

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



MICAH A. KANE
CHAIRMAN
HAWAIIAN HOMES COMMISSION

KA ULANA H. PARK
DEPUTY TO THE CHAIRMAN

ROBERT J. HALL
EXECUTIVE ASSISTANT

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P.O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF MICAH A. KANE, CHAIRMAN
HAWAIIAN HOMES COMMISSION

BEFORE THE JOINT HOUSE COMMITTEE ON HAWAIIAN AFFAIRS AND HOUSING

ON HB 1612
RELATING TO AFFORDABLE HOUSING

February 11, 2009

Chair Carroll, Chair Cabanilla and Members of the Committee:

The Hawaiian Homes Commission and the Department of Hawaiian Home Lands support the intent of HB 1612 which proposes to amend the Hawaiian Homes Commission Act of 1920 and HRS Chapter 46-15.1 pertaining to County organization and administration. We support this legislation that promotes private-public partnerships that will bring affordable homes to each county during this economic downturn.

While the state is managing a housing shortage, housing developers in Hawaii, including DHHL, have difficulty meeting the demand because of funding and financing, especially in a recession. DHHL has approximately 20,000 native Hawaiians on our waitlist, waiting for an opportunity for home ownership. This bill would allow DHHL to provide homes to its beneficiaries and alleviate the housing crisis; a true win-win situation.

While we support the intent of this bill, we recommend several changes:

First, we propose that the changes in section one of the bill be completely eliminated since it is not necessary; DHHL already has the authority to receive affordable housing credits. Second, under section 2 (a), item 9, of HB 1612, we recommend replacing it with the following language:

"Issue affordable housing credits to the Department of Hawaiian Home Lands (DHHL) and allow DHHL to transfer or assign those credits to the developer who built the affordable units. The credits can be applied to satisfy the affordable housing obligations imposed upon the developer by the county. The credits will be issued on a one-for-one basis and can be applied to any project by the said developer within the same county for which the credit was earned."

These changes provide clarity on the housing powers of the county to help achieve the goal of private-public sector partnerships to build affordable homes.

Thank you for this opportunity to testify.



KAMEHAMEHA SCHOOLS

Testimony to the House Committee on Hawaiian Affairs
and the House Committee on Housing
Hearing Date: Wednesday, February 11, 2009
9:50 a.m. – Conference Room 329

Sydney Keli'ipuleole
Director, Residential Assets Division
Kamehameha Schools

Thank you for the opportunity to comment on HB No. 1612.

Kamehameha Schools supports this measure.

Kamehameha Schools broadly supports the increasing availability of affordable housing throughout Hawai'i. We believe that the housing crisis in Hawai'i is real and requires immediate action. We also believe it is critically important to implement policies that will result in the construction of new affordable units (or retention of existing supply) and not have the unintended and ironic consequence of inhibiting construction altogether.

Our overarching comment is that provisions in statute, rules and policies concerning affordable housing must be viewed collectively for their contribution to an overall effective policy that promotes actual development of affordable housing. We believe that a range of strategies will help provide realistic options for many Hawaii residents. We want to engage in constructive dialog with you and key stakeholders and thank you for allowing us to highlight several key issues. We support this measure which would permit the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

567 South King Street • Honolulu, Hawai'i 96813-3036 • Phone 808-523-6200

Founded and Endowed by the Legacy of Princess Bernice Pauahi Bishop

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

February 18, 2009

Honorable Representative Mele Carroll, Chair
COMMITTEE ON HAWAIIAN AFFAIRS
Honorable Representative Rida Cabanilla, Chair
COMMITTEE ON HOUSING
415 South Beretania Street
State Capitol, Room 329
Honolulu, Hawaii 96813

Dear Chairs Carroll and Cabanilla,

Subject: House Bill No. 1612, RELATING TO AFFORDABLE 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 H.B. 1612 to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As we understand it, the bill will allow the Department of Hawaiian Home Lands to partner with other developers who are interested in satisfying their affordable housing requirements through agreements with DHHL. The bill essentially provides an option that presently does not exist, and still requires approval from the respective County authority where the projects are being permitted.

We also understand that DHHL has proposed the following amendment that would further clarify the intent by replacing Section 2(a), item 9 with the following:

“Issue affordable housing credits to the Department of Hawaiian Home Lands (DHHL) and allow DHHL to transfer or assign those credits to the developer who built the affordable units. The credits can be applied to satisfy the affordable housing obligations imposed upon the developer by the county. The credits will be issued on a one for one basis and can be applied to any project by the said developer within the same county for which the credit was earned.”

As the real estate market constricts, providing flexibility and creative solutions for the real estate industry would help get us through these tough economic times.

We strongly support H.B. No. 1612.

