

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII

WILLIAM J. AILA, JR.
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 SENATE COMMITTEE ON WAY AND MEANS
IN SUPPORT OF

**HB 142 HD 2, SD 1 RELATING TO AFFORDABLE HOUSING ON HAWAIIAN HOME
LANDS**

April 6, 2015

Aloha Chair Tokuda and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) supports this bill that makes permanent provisions for affordable housing credits to be requested by DHHL and received from each county for units developed on Hawaiian home lands, and amends HRS Section 46-15.1, HRS, to clarify provisions of this program.

The Department supports the intent of Section 1, and strongly supports the repeal of the sunset of this program provided for in Section 2 and Section 3. This language in Section 2 and Section 3 is identical to a bill that is part of the Governor's administrative package by request of our department.

The Department has been working with the Counties as each County applies its affordable housing credits in a manor that is different. The Department requests the following changes, to provide the greatest flexibility between the Counties and the Department.

On page 2, line 15, replace shall with may. On page 2, line 19, after the word rules, replace the period with a semicolon and add "however, at least half of the affordable housing credits issued by the City and County of Honolulu shall be subject to a memorandum of agreement to establish , modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with the City and County of Honolulu's affordable housing ordinances or rules."

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. 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 the department, and DHHL can earn these resources without requiring any state funds.

During the interim since the last legislative session, our department has executed a memorandum of agreement with the County of Kauai to smooth implementation of this program and to address concerns related to home rule previously raised by this county. We are also currently working on a memorandum of agreement with the City and County of Honolulu to achieve the same goal.

Department of Hawaiian Home Lands

HB 142 HD 2

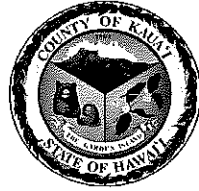
HWN-PSM-HSH, 3-23-2015

Page 2

Thank you for your consideration of our testimony. As this measure has no companions that are still advancing this session, we respectfully urge your committees to pass this bill.

Bernard P. Carvalho, Jr.
Mayor

Nadine K. Nakamura
Managing Director



Kamuela Cobb-Adams
Housing Director

KAUA'I COUNTY HOUSING AGENCY

County of Kaua'i, State of Hawai'i
Pi'ikoi Building 4444 Rice Street Suite 330 Lihu'e Hawai'i 96766
TEL (808) 241-4444 FAX (808) 241-5118

April 6, 2015

The Honorable Senator Jill Tokuda, Chair
and Members of the Committee on Ways and Means
State Senate
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

**SUBJECT: TESTIMONY IN OPPOSITION OF HOUSE BILL NO. 142 HD 1 SD 1
RELATING TO AFFORDABLE HOUSING ON HAWAIIAN HOME LANDS**

Dear Chair Tokuda and Committee Members:

Kaua'i County Housing Agency (KCHA) has concerns related to home rule and the implications of administering Act 141, as amended, and HB 142 HD 1 SD 1 which would extend the sunset date of Act 141 for the Department of Hawaiian Home Lands (DHHL).

KCHA and DHHL have recently executed a memorandum of agreement (MOA) that further defines the administration of Act 141 and aligns with the County's affordable housing policy, Ordinance No. 860. The MOA creates mutually acceptable terms between the County of Kaua'i and DHHL to implement the issuance of affordable housing credits. We have also worked diligently with DHHL and the City and County of Honolulu to come up with amendment language to HB142 HD1 SD1 to allow each county to individually implement Act 141 in accordance with applicable adopted county ordinances, resolutions, rules or memoranda of agreement. We humbly request that HB 142 HD1 SD1 be amended as follows:

SECTION 1, subsection (b), is amended by amending the last two sentences of the first paragraph to read as follows:

b) ... Notwithstanding any provisions herein to the contrary, the department and the respective counties may [~~shall~~] enter into a memorandum of agreement 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



An Equal Opportunity Employer

The Honorable Senator Jill Tokuda, Chair
and Members of the Committee on Ways and Means
State Senate
Hawai'i State Capitol
RE: HB 142 HD1 SD1
April 6, 2015
Page 2

rules[-]; however, at least half of the affordable housing credits issued by the City and County of Honolulu shall be subject to a memorandum of agreement to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with the City and County of Honolulu's affordable housing ordinances or rules. At least half of the affordable housing credits issued by each county shall be subject to a memorandum of agreement between the department and the issuing county.

Thank you for your consideration of our testimony and the opportunity to comment.

Sincerely,



Kamuela Cobb-Adams
Housing Director

