INCOME HOUSING.

BEFORE THE:

SENATE COMMITTEE ON WATER, LAND, AND HOUSING

DATE: Thursday, March 17, 2011 TIME: 1:15 p.m.

LOCATION: State Capitol, Room 225

TESTIFIER(S): David M. Louie, Attorney General, or
Diane K. Taira, Deputy Attorney General

Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General has concerns with this bill in its current form and suggests amendments as follows:

Section 1 - section 201H-__(f), requires the forgiveness of the no-interest loan to the owner of the qualified low-income building after thirty years. This is in violation of article VII, section 4, of the State Constitution, which requires that there be a public purpose for any use of public credit. This can be remedied by a detailing of the public purpose of the bill.

Section 1 - section 201H-__(b) should be reworded to clarify that it is a "taxpayer" and not "a qualified low-income building" that is eligible for the state income tax credit.

Section 1 - section 201H-__(d) - The phrase "for the purpose of sustaining the" should be added before the phrase "long-term viability of buildings funded by a no-interest loan under this section," to clarify the reason for asset management.

Section 1 - section 201H-__(f) - This provision states that the no-interest loan "shall" be forgiven. This wording should be changed to "may" to allow for flexibility in the event that

the forgiveness of the loan may have a negative tax effect on the owner. In addition, wording should be clarified to provide that the amount forgiven is whatever the amount is remaining at the time and not the entire loan.

Section 2 - section 235-110.8(a) - should replace references of "owner of a qualified low income building" to "taxpayer."

Section 2 - section 235-110.8(d) - should be reworded to make clear that it is a "taxpayer" and not "a qualified low-income building" that claims the income tax credit.

Section 2 - section 235-110.8(h) - should replace references of "owner" to "taxpayer" for consistency within chapter.

Thank you for the opportunity to submit testimony in this regard.

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



PETER B. CARLISLE
MAYOR

SAMUEL E. H. MOKU
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

Testimony of the Department of Community Services

MEASURE:

H.B. NO. 960, H.D. 1, RELATING TO LOW-INCOME HOUSING.

COMMITTEE(S):

SENATE COMMITTEE ON WATER, LAND, AND HOUSING

HEARING DATE: Thursday, March 17, 2011

TIME: 1:15 p.m.

LOCATION: State Capitol, Room 225

COMMITTEE REQUESTS 1 COPIES

TESTIFIER(S): Samuel E.H. Moku, Director

(Written testimony only. For more information, please call

Keith Ishida, Community Based Development Division, at 768-7750.)

Chair Dela Cruz and Members of the Committee:

The Department of Community Services strongly supports House Bill 960, HD1.

This bill establishes a program for granting low-income housing tax credit (LIHTC) loans in lieu of low-income housing tax credits administered by the Hawaii Housing Finance and Development Corporation, and authorizes the issuance of General Obligation bonds to fund the loans.

It is an opportune time to establish a program for granting interest-free, low-income housing tax credit loans given present tax credit syndication rates, the affordable housing crisis facing the State, and the current state of the economy. Current conditions have severely depressed LIHTC syndication rates, which in turn limits the amount of LIHTC equity generated to support the development of affordable rental housing and, at worst, may stall projects from moving forward due to the lack of adequate financing. The proposed interest-free loans serve as an alternative source of gap financing to developers of affordable housing, thus addressing one of the greatest challenges to developing affordable housing.

From the perspective of taxpaying residents, the interest-free loans will result in an increase in the amount of State funds going directly into the construction of affordable rental housing, thus providing greater benefit to families and communities as a whole. Furthermore, the interest-free loans may enable more affordable housing projects to move forward, thereby providing direly needed jobs for our construction industry.

We respectfully ask that this bill be passed.



March 17, 2011

Senator Donovan M. Dela Cruz, Chair and Senator Malama Solomon, Vice Chair
Senate Committee on Water, Land, and Housing

Support of HB 960, HD 1, Relating to Low-income housing tax credit loans in lieu of low income housing tax credits administered by the Hawaii Housing Finance and Development Corporation (HHFDC).

Thursday, March 17, 2011 at 1:15 p.m. in CR 225

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 Hawaii's significant natural and cultural resources and public health and safety.

LURF **strongly supports HB 960, HD 1**, which establishes a program for granting State low-income housing tax credit (LIHTC) loans in lieu of state low-income housing tax credit allocations. This proposed program is an important measure that will help our local economy by using existing resources more effectively, and allowing many stalled affordable housing projects to commence construction.

HB 960, HD 1. The purpose and intent of this bill, which applies to qualified low-income buildings placed in service after December 31, 2011, is to establish a program for granting no-interest loans in lieu of certain state low-income housing tax credits to developers of affordable rental housing who qualify for those tax credits; and to authorize the HHFDC to issue general obligation bonds to fund the no-interest loans. Further, this bill is intended to encourage the development of low-income housing by providing affordable housing developers with sufficient equity to finance construction, by decreasing the funding uncertainty.