Thank you for the opportunity to share our views with you.

Karen L. Nakamura

BIA-HAWAII
BUILDING INDUSTRY ASSOCIATION

February 11, 2009

Honorable Representative Mele Carroll, Chair
COMMITTEE ON HAWAIIAN AFFAIRS
Honorable Representative Rida Cabanilla, Chair
COMMITTEE ON HOUSING
415 South Beretania Street
State Capitol, Room 329
Honolulu, Hawaii 96813

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Subject: House Bill No. 1612, RELATING TO AFFORDABLE HOUSING

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BIA-HAWAII supports H.B. 1612 to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

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We strongly support H.B. No. 1612.

Thank you for the opportunity to share our views with you.



Executive Vice President & Chief Executive Officer
BIA-Hawaii



February 11, 2009

Honorable Representative Mele Carroll, Chair
COMMITTEE ON HAWAIIAN AFFAIRS
Honorable Representative Rida Cabanilla, Chair
COMMITTEE ON HOUSING
415 South Beretania Street
State Capitol, Room 329
Honolulu, Hawaii 96813

Dear Chairs Carroll and Cabanilla,

Subject: House Bill No. 1612, RELATING TO AFFORDABLE HOUSING

My name is Dean Uchida, Vice President of the Hawaii Developers' Council (HDC). We represent over 200 members and associates in development-related industries. The mission of Hawaii Developers' Council (HDC) is to educate developers and the public regarding land, construction and development issues through public forums, seminars and publications.

It is also the goal of HDC to promote high ethics and community responsibility in real estate development and related trades and professions.

The HDC supports H.B. 1612 to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As we understand it, the bill will allow the Department of Hawaiian Home Lands to partner with other developers who are interested in satisfying their affordable housing requirements through agreements with DHHL. The bill essentially provides an option that presently does not exist, and still requires approval from the respective County authority where the projects are being permitted. As the real estate market constricts, providing flexibility and creative solutions for the real estate industry would help get us through these tough economic times.

We strongly support H.B. No. 1612.

Thank you for the opportunity to share our views with you.



**House Committees on Hawaiian Affairs and Housing
February 11, 2009 at 9:50 a.m.
State Capitol, Room 329
Honolulu, Hawaii 96813**

Subject: House Bill No. 1612, RELATING TO AFFORDABLE HOUSING

Chairs Carroll and Cabanilla, Vice Chairs Shimabukuro and Chong and members of the committee:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber of Commerce of Hawaii supports H.B. No. 1612 to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As we understand it, the bill will allow the Department of Hawaiian Home Lands to partner with other developers who are interested in satisfying their affordable housing requirements through agreements with DHHL. The bill essentially provides an option that presently does not exist, and still requires approval from the respective County authority where the projects are being permitted. As the real estate market constricts, providing flexibility and creative solutions for the real estate industry would help get us through these tough economic times.

We strongly support H.B. No. 1612.

Thank you for the opportunity to share our views with you.



**House Committees on Hawaiian Affairs and Housing
February 18, 2009 at 9:05 a.m.
State Capitol, Room 329
Honolulu, Hawaii 96813**

Subject: House Bill No. 1612, RELATING TO AFFORDABLE HOUSING

Chairs Carroll and Cabanilla, Vice Chairs Shimabukuro and Chong and members of the committee:

My name is Jim Tollefson, President of the Chamber of Commerce of Hawaii. The Chamber of Commerce of Hawaii works on behalf of its members and the entire business community to:

- Improve the state's economic climate
- Help businesses thrive

The Chamber of Commerce of Hawaii supports H.B. 1612 to allow the department of Hawaiian home lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As we understand it, the bill will allow the Department of Hawaiian Home Lands to partner with other developers who are interested in satisfying their affordable housing requirements through agreements with DHHL. The bill essentially provides an option that presently does not exist, and still requires approval from the respective County authority where the projects are being permitted.

We also understand that DHHL has proposed the following amendment that would further clarify the intent by replacing Section 2(a), item 9 with the following:

Issue affordable housing credits to the Department of Hawaiian Home Lands (DHHL) and allow DHHL to transfer or assign those credits to the developer who built the affordable units. The credits can be applied to satisfy the affordable housing obligations imposed upon the developer by the county. The credits will be issued on a one for one basis and can be applied to any project by the said developer within the same county for which the credit was earned.”

As the real estate market constricts, providing flexibility and creative solutions for the real estate industry would help get us through these tough economic times.

We strongly support H.B. No. 1612.

Thank you for the opportunity to share our views with you.



COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

1050 Queen Street, Suite 200, Honolulu, Hawai'i 96814

Tel: 808.596.8155/800.709.2642 • Fax: 808.596.8156/800.710.2642

www.hawaiiancouncil.org

Date: February 10, 2009

To: Representative Mele Carroll, Chair, Committee on Hawaiian Affairs
Representative Rida Cabanilla, Chair, Committee on Housing
Committee Members

Fr: Robin Puanani Danner, CNHA CEO & President

Re: **HB 1612 Relating to Affordable Housing - Support**

Thank you for the opportunity to submit testimony on HB 1612, articulating affordable housing policy that is important to our state and its people.

CNHA is a nonprofit network of over 90 community organizations. Our mission is to enhance the well-being of Hawaii through the cultural, economic and community development of Native Hawaiians. We administer the **Native Hawaiian Policy Center**, along with our coalition partners, the **Native Hawaiian Economic Alliance (NHEA)** and the **Sovereign Councils of the Hawaiian Homeland Assembly (SCHHA)**. Throughout the year, we convene our respective members of small business owners, nonprofit executives, and homestead leaders to identify our annual policy priorities.

Of the thirteen policy issues adopted at our October 2008 convention where over 800 attended, one was to *"ensure access to county affordable housing credit programs that attract development of affordable housing in homestead communities"*.

Honorable Chairs, Vice Chairs and committee members, the administration of the trust lands established by the U.S. Congress in 1921 was accepted by the state of Hawaii as part of statehood in 1959. The Hawaii State Legislature, along with the administration through its agency, the Department of Hawaiian Home Lands (DHHL), represents all of us in Hawaii to reach the full potential of this special trust and commitment to the federal government and to native Hawaiians.

The intent of HB 1612 is to ensure inclusion of Hawaiian home land communities in every county affordable housing credit program where credits are issued to encourage private investment and development of affordable housing inventory. We applaud this legislation because it promotes private sector momentum in moving capital and partnerships to create affordable housing across the state.

Some may say that Hawaiian home land communities should not be included, or that this issue is best left to the local home rule of county governments to decide. Hawaiian home lands, however, is a trust responsibility of state government, squarely the responsibility of the state legislature under Article 12 and the state agency, DHHL, through the statehood act. As we approach the anniversary of five decades since statehood, this simple and inclusive legislation is exactly the type of good housing policy required by state government as the trustee.

We ask that your committee advance this legislation to ensure that the trust lands established by the Congress in 1921, located in every county in the state, and administered by state government, be allowed to be part of the solution to our ailing economy and housing crisis.

Hawaiian home lands are not fee simple lands, nor are they owned by a private sector individual or the responsibility of county governments. They are part of a compact made between our state and our federal governments, that with access and inclusion to affordable housing credit programs, will address tens of thousands of Hawaii citizens on the waitlist, and in doing so, serve the interest and benefit all of the people of Hawaii. Indeed HB 1612 ensures that county policies with regard to affordable housing credits are in sync with state priorities and responsibilities.

The state legislature has an incredible opportunity to advance economic stimulus, create jobs in the construction trades, shepherd in valuable infrastructure development throughout the state, and open the pathway for healthy neighborhoods to take root. Thank you for the opportunity to support HB 1612.



Via Capitol Website

February 11, 2009

**House Committee on Hawaiian Affairs and Committee on Housing
Hearing Date: February 11, 2009, at 9:50 AM in CR 329**

**Testimony in Support of HB 1612. Relating to Affordable Housing
(Permits the Department of Hawaiian Homelands to receive affordable
housing tax credit)**

Honorable Chairs Mele Carroll and Rida Cabanilla, Vice-Chairs Maile Shimabukuro and Pono Chong and HAW-HSG Committee Members:

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 Hawai'i's significant natural and cultural resources and public health and safety.

LURF **supports HB 1612**, which permits the Department of Hawaiian Homelands (DHHL) the ability to receive and subsequently assign, transfer, or exchange county affordable housing tax credits.

Background. The lack of affordable housing remains a significant problem affecting Hawaii. 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. Creating incentives to develop more affordable housing units is a way to encourage more investments in affordable housing projects.

HB 1612. The purpose of this bill is to allow DHHL, counties and other developers the flexibility and incentive to invest in affordable housing projects.

HB 1612 amends HRS §207.5 which allows affordable housing credits to DHHL and allows them to assign, transfer, or exchange any county affordable housing credits it receives as prescribed under Chapter 91.

Section 2 of the bill amends HRS §46-15.1(9), which “Provide affordable housing tax credits to the department of Hawaiian home lands;”

LURF’s Position. This bill provides an alternative tool for developers who want to invest in affordable housing projects. Extension of the tax credit for DHHL projects will encourage developers to consider DHHL sponsored projects. Access to affordable housing is critical to our communities and any further delay of incentives that encourage affordable housing projects will assist in ending the housing shortage crisis.

