

JOSH GREEN, M.D.
GOVERNOR
STATE OF HAWAII
*Ke Kia'āina o ka Moku'āina 'o
Hawaii*

SYLVIA J. LUKE
LT. GOVERNOR
STATE OF HAWAII
*Ka Hope Kia'āina o ka Moku'āina
'o Hawaii*



KALI WATSON
CHAIRMAN, HHC
Ka Luna Ho'okele

KATIE L. DUCATT
DEPUTY TO THE CHAIRMAN
Ka Hope Luna Ho'okele

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

Ka 'Oihana 'Āina Ho'opulapula Hawaii'i

P. O. BOX 1879
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**TESTIMONY OF KALI WATSON, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE HOUSE COMMITTEE ON FINANCE
HEARING ON APRIL 4, 2023 AT 3:00PM IN CR 308**

**SB 1357, SD 1, HD 1 RELATING TO AFFORDABLE HOUSING ON HAWAIIAN
HOME LANDS**

April 4, 2023

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) strongly supports this bill that makes permanent Act 141, Session Laws of Hawaii 2009, which requires the counties to issue affordable housing credits to DHHL upon request and makes permanent Act 98, Session Laws of Hawaii 2012, which requires the counties to issue affordable housing credits for each residential unit developed by DHHL. This bill was approved by the Hawaiian Homes Commission and included in the Governor's administrative package at the request of our Department.

Affordable housing credits have provided DHHL greater opportunities to gain resources to develop homesteads. Since Act 141 was passed by the Legislature in 2009, this program has been very successful for DHHL. Unfortunately, this program is set to repeal in 2024. By making this program permanent, DHHL can continue to utilize affordable housing credits to provide affordable housing opportunities for our beneficiaries at no cost to the State.

For example, this program provided developer with 300 new and existing Affordable Housing Credits for the acquisition of approximately 47 acres, valued at over \$10 million, resulting in 161 lots being developed for Pu'unani Homestead Subdivision. Also in Maui, in exchange for 372 Affordable Housing Credits, developer deposited over \$4 million into DHHL's Trust Fund to be used on future projects in Maui County.

On Oahu, 47 Affordable Housing Credits for single-family homes in Kumuhau Residence subdivision were provided to offset \$350,000 in developer fees. On the Island of Hawaii, critically needed ungulate fencing surrounding endangered plant preserve habitat in the Villages of La'i'ōpua was negotiated with developer who received 45 Affordable Housing Credits.

In summary, the Affordable Housing Credits program has provided DHHL and its beneficiaries with various housing and housing related benefits, including the acquisition of land for affordable housing and the provision of monetary and in-kind resources to enhance current and future development.

Thank you for your consideration of our testimony in support of this bill to make Act 141, SLH 2009 and Act 98, SLH 2019 permanent.

Mitchell D. Roth
Mayor

Lee E. Lord
Managing Director

Robert H. Command
Deputy Managing Director



Susan K. Kunz
Housing Administrator

Harry M. Yada
Assistant Housing Administrator

County of Hawai'i
Office of Housing and Community Development

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April 3, 2023

**TESTIMONY FOR COMMENT ON SENATE BILL 1357, SD1, HD1
A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING ON
HAWAIIAN HOME LANDS**

BEFORE THE: House Committee on Finance

Hearing Date: Tuesday, April 4, 2023, at 3:00 p.m.

Time/Place of Hearing: Via Video Conference/ Conference Room 308

Aloha Chair Yamashita, Vice Chair Kitagawa, and
Members of the Committee on Finance,

On behalf of the Office of Housing and Community Development of the County of Hawai'i (OHCD), I am providing comment on Senate Bill 1357, SD1, HD1 which makes permanent the requirement for counties to issue affordable housing credits to the Department of Hawaiian Home Lands (DHHL) both upon the Department's request and for each residential unit developed by the Department.

The comments we are providing relate to the issuance of housing credits.

This bill will extend the 2024 repeal date of HRS § 46-15.1. Currently, this statute provides language enabling the Department of Hawaii Home Lands to enter into specific memorandum of agreements (MOA) with Kauai County and City and County of Honolulu but not Hawai'i County:

§ 46-15.1 (b) "...*Notwithstanding any provisions herein to the contrary, the department may enter into a memorandum of agreement with the county of Kauai to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with county affordable housing ordinances or rules. Notwithstanding any provisions herein to the contrary, the department may enter into a memorandum of agreement with the city and county of Honolulu to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with county affordable housing ordinances or rules...*"



April 3, 2023

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We request similar language inserted for Hawai'i County and propose the following amendment to Senate Bill 1357, SD1, HD1 or language that accomplishes this intent: Notwithstanding any provisions herein to the contrary, the department may enter into a memorandum of agreement with the county of Hawai'i to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with county affordable housing ordinances or rules.


The rationale for our request is that credits are beyond the department's control and don't have the same radius restrictions that county-originated projects have. This contributes to turning localized credit availability into a countywide problem as credits could be used to fulfill obligations anywhere on the island of Hawai'i.

Additionally, the re-sale of DHHL credits to county developers in lieu of fulfilling affordable housing obligations under Chapter 11 of the Hawai'i County Code, challenges the county's ability to provide new affordable housing to income-qualified residents in a timely manner and within a framework of poverty de-concentration by geographic area.