LURF's Position. LURF supports HB 960, HD 1, because it provides much needed flexibility to stimulate the development and construction of stalled affordable rental housing projects. The lack of affordable housing remains a significant problem affecting Hawaii and Hawaii's families. 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.

Over the years, the State Low-Income Housing Tax Credit Program, established pursuant to Hawaii Revised Statutes, Section 235-110.8, has been a valuable financing mechanism to generate the development or substantial rehabilitation of affordable rental housing. Recently, however, in these difficult economic times, there has been little demand for state low-income housing tax credits due to the lack of available private investors willing to purchase the tax

credits, or the fact that equity generated by any sale of such credits is insufficient to fund development projects. The development and rehabilitation of affordable rental housing projects has thus been stalled generally, due to lack of project equity. Given the current circumstances, the State Low-income Housing Tax Credit Program is unable to create or preserve low-income rental housing as initially intended.

HB 960, HD 1 proposes no-interest loans as a new alternative to the state housing tax credits program. The issuance of general obligation bonds to fund the no-interest loans to developers will provide a more efficient financing tool to develop affordable rental housing. Additionally, the forgiveness of the loan to the owner of the qualified low-income building after 30 years will provide great incentive for the development and substantial rehabilitation of low-income rental housing.

Conclusion. Legislative changes, such as the changes proposed by this bill are needed to help increase the diminished supply of affordable rental housing in Hawaii. Based on the above, LURF respectfully requests that this bill be **favorably considered and approved by this Committee.**

Thank you for the opportunity to express our **strong support for HB 960, HD 1.**



The REALTOR® Building
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March 17, 2011

The Honorable Donovan M. Dela Cruz, Chair
Senate Committee on Water, Land, and Housing
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: H.B. 960, H.D.1, Relating to Low-Income Housing

HEARING: Thursday, March 17, 2011 at 1:15 p.m.

Aloha Chair Dela Cruz, Vice Chair Solomon, and Members of the Committee:

I am Craig Hirai, the Chair of the Subcommittee on Affordable Housing, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,500 members in Hawai'i. HAR supports H.B. 960, H.D.1, Relating to Low-Income Housing, which establishes a program for granting low-income housing tax credit loans in lieu of low-income housing tax credits to be administered by the Hawaii Housing Finance and Development Corporation.

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. The intent of H.B. 960, H.D.1, is to give owners of qualified low-income buildings an election to "monetize" the State Low-Income Housing Tax Credits 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.

Because the State cannot afford to fund 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, H.B. 960, H.D.1, should use 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.





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HAR believes that H.B. 960, H.D.1, is or can be made to be budget neutral. H.B. 960, H.D.1, could therefore help both the State and the property owner by setting a floor for a qualified low-income building's State Low-Income Housing Tax Credits, thus making it unnecessary to sell credits at an unreasonable discount.

Mahalo for the opportunity to testify.

REALTOR® is a registered collective membership mark which may be used only by real estate professionals who are members of the NATIONAL ASSOCIATION OF REALTORS® and subscribe to its strict Code of Ethics.





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

Senate Committee on Water, Land and Housing
Senator Donovan Dela Cruz, Chair
Senator Malama Solomon, Vice Chair

HB 960, HD1 – Relating to Low Income Housing
Thursday, March 17, 2011
1:15 P.M.
Conference Room 225

Chair Donovan Dela Cruz, Vice Chair Malama Solomon and Members of the Committee:

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

PRP **strongly supports** HB 960, HD1 - Relating to Low-Income Housing, which will 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. This bill will also authorize issuance of general obligation bonds to fund the loans effective July 1, 2011.

This proposed program will help our local economy by using our existing resources more effectively and will allow many stalled affordable housing projects to begin construction. This bill will also increase funding for rental housing projects without increasing the State's burden, and thus, will get more people into homes. With over 50% of our union members on the bench, the construction of low-income housing projects will help with job creation and will also create an important housing resource for our community.

Thank you for allowing us to share our opinion and we kindly ask for your favorable consideration as you make your deliberation on HB 960, HD1.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN **SUPPORT OF HB 960, HD1: Relating to Low- Income Housing**

TO: Senator Donovan Dela Cruz, Chair; Senator Malama Solomon, Vice Chair; and Members, Committee on Water, Land and Housing

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: Thursday , 3/17/11; 1:15 pm; CR 225

Chair Dela Cruz, Vice Chair Solomon, and Members of the Committee on Water, Land, and Housing:

Thank you for the opportunity to testify on HB 960, HD1. I am Betty Lou Larson, Legislative Liaison for housing and homelessness issues at Catholic Charities Hawaii. Catholic Charities Hawaii strongly supports this bill.

This bill would provide for the exchange of the state tax credits for loan funds. Monetizing these tax credits may result in **more than double the amount of cash available for these housing projects when compared to the current system.** Catholic Charities Hawaii likes these “odds”—double the money to create housing in these tough economic times. We support this bill as it creates more flexibility in the use of these credits. This is a innovative way to better utilize these credits, in order to obtain more funds for affordable rental housing.