Based on the above, we respectfully request your **favorable consideration of HB 1612.**

Thank you for the opportunity to express our **support for HB 1612.**



*Building
houses,
building
hope*

**Testimony on HB 1612: Relating to Affordable
Housing
House Committee on Housing
Committee On Hawaiian Affairs
Conference Room 329, 2/18/09, 9:05 a.m.**

Hawaii Habitat for Humanity Association supports this bill which makes it possible for the Department of Hawaiian Homelands to receive and utilize affordable housing credits.

Habitat for Humanity has been building homes with low income Hawaiian families for most of our more than 20 years in Hawaii. Three out of every 5 homes that we build in Hawaii are on Hawaiian Homelands. Many of the families have leased their land for years but not been able to afford to build on it. There is a great need for affordable homes in the Hawaiian community. We ask that any available resources, such as affordable housing credits be made available for their use.

Thank you for supporting this bill.

Kathleen Hasegawa
Executive Director
808-538-7676

WAIMEA HAWAIIAN HOMESTEADERS' ASSOCIATION, INC.

P. O. Box 6753

Kamuela, Hawaii 96743

February 10, 2009

M KANANI KAPUNIAI
Pu'ukapu-Pastoral '90+
Director- **President**

N DUKE KAPUNIAI
Honokaia
Director - **Vice-President**

SHARON MEDEIROS
Puu Pulehu
Director - **Secretary**

A HOPPY BROWN
Puukapu Pastoral '90+
Director - **Treasurer**

DOROTHY/BRUCE
NISHIE
Kamoku/Nienie/Waikoloa
Director

KENNETH/LAVERNE
KANIHO
Pauahi
Director

BERNARD ALANI, JR
Puukapu-fARM>'85
Director

BETTY LAU
Kuhio Village
Director

JOSEPH KEALOHA
Pu'ukapu-Agricultural'85+
Director

FRED LAU
Kuhio Village
Director

HENRY "SOLI"NIHEU"
Pu'ukapu-Farm '85+
Director

DERRICK HONDA
Pu'ukapu-Pastoral <90
Director

TO: Rep Mele Carroll, Chair
Rep Maile S L Shimabukuro, Vice Chair

FROM: M Kapuniai, President

RE: HB1612
RELATING TO AFFORDABLE HOUSING

Date/Time: Wednesday, February 11, 2009 9:50 a.m.
Place: Conference Room 329
State Capital, 415 So Beretania St

We write to **SUPPORT** this bill.

The ability for the Department of Hawaiian Home Lands to receive affordable housing credits will provide additional opportunities for beneficiaries and their families to acquire a home.

This action will decrease the incidences of countless beneficiaries who cannot qualify for a lease with a turnkey home.

These available affordable housing credits for the Department of Hawaiian Home Lands are long over due.

Thank you!

Phone: (808) 890-2311 (Res) 936-0157(Cell)
Email: duke@sandwichisles.net

TESTIMONY OF SHIRLEY SWINNEY, PRESIDENT
MALU'OHAI RESIDENTS' ASSOCIATION
ON **HB 1612**
BEFORE THE JOINT HOUSE COMMITTEE ON HAWAIIAN AFFAIRS AND
HOUSING

February 18, 2009

Chair Carroll, Chair Cabanilla, and Members of the Committee:

Mahalo for this opportunity to testify in support of HB1612 in its amended form as proposed by the Department of Hawaiian Home Lands (DHHL). This bill enables the Department of Hawaiian Home Lands to receive and subsequently assign, transfer, or exchange county affordable housing credits.

As a leader of a Hawaiian homestead community association, I respectfully urge that you pass this bill. We support this measure because it encourages private investment to help increase the state's affordable housing inventory. During this economic downturn where the state and counties are facing deep budget cuts, this type of measure is necessary to promote partnerships between the public and private sector to address the shortage of affordable housing. This bill, while addressing affordable housing on Hawaiian home lands, will remove thousands from the waitlist and in doing so, serves to benefit all the people of Hawaii.

We respectfully ask that you approve this bill and thank you for this opportunity to testify.

Testimony in support of HB1612.
mahalo, Shirley Swinney

February 17, 2009

The Honorable Mele Carroll, Chair
And Members
Committee on Hawaiian Affairs
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Carroll and Members:

SUBJECT: HB 1612 Relating to Affordable Housing

I write this letter in support of HB 1612. This bill will provide access to additional funding sources which will aid in rehabilitating Native Hawaiians to the land. Allowing the Department of Hawaiian Home Lands to transfer tax credits for building homes for Hawaiians can only benefit the program as well as the ailing construction industry in the islands.

Chair, I strongly urge that this bill be passed through the House of Representatives.

Respectfully submitted,

John K. Sang