

NEIL ABERCROMBIE
GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

DARRELL T. YOUNG
DEPUTY TO THE CHAIRMAN

**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON HOUSING
IN SUPPORT OF

HB 1568 HD 1, RELATING TO AFFORDABLE HOUSING CREDITS

February 10, 2014

Chair Hashem, Vice-Chair Woodson, and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) is in **strong support** of this bill which repeals the sunset date of a pilot program that enables DHHL to request and receive affordable housing credits from each county for units developed on Hawaiian home lands.

Affordable housing credits have afforded the department greater opportunities to gain resources to develop homesteads and, thus, meet our mission to return native Hawaiians to our trust lands. DHHL completes (ready for families to move in) between 100 and 200 homes annually statewide per year on average, so the credits DHHL receives from the counties account for a small portion of total affordable housing created each year in the state. Since Act 141 was passed by the legislature in 2009, this program has been very successful for DHHL, but it is set to repeal in 2015. By making this program permanent, DHHL can continue to form private-public partnerships through the exchange of credits creating resources for

Department of Hawaiian Home Lands
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the department, and DHHL can earn these resources without requiring any state funds.

Thank you for your consideration of our testimony.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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KIRK CALDWELL
MAYOR



GEORGE I. ATTA, FAICP
DIRECTOR

ARTHUR D. CHALLACOMBE
DEPUTY DIRECTOR

February 10, 2014

The Honorable Mark J. Hashem, Chair
and Members of the Committee on Housing
State House of Representatives
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Hashem and Committee Members:

SUBJECT: House Bill No. 1568, HD1
Relating to Affordable Housing Credits

The Department of Planning and Permitting (DPP) ~~opposes~~ House Bill No. 1568, HD1, which would make permanent the award of affordable housing credits on Hawaiian Home Lands. The Bill also adds language that appears to expand eligible projects.

The City strongly supports an increase in the inventory of affordable housing units. The City also recognizes the challenges faced by the Department of Hawaiian Home Lands (DHHL) in fulfilling its obligations to its beneficiaries. However, we testified in opposition to this program at its inception in 2009. This program costs the State of Hawaii nothing. In fact, it creates credit value that DHHL can sell to developers who have an obligation to fulfill affordable housing requirements imposed by the counties. It undermines the ability of the counties to provide new affordable housing to all its residents within county-defined income need groups, on a time schedule commiserate with private sector construction, and in geographic areas where the counties believe affordable housing is warranted.

In the six years since this mandatory credit program was adopted as Act 141 (2009, Session Laws of Hawaii), the City and County of Honolulu awarded more than 600 affordable housing credits to DHHL. Other DHHL submittals involving 600 more credits may be forthcoming shortly. These are high figures compared to the total amount of affordable housing otherwise delivered; in high-construction years, the private sector delivers about 600 affordable housing annually.

The Bill would also amend Sec. 46-15.1(b), HRS, addressing effective "obligations" by adding the phrase "regardless of the date of its enactment." The intent is unclear, and could be interpreted as including older, completed developments. The potential inclusion of completed developments does little to increase the affordable housing inventory. The goal should not be to redirect the resources and/or opportunities from one branch of government at the expense of another. We all need to work together in addressing the affordable housing shortage.

The Honorable Mark J. Hashem, Chair
and Members of the Committee on Housing
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Hawaii State Capitol
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Moreover, it dampens the county's ability to focus affordable housing in our transit-oriented development areas to take advantage of the synergies with rail.

This policy would be more palatable if the issuance of credits was changed from "shall" to "may."

In summary, we believe Act 141 benefits the DHHL at the cost of the counties' programs. It infringes on home rule and the counties' ability to administer their affordable housing programs. If Act 141 cannot be repealed in its entirety, we ask that you hold House Bill No. 1568, HD1, in committee.

Thank you for this opportunity to testify.

Very truly yours,

A handwritten signature in blue ink that reads "George I. Atta". The signature is written in a cursive style.

George I. Atta, FAICP
Director

GIA:cl
HB1568, HD1

woodson1-Brina

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 07, 2014 3:18 AM
To: HSGtestimony
Cc: icalkins@hawaii.rr.com
Subject: Submitted testimony for HB1568 on Feb 10, 2014 09:00AM
Attachments: .~lock.DEMOCRATIC PARTY LINE.odt#

HB1568

Submitted on: 2/7/2014

Testimony for HSG on Feb 10, 2014 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
IRA CALKINS	Individual	Support	No

Comments: IRA CALKINS INNER-GOVERNMENTAL RESEARCH 730 Captain Cook Ave Unit 426 Honolulu, Hawaii 96813-2161 808-4696434 808-3498667 FAX 5454707 Washington D.C. 202-697-9782 It does not matter what the people think, the Democratic Party has already decided for us on all bills before the State of Hawaii Legislature . The chairman's in all committee meetings has a script to follow that the Speaker of the House, and the Speaker of the Senate has given the Committee Chairs to follow, to instruct the committee how to vote on a any given bill in all committees of the State of Hawaii Legislature. It is determined ahead of time by the Democratic Party how a committee will vote on any given bill in the State of Hawaii Legislature, there is no democracy in this state, no will of the people. It appears the Legislators are being black mailed in to voting the Democratic party line or the Democratic Party will not support them in there next election. Ira Calkins

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woodson1-Brina

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 07, 2014 5:02 PM
To: HSGtestimony
Cc: dakatz@aol.com
Subject: *Submitted testimony for HB1568 on Feb 10, 2014 09:00AM*

HB1568

Submitted on: 2/7/2014

Testimony for HSG on Feb 10, 2014 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Godfrey	Individual	Support	No

Comments:

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woodson1-Brina

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To: HSGtestimony
Cc: kapinapalacat@gmail.com
Subject: *Submitted testimony for HB1568 on Feb 10, 2014 09:00AM*

HB1568

Submitted on: 2/7/2014

Testimony for HSG on Feb 10, 2014 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Kapina	Individual	Support	No

Comments:

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