We also support HHFDC’s testimony that suggests replacing the current language with the language previously adopted by the committee in SB 695, SD1, which would fix various technical shortcomings.

This state program could be a very valuable tool to assist with financing the development or rehabilitation of affordable rental housing units. However, these tax credits compete with all other tax credits offered by the State. Even more important, with the current economic downturn, there has been little demand for the sale of these credits, thus less money is obtained when they are sold. Thus this valuable resource that projects had used to gain equity to make their projects pencil out, is not working. Projects have become stalled when they could not sell these state tax credits.

With our growing crisis in homelessness and the dire need for affordable rentals for many in our community, this bill creates another tool in the toolbox to create housing. We need every incentive possible to continue financing projects so that they are sustainable.

We urge you to pass this bill, as it will stimulate the development or rehabilitation of much needed affordable rental housing. Thank you for supporting this creative idea to gain additional funding for housing, without impacting on the State’s budget.



TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Low-income housing credit loan program

BILL NUMBER: HB 960, HD-1

INTRODUCED BY: House Committee on Finance

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 credit that would have been allocated to the qualified low-income building pursuant to IRC section 42(b).

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 Hawaii Housing finance and development corporation (HHFDC) 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 HHFDC 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 2012 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, 2014 shall lapse as of that date.

EFFECTIVE DATE: July 1, 2011; applicable to qualified low-income building 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. While Section 1602 funds must have been spent on project costs by December 31, 2010, it is questionable whether this program will be extended.

While the federal low-income housing tax credit was monetized, that is cash grants are being given out for the volume capped 9% credits, this measure proposes to provide a low-interest loan equal to an unspecified percentage of the cash value of the state credit. The move at the federal level to monetize this credit was spurred by the freeze of the credit markets and the lack of investors interested in buying the low-income housing tax credit. At the state level, interest in the state counterpart of the low-income housing tax credit waned when other more generous credits, like the high technology investment credits, became available. Thus, this measure attempts to provide a state subsidy in the form of a loan program equal to an unspecified amount of the cash value of the credits.

Unfortunately, based on the proposal to renovate the state's largest housing project, Kuhio Park Terrace, most of the state's volume capped low-income housing tax credits will be utilized by that project for the next eight to ten years. Thus, many of the smaller developers of low-income housing in the state who relied on those credits to make the numbers pencil out for their projects will basically be out of business for the next ten years. Thus, the loans proposed by this measure will go toward the renovation of Kuhio Park Terrace rather than developing privately held affordable housing.

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. 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. Apparently, lawmakers believe that they can blunt this impact by providing the loans proposed in this measure. Unfortunately, they are just that, loans which must be repaid at sometime in the future unlike the credits which can be sold to investors in return for hard cash. This contortion is a result of the generous tax incentives handed out for other targeted business activities. Hopefully lawmakers won't make the same mistake in the future.

miyabaraassociates llc
Landscape Architects & Planners

March 15, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting HB960 HD1: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Senator Donovan M. Dela Cruz:

We are writing in **SUPPORT of HB960 HD1** 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 understand that the program will more effectively use our existing resources to develop more affordable units while creating jobs in the local economy.

We are currently involved in the construction of Franciscan Vistas Ewa (Ewa Village) senior rental housing project. This project was principally financed using the Low Income Housing Tax Credit Program. Franciscan Vistas Ewa has been important to our company and, during the peak construction period, the project sustained approximately one hundred fifty 150 workers (including subcontractors) each day. While the project has supported our company during the recent downturn, projects like Franciscan Vistas Ewa will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,



Michael T. Miyabara, FASLA

Clifford Center
810 Richards Street, Suite 808
Honolulu, Hawaii 96813
Telephone (808) 531-1306
Facsimile (808) 533-6049
mail@miyabaraassociates.com

From: mailinglist@capitol.hawaii.gov
To: [WLH Testimony](#)
Cc: leonard@royalcontracting.com
Subject: Testimony for HB960 on 3/17/2011 1:15:00 PM
Date: Wednesday, March 16, 2011 8:48:34 AM

Testimony for WLH 3/17/2011 1:15:00 PM HB960


Conference room: 225
Testifier position: support
Testifier will be present: No
Submitted by: Leonard Leong
Organization: Royal Contracting Co., Ltd.
Address:
Phone:
E-mail: leonard@royalcontracting.com
Submitted on: 3/16/2011

Comments:

Leonard K.P. Leong
Vice President

March 15, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813



RE: Testimony Supporting HB960 HD1: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Senator Donovan M. Dela Cruz:

We are writing in SUPPORT of HB960 HD1 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 understand that the program will more effectively use our existing resources to develop more affordable units while creating jobs in the local economy.

