

TESTIMONY

HB 1554

LATE

LINDA LINGLE
GOVERNOR
STATE OF HAWAII



KAULANA H. R. PARK
CHAIRMAN
HAWAIIAN HOMES COMMISSION

ANITA S. WONG
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 KAULANA H. R. PARK, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WATER, LAND, AGRICULTURE AND
HAWAIIAN AFFAIRS & COMMITTEE ON TRANSPORTATION, INTERNATIONAL AND
INTERGOVERNMENTAL AFFAIRS

ON HB 1554 RELATING TO HAWAII COMMUNITY DEVELOPMENT AUTHORITY

March 29, 2010

Chair Hee, Chair English and Members of the Committees:

The Department of Hawaiian Home Lands supports the proposed changes to HB 1554 in the Senate Draft 1. This legislation that would allow for private developers to satisfy a portion of their Hawaii Community Development Authority reserve housing requirements by building homes on Hawaiian home lands.

We view this legislation as mutually beneficial to both DHHL and HCDA. HB 1554 SD1 supports our mission to develop and deliver lands to native Hawaiians and it also supports HCDA's goal of addressing the shortage of affordable housing units in our state. DHHL has approximately 25,000 native Hawaiians applicants waiting for an opportunity for home ownership. This bill is similar to Act 141 (2009) and is a valuable tool as we continue to provide homes to our

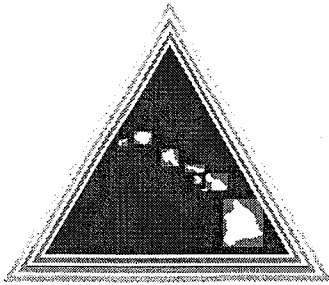
beneficiaries and alleviate the housing crisis; a true win-win situation.

We would also like to note that we also support the language in HB 1554 as introduced during the 2009 session. This bill would allow the Chairman of the Hawaiian Homes Commission, as well as the chairperson of the City and County of Honolulu Department of Planning and Permitting, to each designate a representative to serve as ex officio voting members of HCDA. This bill offers flexibility to ensure that the perspective of the Commission will be represented to HCDA in times when the Chairman of the Commission is not available. Without this amendment to Chapter 206E, Hawaii Revised Statutes, important deliberations and decisions may have to be postponed (when quorum cannot be achieved) and/or the community would be deprived of the representation of both the Hawaiian Homes Commission and the City and County of Honolulu Department of Planning and Permitting.

We respectfully urge your committees to consider preserving the original language in HB 1554 and inserting the language in the proposed SD1 as a separate section in this bill.

Thank you for the opportunity to testify on this measure.

March 29, 2010

**Sovereign Councils
of the****Hawaiian Homelands
Assembly**

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To: **Senator Clayton Hee, Chair**
Sen. Jill Tokuda, Vice Chair & Members of the
Committee on Water, Land, Agriculture & Hawaiian Affairs
Senator J. Kalani English, Chair
Senator Mike Gabbard, Vice Chair & Members of the
Committee on Transportation, International and
Intergovernmental Affairs

From: **Kali Watson**
Chairman of Statewide Economic Development Committee
SCHHA
Honolulu, Hawaii 96792

Re: **Hearing on HB -1554, SD1 Relating HCDA Board - DHHL &**
City Member
March 29, 2010 at 3:30 pm
Conference Room 229, State Capitol

TESTIMONY IN SUPPORT

Dear Chairs Hee and English, Vice Chairs Tokuda and Gabbard and Members:

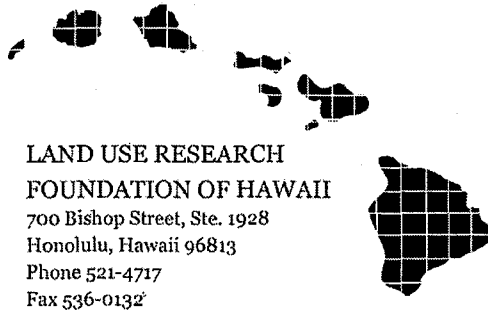
Thank you for the opportunity to provide testimony in support of HB 1554, S D1 relating to HCDA. We strongly support the revised language re reserved housing being satisfied on DHHL property. We would suggest several things: limit the Kakaako developments to DHHL projects within the urban core of Honolulu, and use the 33 percent figure. We would also suggest reinserting the original House language in the Bill. DHHL's inclusion on the Board governing HCDA property in Kalaeloa, for obvious reasons, is important. Having been on the Base Realignment and Closure Commission (BRAC) prior to the transfer of these lands to the State and City and County, it was critical in establishing access and transfer of significant lands to the DHHL inventory. Today, DHHL receives significant benefits from the use of these lands. For future planning and interaction with adjoining landowners, having a member on the HCDA Board makes a lot of sense. DHHL needs to be involved in the decision making process.

