

DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

JOSH GREEN  
LT. GOVERNOR  
STATE OF HAWAII



WILLIAM J. AILA, JR.  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

TYLER I. GOMES  
DEPUTY TO THE CHAIRMAN

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

P. O. BOX 1879  
HONOLULU, HAWAII 96805

TESTIMONY OF WILLIAM J. AILA, JR, CHAIRMAN  
HAWAIIAN HOMES COMMISSION  
BEFORE THE HOUSE COMMITTEE ON HOUSING  
HEARING ON FEBRUARY 10, 2022 AT 10:00AM VIA VIDEOCONFERENCE

**HB 2395 AUTHORIZING THE ISSUANCE OF  
GENERAL OBLIGATION BONDS FOR AFFORDABLE HOUSING**

February 10, 2022

Aloha Chair Nakamura, Vice Chair Hashimoto, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill authorizing the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund for redevelopment of DHHL property located at 820 Isenberg Street, Honolulu, Hawaii, for rental housing for native Hawaiian beneficiaries.

This project will provide beneficiaries of the Hawaiian Home Lands Trust with access to much needed affordable rental housing in urban Honolulu. DHHL has the greatest demand on the island of Oahu, approximately 45% of the residential applicants statewide and the least amount of land, only 4% of DHHL's landholdings.

Thank you for your consideration of our testimony.

**HALE MOILIILI LP**  
1100 ALAKEA STREET, 27<sup>TH</sup> FLOOR  
HONOLULU, HAWAII 96813

February 9, 2022

The Honorable Representative Nadine K. Nakamura, Chair  
The Honorable Representative Troy N. Hashimoto, Vice Chair  
and Members of the House Committee on Housing

**RE: HB 2395 AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION  
BONDS FOR AFFORDABLE HOUSING**  
**Hearing: February 10, 2022 at 10:00 AM**  
**State Capitol, House Conference Room 423 Via Videoconference**

Dear Chair Nakamura, Vice Chair Hashimoto and Committee Members:

Stanford Carr Development, LLC is a principal of Hale Moiliili LP which is the developer of a planned affordable rental housing project for Native Hawaiian beneficiaries on Department of Hawaiian Home Lands (DHHL) property located at 820 Isenberg Street, Honolulu, Hawaii.

I am writing to express **STRONG SUPPORT** for HB 2395 which authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund for this important redevelopment project.

By way of background, 820 Isenberg Street is a parcel of approximately two acres of land situated on the *makai* edge of the “Old Stadium” Park in Mo`ili`ili, which is the site of the former Bowl-O-Drome bowling alley that is currently shuttered. As the landowner, DHHL offered this parcel for redevelopment through a competitive Request for Proposal process (reference RFP-20-HHL-003-Isenberg) and selected Stanford Carr Development, LLC as successful Offeror to redevelop the site for affordable rental housing. Subsequently, Hale Moiliili LP was formed to oversee the redevelopment. As planned, the rental project will consist of 278 affordable apartment units that will be set aside exclusively for Native Hawaiian beneficiaries who earn from 30% to 100% of the area median income (“AMI”).

The passage of HB 2395 is critical because it will supply the anticipated equity-gap financing to the project’s capital stack while leveraging the State’s non-competitive 4% Low Income Housing Tax Credits and Hula Mae Multi-Family private activity bonds. This combination of financing tools will be utilized to build much needed affordable housing not only for households earning up to 60% of the AMI, but also for those earning 70% to 100% of the AMI - an income group for which there are limited direct government subsidies. As with other loans funded through the rental housing revolving fund, the principal and interest will be paid from the net operating income of the project, amortized over the course of the ground lease.

The Honorable Representative Nadine K. Nakamura, Chair  
The Honorable Representative Troy N. Hashimoto, Vice Chair  
and Members of the House Committee on Housing

February 9, 2022

This project is a template for other parcels of land within DHHL's portfolio which, while unsuitable for single-family homesteading, may offer prime opportunities for the development of desperately needed affordable rental units. It is being implemented at a time when the negative impact of high housing costs on Native Hawaiians is painfully evident, and when the State is in an excellent position to make meaningful progress in addressing their rental housing needs.

I believe this project represents the seed of a tree which will eventually bear abundant fruit for current and future generations of native Hawaiian beneficiaries. Accordingly, I am respectfully asking for your support in "watering this tree" by passing HB 2395.

Thank you for the opportunity to submit testimony on this important measure.

Sincerely,



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By: Stanford S. Carr  
Its Manager

CC: William Aila, Chair Hawaiian Homes Commission  
Darrell Ing, Project Manager DHHL