We are currently involved in the construction of Franciscan Vistas Ewa (Ewa Village) senior rental housing project. This project was principally financed using the Low Income Housing Tax Credit Program. Franciscan Vistas Ewa has been important to our company and, during the peak construction period, the project sustained approximately one hundred fifty 150 workers (including subcontractors) each day. While the project has supported our company during the recent downturn, projects like Franciscan Vistas Ewa will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,



Royal Contracting Co., Ltd.
Leonard K.P. Leong
Vice President



STANFORD CARR DEVELOPMENT, LLC

March 15, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting HB960 HD1: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Senator Donovan M. Dela Cruz:

We are writing in **SUPPORT of HB960 HD1** 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 allocation for a deferred payment loan, we are more effectively using our existing resources to create affordable units without placing any additional financial burden on the State of Hawaii. More importantly, this bill would create jobs in the local economy and directly increase overall affordable housing production levels and have a positive economic impact to our community.

We have enclosed an excerpt from the Building Industry Association of Hawaii's *The Local Impact of Home Building in Honolulu County, Hawaii* (prepared in conjunction with the National Association of Home Builders). It quantifies the financial and jobs impact that construction projects have on the local economy, a copy of the full report is available upon request.

Thank you for considering our testimony. Please feel free to contact Jesse Wu (808-547-2274) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr'.

Stanford S. Carr, President

A handwritten signature in black ink, appearing to read 'Jesse Wu'.

Jesse Wu, Vice President | Special Projects

BIA-Hawaii: INSIGHTS INTO OAHU HOME BUILDING

Friday, December 10, 2010 (10:30am-12Noon)

Dole Cannery Ballrooms, 650 Iwilei Road #125, Honolulu, HI

Special presentation featuring National Economist Elliot Eisenberg, Ph.D. (Senior Economist, National Association of Home Builders, Washington DC).



The Local Impact of Home Building in Honolulu County, Hawaii

Income, Jobs, and Taxes Generated

Detailed Tables on Multifamily Construction

Impact of Building 146 Multifamily Units in Honolulu County, Hawaii

Summary

Total One-Year Impact: Sum of Phase I and Phase II:

Local Income	Local Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$52,500,400	\$16,024,900	\$36,474,900	\$3,182,100	724

Phase I: Direct and Indirect Impact of Construction Activity:

Local Income	Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$36,106,300	\$10,398,500	\$25,707,500	\$2,125,400	485

Phase II: Induced (Ripple) Effect of Spending the Income and Taxes from Phase I:

Local Income	Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$16,394,100	\$5,626,400	\$10,767,400	\$1,056,700	239

Phase III: Ongoing, Annual Effect that Occurs When New Homes are Occupied:

Local Income	Local Business Owners' Income	Local Wages and Salaries	Local Taxes ¹	Local Jobs Supported
\$6,029,200	\$1,840,300	\$4,189,000	\$776,500	94

¹ The term local taxes is used as a shorthand for local government revenue from all sources: taxes, fees, fines, revenue from government-owned enterprises, etc.

**Impact of Building 146 Multifamily Units in Honolulu County, Hawaii
Phase I—Direct and Indirect Impact of Construction Activity**

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$24,397,400	\$6,292,600	\$18,104,800	\$54,000	334
Manufacturing	\$3,600	\$200	\$3,400	\$56,000	0
Transportation	\$53,600	\$7,200	\$46,400	\$47,000	1
Communications	\$367,700	\$112,300	\$255,400	\$82,000	3
Utilities	\$116,000	\$44,900	\$71,000	\$93,000	1
Wholesale and Retail Trade	\$3,581,000	\$655,600	\$2,925,300	\$40,000	73
Finance and Insurance	\$814,400	\$66,700	\$747,700	\$91,000	8
Real Estate	\$2,053,200	\$1,807,500	\$245,700	\$57,000	4
Personal & Repair Services	\$250,100	\$94,400	\$155,700	\$36,000	4
Services to Dwellings / Buildings	\$146,800	\$29,200	\$117,600	\$36,000	3
Business & Professional Services	\$3,474,200	\$1,037,400	\$2,436,700	\$63,000	38
Eating and Drinking Places	\$119,900	\$16,100	\$103,800	\$22,000	5
Automobile Repair & Service	\$118,200	\$36,700	\$81,500	\$36,000	2
Entertainment Services	\$20,700	\$4,200	\$16,400	\$49,000	0
Health, Educ. & Social Services	\$4,600	\$1,200	\$3,400	\$42,000	0
Local Government	\$52,800	\$0	\$52,800	\$59,000	1
Other	\$532,100	\$192,300	\$339,900	\$49,000	7
Total	\$36,106,300	\$10,398,500	\$25,707,500	\$53,000	485

B. Local Government General Revenue by Type

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$90,000	Residential Permit / Impact Fees	\$1,437,700
Residential Property Taxes	\$0	Utilities & Other Govt. Enterprises	\$335,400
General Sales Taxes	\$124,900	Hospital Charges	\$0
Specific Excise Taxes	\$30,000	Transportation Charges	\$3,000
Income Taxes	\$0	Education Charges	\$0
License Taxes	\$70,600	Other Fees and Charges	\$33,900
Other Taxes	\$0	TOTAL FEES & CHARGES	\$1,809,900
TOTAL TAXES	\$315,500	TOTAL GENERAL REVENUE	\$2,125,400