OHCD supports an increase in the inventory of affordable housing units within the county of Hawai'i including on DHHL and requests this county-specific amendment to HRS 46-15.1 (b) so that impacts such as those addressed above and in the audit report can be mitigated through an agreeable MOA.

Notably, OHCD submitted this same request to amend an iteration of House Bill 567, currently being considered by the Legislature, which also makes permanent HRS 46-15.1(b). House Bill 567 was subsequently amended accommodating our request.

Mahalo for the opportunity to provide comment on this measure.



Susan K. Kunz
Housing Administrator

SB-1357-HD-1

Submitted on: 4/3/2023 11:45:27 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
NANCY JONES	Hydroponics Alternatives LLC	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa, and Honorable Committee Members:

I present this testimony to SUPPORT of SB 1375/ SD 1/HD 1 — which would make permanent issuing county affordable housing credits to the Department of Hawaiian Home Lands (hereinafter, “DHHL”).

As Wai`anae residents, we have witnessed first-hand the exponential increase in the houseless population residing on Leeward Coast beaches just in the past 10 years mainly due to the severe lack of affordable housing not only on O`ahu, but statewide. Many residing in these communities are – unfortunately -- native Hawaiian beneficiaries. To help alleviate this problem, access to “affordable housing credits” have provided the DHHL greater opportunities to obtain resources for developing homesteads for native Hawaiian beneficiaries. Unfortunately, despite the critical need and success of the affordable housing credit program, it is set to expire on July 1, 2024. Passing this measure by affording the DHHL permanent access to county affordable housing credits will ensure that the DHHL can permanently continue to provide affordable housing to native Hawaiian beneficiaries and reduce the number of beneficiaries on the homestead waitlist.

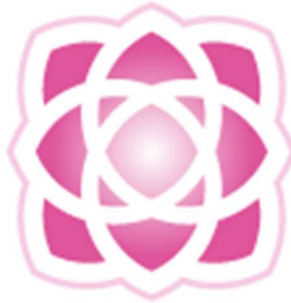
For all of the above reasons and make it possible for the DHHL to continue fulfilling its trust duty to native Hawaiian beneficiaries, I urge your Committee to please pass SB 1375/ SD 1/HD 1 with sufficient funding if necessary -- and to please ensure that these efforts begin in 2023 to reduce the beneficiaries on the DHHL Wait List and thereby free up affordable housing for other segments of Hawai`i’s population.

Mahalo for this opportunity to present this testimony supporting SB 1375/ SD 1/HD 1.

Nancy Jones

Hydroponics Alternatives LLC

PO Box 1472, Wai`anae, HI 96792 / Email: nancyhydroalt@gmail.com



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON
FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
TUESDAY, APRIL 4, 2023 AT 3:00 P.M.**

To The Honorable Kyle T. Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

SUPPORT FOR SB1357 SD1 HD1 RELATING TO AFFORDABLE HOUSING ON HAWAIIAN HOME LANDS

The Maui Chamber of Commerce would like to **SUPPORT SB1357 SD1 HD1** which makes permanent the issuance of county affordable housing credits to the Department of Hawaiian Home Lands.

The Chamber supports this measure to continue the issuance of county affordable housing credits to the Department of Hawaiian Home Lands (DHHL) as the act is set to sunset in 2024. We understand this practice has been and will continue to be useful in helping DHHL acquire land at no cost to the state and provide infrastructure. As the state budget is funded by taxpayers, it would also save taxpayer dollars. As DHHL is successful in building more housing, it may open up other housing and rentals for residents who are not native Hawaiian. At a time when we are in a housing crisis, we need all tools in the toolbox to help and expedite attainable housing and rentals.

For these reasons, we **SUPPORT SB1357 SD1 HD1**.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

SB-1357-HD-1

Submitted on: 4/3/2023 11:50:31 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Zeb Jones	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Yamashita, Vice Chair Kitagawa, and Honorable Committee Members:

I present this testimony SUPPORTING SB 1375/ SD 1/HD 1 — to make permanent the issuance of county affordable housing credits to the Department of Hawaiian Home Lands (hereinafter, “DHHL”).

As a long-time Wai`anae resident, I and my family have witnessed first-hand the dramatic rise in the houseless population residing on Leeward Coast beaches just in the past 10 years – and mainly due to the severe lack of affordable housing not only on O`ahu, but statewide. Many of those residing in these communities are – unfortunately -- native Hawaiian beneficiaries. Access to “affordable housing credits” (to help alleviate this issue) have provided the DHHL greater opportunities to obtain resources for developing homesteads for native Hawaiian beneficiaries. Unfortunately, despite the critical need and success, the affordable housing credit program is set to expire on July 1, 2024. Passing this measure by affording the DHHL permanent access to county affordable housing credits assures that the DHHL can permanently continue to provide affordable housing to native Hawaiian beneficiaries and reduce the number of beneficiaries on the homestead waitlist.

For all of the above reasons and to make it possible for the DHHL to continue fulfilling its trust duty to native Hawaiian beneficiaries, I respectfully urge your Committee to please pass SB 1375/ SD 1/HD 1 with sufficient funding if necessary -- and to please ensure that these efforts begin in 2023 to reduce the beneficiaries on the DHHL Wait List and thereby free up affordable housing for other segments of Hawai`i’s population.

Mahalo for this opportunity to present this testimony supporting SB 1375/ SD 1/HD 1.

Zeb Jones