The Sovereign Councils of the Hawaiian Homelands Assembly, formerly the State Council of Hawaiian Homestead Associations was founded more than 20 years ago to unite homestead communities and to advocate for the beneficiaries of the Hawaiian Homes Commission Act of 1921. The SCHHA is the oldest statewide advocacy organization representing the interests of more than 30,000 beneficiaries and families residing in the communities of the Hawaiian Home Land Trust. Its mission is to promote the self determination of native Hawaiians and the well being of homestead communities. I urge you to please pass this measure, HB 1554, SD1.

Sincerely,

Kali Watson
Chairman of Economic Development

David Arakawa



March 29, 2010

**Senate Committees on Water, Land, Agriculture and Hawaiian Affairs and
Transportation, International and Intergovernmental Affairs
Hearing Date: Monday, March 29, 2010, at 3:30 PM in CR 229**

**Testimony in General Support of HB 1554, Proposed SD1
Relating to Hawaii Community Development Authority
(Allows Reserved Substitute Housing Outside HCDA Region on DHHL)**

Honorable Chair Clayton Hee, Vice Chair Jill Tokuda and Senate Committee on Water, Land, Agriculture and Hawaiian Affairs and Honorable Chair J. Kalani English, Vice Chair Mike Gabbard and Senate Committee on Transportation, International and Intergovernmental Affairs 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 Hawaii's significant natural and cultural resources and public health and safety.

LURF is **in general support of the Proposed SD1 version of HB 1554**, which amends the criteria for approval by the Hawaii Community Development Authority (HCDA) of substitute reserved housing projects to be constructed within and outside of the geographic boundaries of the authority's jurisdiction. The substitute reserved housing units shall be located on lands controlled by the Department of Hawaiian Homelands (DHHL) that are situated on the same island as the development project and shall be substantially equal in value to the required reserved housing units that were to be developed.

Original HB 1554. The original version of HB 1554 was introduced in 2009 and has been carried over to the 2010 session. The original purpose of HB 1554 is to allow the chairperson of DHHL and the director of the city and county of Honolulu department of planning and permitting or their respective representative to serve as ex officio, voting members of the HCDA. The Proposed SD1 would replace the original version of this bill.

Honorable Chair Clayton Hee, Vice Chair Jill Tokuda & Members
Honorable Chair J. Kalani English, Vice Chair Mike Gabbard & Members
Water, Land, Agriculture and Hawaiian Affairs and
Transportation, International and Intergovernmental Affairs
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HB 1554, PROPOSED SD1. The purpose of this Proposed SD1 is to amend Section 206E-4 of the Hawaii Revised Statutes regarding the HCDA and the criteria for approval of substitute reserved housing projects. This Proposed SD1 provides an alternate tool for developers who want to invest in affordable housing projects and satisfy affordable housing requirements.

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. Access to affordable housing is critical to our communities and the implementation of incentives that encourage affordable housing projects will assist in addressing the housing shortage crisis.

LURF's Position. LURF is in **general support** of this bill because it is expected that private-sector development of affordable homes for DHHL will increase the number of DHHL homes and the overall supply of housing in Hawaii, and thus is a key element in helping to solve Hawaii's affordable housing shortfall.

Our support is based on, among other things, the following:

- This bill will result in an increase in the overall supply of housing and will have a large impact on encouraging and creating **both** affordable and market housing;
- In situations where DHHL has land, but does not have the funding to construct the homes, the transfer of credits would allow private developers to build reserved and affordable homes on DHHL lands that might not otherwise be built;
- If housing developers can build affordable units on DHHL lands, this means that more private land will be available to build homes for homebuyers; and
- Many developers may be looking forward to utilizing the DHHL affordable housing alternative for their current or future projects. The use of private-public partnerships may be one solution for addressing the shortage of affordable housing and for jumpstarting this troubled economy.

Thank you for the opportunity to express our **support** of HB 1554, Proposed SD1.

TESTIMONY
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(END)