Impact of Building 146 Multifamily Units in Honolulu County, Hawaii
Phase II—Induced Effect of Spending Income and Tax Revenue from Phase I
A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$775,600	\$303,200	\$472,300	\$54,000	9
Manufacturing	\$3,400	\$300	\$3,100	\$56,000	0
Transportation	\$49,800	\$6,800	\$43,000	\$44,000	1
Communications	\$1,002,300	\$343,800	\$658,500	\$81,000	8
Utilities	\$542,000	\$213,600	\$328,400	\$93,000	4
Wholesale and Retail Trade	\$2,860,500	\$538,800	\$2,321,700	\$36,000	65
Finance and Insurance	\$712,800	\$64,400	\$648,400	\$82,000	8
Real Estate	\$3,018,200	\$2,656,900	\$361,200	\$57,000	6
Personal & Repair Services	\$603,100	\$278,100	\$325,000	\$36,000	9
Services to Dwellings / Buildings	\$146,400	\$29,100	\$117,300	\$36,000	3
Business & Professional Services	\$1,482,200	\$444,800	\$1,037,400	\$57,000	18
Eating and Drinking Places	\$838,000	\$112,700	\$725,300	\$22,000	33
Automobile Repair & Service	\$412,900	\$125,800	\$287,100	\$36,000	8
Entertainment Services	\$196,600	\$54,200	\$142,400	\$41,000	4
Health, Educ. & Social Services	\$2,392,900	\$294,300	\$2,098,500	\$53,000	39
Local Government	\$906,600	\$0	\$906,600	\$56,000	16
Other	\$450,800	\$159,600	\$291,200	\$39,000	8
Total	\$16,394,100	\$5,626,400	\$10,767,400	\$45,000	239

B. Local Government General Revenue by Type

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$306,500	Residential Permit / Impact Fees	\$0
Residential Property Taxes	\$0	Utilities & Other Govt. Enterprises	\$551,300
General Sales Taxes	\$0	Hospital Charges	\$0
Specific Excise Taxes	\$102,200	Transportation Charges	\$1,400
Income Taxes	\$0	Education Charges	\$0
License Taxes	\$69,200	Other Fees and Charges	\$26,000
Other Taxes	\$100	TOTAL FEES & CHARGES	\$578,700
TOTAL TAXES	\$478,000	TOTAL GENERAL REVENUE	\$1,056,700

**Impact of Building 146 Multifamily Units in Honolulu County, Hawaii
Phase III—Ongoing, Annual Effect That Occurs Because Units Are Occupied**

A. Local Income and Jobs by Industry

Industry	Local Income	Local Business Owners' Income	Local Wages and Salaries	Wages & Salaries per Full-time Job	Number of Local Jobs Supported
Construction	\$341,000	\$132,000	\$209,100	\$54,000	4
Manufacturing	\$1,400	\$100	\$1,300	\$56,000	0
Transportation	\$18,500	\$2,500	\$16,000	\$47,000	0
Communications	\$380,100	\$129,800	\$250,300	\$81,000	3
Utilities	\$238,600	\$93,800	\$144,800	\$93,000	2
Wholesale and Retail Trade	\$1,173,700	\$221,100	\$952,600	\$36,000	27
Finance and Insurance	\$378,200	\$34,300	\$343,800	\$81,000	4
Real Estate	\$691,300	\$608,600	\$82,700	\$57,000	1
Personal & Repair Services	\$190,100	\$88,100	\$101,900	\$36,000	3
Services to Dwellings / Buildings	\$63,200	\$12,600	\$50,600	\$36,000	1
Business & Professional Services	\$560,000	\$171,400	\$388,600	\$57,000	7
Eating and Drinking Places	\$345,500	\$46,500	\$299,100	\$22,000	14
Automobile Repair & Service	\$162,200	\$49,400	\$112,800	\$36,000	3
Entertainment Services	\$101,700	\$27,900	\$73,800	\$38,000	2
Health, Educ. & Social Services	\$881,100	\$112,000	\$769,200	\$52,000	15
Local Government	\$214,400	\$0	\$214,400	\$56,000	4
Other	\$288,200	\$110,200	\$178,000	\$38,000	5
Total	\$6,029,200	\$1,840,300	\$4,189,000	\$44,000	94

B. Local Government General Revenue by Type

TAXES:		USER FEES & CHARGES:	
Business Property Taxes	\$115,000	Residential Permit / Impact Fees	\$0
Residential Property Taxes	\$231,300	Utilities & Other Govt. Enterprises	\$355,900
General Sales Taxes	\$0	Hospital Charges	\$0
Specific Excise Taxes	\$38,300	Transportation Charges	\$500
Income Taxes	\$0	Education Charges	\$0
License Taxes	\$25,800	Other Fees and Charges	\$9,700
Other Taxes	\$0	TOTAL FEES & CHARGES	\$366,000
TOTAL TAXES	\$410,400	TOTAL GENERAL REVENUE	\$776,500

