



LAND USE RESEARCH
FOUNDATION OF HAWAII

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February 3, 2011

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

Testimony of the Land Use Research Foundation of Hawaii in Support of SB 695, Relating to the Low-Income Housing. (Low-income housing tax credit loans in lieu of low income housing tax credits by Hawaii Housing Finance and Development Corporation.)

Thursday, February 3, 2011 at 1:15 p.m. in CR 225

My name is David 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 and rational land use planning, legislation and regulation.

LURF **strongly supports SB 695**, which will establish 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 step that will help our local economy by using our existing resources more effectively and allowing many stalled affordable housing projects to commence construction. This bill will also increase funding for rental housing projects without increasing the State's burden, which will result in getting more people into homes. **The construction of low-income housing construction projects is an important component in helping stimulate the local economy, and will also create an important housing resource for our community.**

SB 695. The purpose of this bill is to jump start the development and construction of stalled affordable rental housing projects in the State. This bill 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 issuance of general obligation bonds to fund the loans. This bill also applies to qualified low-income buildings placed in service after December 31, 2010.

LURF's Position. LURF **supports SB 695** because it provides needed flexibility to stimulate 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 SB 695 would allow eligible affordable rental housing developers to trade in competitive, 9% State Low-Income Housing Tax Credits (LIHTCs) and 4% non-competitive tax credit for a loan.

The State LIHTC loan mechanism proposed in this bill is consistent with similar provisions in the American Recovery and Reinvestment Act of 2009 which are intended to assist projects receiving competitive Federal LIHTCs. LURF supports creation of this loan option for the State credit to provide developers with sufficient equity to finance construction of affordable rental housing.

As we all are 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. Legislative changes, like SB 695 are needed to assist with increasing the supply of affordable housing and the reduction of regulatory barriers to support the production of affordable housing.

Thank you for the opportunity to express our **strong support for SB 695.**

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

SB 695 – Relating to Low Income Housing
Thursday, February 3, 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 SB 695 - 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 and would apply to qualified low-income buildings placed in service after December 31, 2010.

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 SB 695.

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 3, 2011

Senator Donovan M. Dela Cruz, Chair
Committee on Water, Land and Housing
State Capitol, Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

Re: SB695 - Relating To Low-Income Housing
Hearing date Thursday, February 3, 2011 at 1:15 PM (Room 225)

Dear Chair Senator Dela Cruz and Members of the Committee on water, Land and Housing:

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii) Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

BIA-Hawaii SUPPORTS SB695 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. This bill would allow eligible affordable housing projects to exchange state housing tax credits for a deferred payment loan and serve as an effective tool to produce affordable housing units throughout Hawaii.

Member companies of BIA-Hawaii, such as Stanford Carr Development, Gentry Homes, Armstrong Builders, and Mark Development are working on affordable housing projects here in HAWAII.

The proposed bill would enable the financing and development of more affordable housing units at the same cost to the State. More importantly, the construction and development of these projects will create construction jobs that will support the local building industry during the current economic downturn. This legislation is a win-win opportunity for both the community and the State.

We respectfully ask for your support of SB695 and thank you for considering our testimony on this matter.



Chief Executive Officer
BIA-Hawaii

From: mailinglist@capitol.hawaii.gov
To: [WLH Testimony](#)
Cc: jyadao@stfrancishawaii.org
Subject: Testimony for SB695 on 2/3/2011 1:15:00 PM
Date: Thursday, February 03, 2011 12:14:23 PM

Testimony for WLH 2/3/2011 1:15:00 PM SB695

Conference room: 225
Testifier position: support
Testifier will be present: Yes
Submitted by: Joy Yadao
Organization: St Francis Healthcare System of Hawaii
Address:
Phone: 808 547 8156
E-mail: jyadao@stfrancishawaii.org
Submitted on: 2/3/2011

Comments:
Will submit written testimony



St. Francis

HEALTHCARE SYSTEM OF HAWAII
A Legacy of Caring for Hawaii's People

February 2, 2011

Senator Donovan M. Dela Cruz
Senate Water, Land and Housing Committee
State Capitol, Hearing Conference Room 225
415 South Beretania Street
Honolulu, Hawaii 96813

Re: SB695 - Relating To Low-Income Housing
Hearing date Thursday, February 3, 2011 at 1:15 PM (Room 225)

The St Francis Healthcare System of Hawaii is in SUPPORT of SB695 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. This bill would allow eligible affordable housing projects to exchange state housing tax credits for a deferred payment loan and serve as an effective tool to produce affordable housing units throughout Hawaii.

The proposed bill would enable the financing and development of more affordable housing units at the same cost to the State. More importantly, the construction and development of these projects will create construction jobs that will support the local building industry during the current economic downturn.

The development of more affordable housing projects, like Franciscan Vistas Ewa, without additional cost to the State, and ultimately the taxpayer, benefits the whole community.

We respectfully ask for your support of SB695 and thank you for considering our testimony on this matter.

Sincerely,

Joy Yadao, RN
Director of Advocacy and Business Development
St Francis Healthcare System of Hawaii
jyadao@stfrancishawaii.org