From: mailinglist@capitol.hawaii.gov
To: [WLH Testimony](#)
Cc: jwu@stanfordcarr.com
Subject: Testimony for HB960 on 3/17/2011 1:15:00 PM
Date: Wednesday, March 16, 2011 7:56:09 AM

Testimony for WLH 3/17/2011 1:15:00 PM HB960

Conference room: 225
Testifier position: support
Testifier will be present: No
Submitted by: Jesse Wu
Organization: Stanford Carr Development LLC
Address:
Phone:
E-mail: jwu@stanfordcarr.com
Submitted on: 3/16/2011

Comments:



**Senate Committee on Water, Land and Housing
Testimony in Support of HB 960, HD1**

Relating to Low-Income Housing

Testimony Submitted by: Makani Maeva, Director of Vitus Development, LLC
Hearing Date: March 17, 2011
Time: 1:15 p.m.
Room: Conference Room 225

Dear Honorable Chair Dela Cruz, Vice Chair Solomon & Committee members:

My name is Makani Maeva and I am the Director of Vitus Development, LLC (“Vitus”), a private affordable housing developer. Thank you for this opportunity to submit testimony in **strong support of HB 960, HD1** that provides for low-income housing tax credit loans in lieu of low-income housing tax credits (LIHTCs) administered by the HHFDC.

Vitus strongly supports HB 960, HD1 because establishing a program for allowing eligible rental housing developers to trade in LIHTCs for loans will ultimately increase the quality and supply of affordable rental housing in Hawaii.

Vitus has over 5,100 units in 13 states, including the Kekaha Elderly Plantation (36 units) on the island of Kauai and the Lokahi Apartments in Kailua-Kona (306 units). We are also the local development partner involved in the rehabilitation of Kuhio Park Terrace (555 units) and under contract to purchase the Whitmore Circle Apartments in Wahiawa (44 units), and the Banyan Street Manor Apartments in Kalihi (55 units).

As an active affordable housing developer specializing in both new construction and the rehabilitation and preservation of affordable housing we understand firsthand how the high cost of land and construction materials in Hawaii has made it extremely difficult to keep pace with the need for affordable housing. The state LIHTC has been a crucial tool. Unfortunately, the number of investors has dramatically decreased and the syndication rates have fallen. It has been difficult to sell the State LIHTC at a price which supports these developments and these conditions have required additional State soft funding. To illustrate this point, when we closed on our Kauai project in 2007, the value of the federal LIHTCs was \$1.00 and the value of the state LIHTCs was \$0.50. In contrast, when we closed on the Lokahi Apartments project in November 2008, the price for federal LIHTCs had deteriorated to \$0.88 and state LIHTCs to \$0.39. What this decrease meant to Lokahi Apartments in November 2008 was that we were

left with a \$11.75 million financing gap that we were fortunate enough to fill with funds from the Rental Housing Trust Fund. Current pricing of state LIHTCs are in the neighborhood of \$0.32.

The ability to “monetize” the LIHTC with a deferred payment loan will allow affordable housing developers to maximize existing resources and create affordable units **without placing any additional financial burden upon the State.**

On one last issue, I would like to clarify is the impact of the Kuhio Park Terrace Project upon the LIHTC program for the State of Hawaii. Standing Committee Report No. 786 suggests that the loans contemplated by HB 960, HD1 will primarily benefit the KPT project. The committee expressed concern that smaller developers whom this bill seeks to assist will be negatively impacted over the next ten years. This concern is a red-herring for two reasons.

First, rehabilitation of the 555 unit Kuhio Park Terrace towers is being financed with 4% LIHTCs, which are not competitive. In other words, smaller affordable housing developers were not and will not be precluded in the future from applying for 4% tax credits, regardless of any award to the KPT project. Second, the development team is evaluating several options for financing future phases of the Kuhio Homes rehabilitation including HOPE VI, the HUD Neighborhood Choice Program and Volume Capped 9% LIHTCs. Significantly, the 9% LIHTCs are competitive and any application submitted on behalf of Kuhio Homes will be scored against other applicants in accordance with the Qualified Allocation Plan published by HHFDC. To be clear, there is no advanced commitment, assumed award or inferred allocation of LIHTCs to any of the future phases of the rehabilitation of KPT.

HB 960 is a creative solution to financing affordable housing, creating jobs and building communities and we urge the Committee to support it. Thank you for considering my testimony. If you have any questions, please feel free to contact me at (808) 381-5958.



March 15, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting HB960 HD1: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Senator Donovan M. Dela Cruz:

We are writing in **SUPPORT of HB960 HD1** 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 understand that the program will more effectively use our existing resources to develop more affordable units while creating jobs in the local economy.

We are currently involved in the construction of Franciscan Vistas Ewa (Ewa Village) senior rental housing project. This project was principally financed using the Low Income Housing Tax Credit Program. Franciscan Vistas Ewa has been important to our company and, during the peak construction period, the project sustained approximately one hundred fifty 150 workers (including subcontractors) each day. While the project has supported our company during the recent downturn, projects like Franciscan Vistas Ewa will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Dennis Enomoto", written over a white background.

Dennis Enomoto
Palekana Permits, LLC
Member



P.O. Box 4088
Honolulu, HI 96812-4088
Phone: (808) 735-3211
Fax: (808) 735-3280

March 16, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania and Street
Honolulu, Hawaii 96813

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We are currently working with Stanford Carr Development, LLC to realize the Halekauwila Place project (Kaka'ako) family rental housing project. This project will be principally financed using the Low Income Housing Tax Credit Program. Halekauwila Place is important to our company and we anticipate on having a number of dedicated employees working solely on this project. This project will support our company during the current economic downturn and projects like Halekauwila Place will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads 'Newton J. K. Chung'. The signature is written in a cursive, flowing style.

Newton J. K. Chung
Hawaiian Dredging Instruction Company, Inc.
Director of Preconstruction

Kevin S. Kennedy Consulting, LLC

March 16, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

**RE: Testimony Supporting HB960 HD1: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>**

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Kevin S. Kennedy has been involved as a subcontractor in the construction of Franciscan Vistas Ewa (Ewa Village) senior rental housing project. I understand that this project was principally financed using the Low Income Housing Tax Credit Program. Franciscan Vistas Ewa has been important to my company and, during the peak construction period, the project sustained approximately one hundred fifty 150 workers (including subcontractors) each day. The project has supported my company during the recent downturn and projects like Franciscan Vistas Ewa will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering my testimony. Please feel free to contact me if you have any questions.

Sincerely,

KEVIN S. KENNEDY CONSULTING, LLC



Kevin Kennedy
President

UNITED STEEL, LLC
3264 HOANOHO PLACE
HONOLULU, HAWAII 96816
PHONE: (808)732-4150
FAX: (808)732-4160

March 16, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting **HB960 HD1**: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

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We are currently working Stanford Carr Development, LLC to realize the Halekauwila Place project (Kaka'ako) family rental housing project. This project will be principally financed using the Low Income Housing Tax Credit Program. Halekauwila Place is important to our company and we anticipate on having a number of dedicated employees working solely on this project. This project will support our company during the current economic downturn and projects like Halekauwila Place will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,

Alan Lee
Owner
United Steel, LLC



P.O. Box 4088
Honolulu, HI 96812-4088
Phone: (808) 735-3211
Fax: (808) 735-7416

March 16, 2011

Hearing date: March 17, 2011
Committee: Senate Committee on Water, Land and Housing
Time /Place: Conference Room 225 at 1:15 p.m.

RE: SUPPORT FOR HB 960, HD 1 RELATING TO LOW INCOME HOUSING

Dear Chair Dela Cruz and Committee Members:

My name is Kirt Pruyn, and I am the Manager of Business Development & Community Relations for Hawaiian Dredging Construction Company. We are Hawaii's largest and oldest full-service general contractor, and currently employ over 650 employees—3 years ago we employed twice that number.

We write IN SUPPORT of HB960 HD1 which establishes a program for granting low-income housing tax credit loans in lieu of low-income housing tax credit allocations by the HHFDC. By exchanging the state tax credit allocations for a deferred payment loan, we understand that the program will more effectively use the State's existing resources to develop more affordable units while creating jobs in the local economy.

Hawaiian Dredging is currently working with Stanford Carr's team to bring the Halekauwila Place project to Kaka'ako and provide sorely needed family rental housing. This project will be principally financed using the Low Income Housing Tax Credit Program.

Halekauwila Place is important to Hawaiian Dredging—and to our community—and we hope to employ our workers and provide housing for our residents. You are well aware of our State's fragile economy—and you know that construction is the third largest economic engine in Hawaii.

Mahalo plenty for this opportunity to present testimony.

Aloha.

A handwritten signature in black ink, appearing to read "Kirt Pruyn", written over a horizontal line.

Kirt Pruyn
Manager of Business Development & Community Relations
Hawaiian Dredging Construction Company

Direct: 808-735-7411



ARCHITECTURE • PLANNING • INTERIOR DESIGN
RICHARD MATSUNAGA & ASSOCIATES
ARCHITECTS INC.

1150 SOUTH KING STREET, 8TH FLOOR, HONOLULU, HAWAII 96814 TEL: (808) 591-1818 FAX: (808) 591-1618
website: www.rmaia-architects.com email: info@rmaia-architects.com

March 16, 2011

GLENN M. MURATA, AIA
CARL I. NII, AIA
HERB S.F. LEONG, AIA

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting **HB960 HD1**: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Senator Donovan M. Dela Cruz:

We are writing in **SUPPORT of HB960 HD1** 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 understand that the program will more effectively use our existing resources to develop more affordable units while creating jobs in the local economy.

We are currently working Stanford Carr Development, LLC to realize the Halekauwila Place project (Kaka'ako) family rental housing project. This project will be principally financed using the Low Income Housing Tax Credit Program. Halekauwila Place is important to our company and we anticipate on having a number of dedicated employees working solely on this project. This project will support our company during the current economic downturn and projects like Halekauwila Place will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,

Brent I, Tokita, AIA, LEED AP
Senior Associate

From: mailinglist@capitol.hawaii.gov
To: [WLH Testimony](#)
Cc: javier.pommerenk@otis.com
Subject: Testimony for HB960 on 3/17/2011 1:15:00 PM
Date: Wednesday, March 16, 2011 3:05:16 PM

Testimony for WLH 3/17/2011 1:15:00 PM HB960

Conference room: 225
Testifier position: support
Testifier will be present: No
Submitted by: Javier Pommerenk
Organization: Otis Elevator Company
Address:
Phone:
E-mail: javier.pommerenk@otis.com
Submitted on: 3/16/2011

Comments:

March 16, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting HB960 HD1: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Senator Donovan M. Dela Cruz:

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We are currently working Stanford Carr Development, LLC to realize the Halekauwila Place project (Kaka'ako) family rental housing project. This project will be principally financed using the Low Income Housing Tax Credit Program. Halekauwila Place is important to our company and we anticipate on having a number of dedicated employees working solely on this project. This project will support our company during the current economic downturn and projects like Halekauwila Place will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,

Diane Y Kodama

Geoffrey Miasnik
364 Oomano Place
Honolulu, Hawaii 96825

March 15, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

RE: Testimony Supporting **HB960 HD1**: Relating To Low-Income Housing
Hearing date Thursday, March 17, 2011 at 1:15 p.m.
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Dear Honorable Chair Senator Donovan M. Dela Cruz:

I am writing in **SUPPORT of HB960 HD1** 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 understand that the program will more effectively use our existing resources to develop more affordable units while creating jobs in the local economy.

I have been involved in the construction of Franciscan Vistas Ewa (Ewa Village) senior rental housing project. This project was principally financed using the Low Income Housing Tax Credit Program. Franciscan Vistas Ewa has been important to me and, during the peak construction period, the project sustained approximately one hundred fifty 150 workers (including subcontractors) each day. While the project many companies during the recent downturn, projects like Franciscan Vistas Ewa will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering my testimony. Please feel free to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Geoff Miasnik', with a long horizontal line extending to the right.

Geoff Miasnik

To the Members of the Committee,

This bill is completely outrageous. As a life long user of the Kakaako Park and Point panic I find it egregious and offensive that someone would propose a law to eliminate any public input into the development of our last truly public space on the South Shore. To eliminate CPAC out of the planning process is just a blatant attempt to remove any community opposition to greedy developers making a tidy sum of the last small stretch of coastline freely available to the general public. There is a hardened group of supporters at both Kakaako Park and Point Panic that will never accept uncontrolled and unplanned development at what we consider one of the most special and unique places in all of Hawaii. I humbly urge you to vote against this bill and ensure that control of the development in Kakaako remains guided by those who know the area best, and not those interests that only have profit and greed guiding their plans. We have so few places here in Honolulu where the public can truly interact and view the ocean without hotels, houses, or buildings. Would you our elected representatives allow someone to build giant buildings on all sides of your house who would allow you only limited access to your property and no views of anything but those buildings? That is what the HCDA is proposing to do. The coast belongs to the people of Hawaii by our law and it is our house and our home. I do not want giant buildings built on all sides of it so that I can no longer access it or see it. Again I ask you to consider what the proponents of this bill are asking and why. Please if you value our shared resources, our connection to the sea, and the need to leave something unspoiled to our children, and their children you will vote against this bill to ensure that the development of this area is guided by rational users of the area and not by those seeking to make a quick profit without any concern or care for the future.

March 16, 2011

Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

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Hearing date Thursday, March 17, 2011 at 1:15 p.m.
via Capitol website: <http://www.capitol.hawaii.gov/emailtestimony/>

Dear Honorable Chair Senator Donovan M. Dela Cruz:

I am writing in SUPPORT of HB960 HD1 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 understand that the program will more effectively use our existing resources to develop more affordable units while creating jobs in the local economy.

I am partly involved in the construction of Franciscan Vistas Ewa (Ewa Village) senior rental housing project. This project was principally financed using the Low Income Housing Tax Credit Program. Franciscan Vistas Ewa has been important to me and to the company I work for. During the peak construction period, the project sustained approximately one hundred fifty 150 workers (including subcontractors) each day. While the project has supported many companies during the recent downturn, projects like Franciscan Vistas Ewa will increase Hawaii's supply of affordable housing which is important to maintaining a balanced community.

Thank you for considering our testimony. Please feel free to contact me if you have any questions.

Sincerely,
Tze Kwan Marr
Account Manager