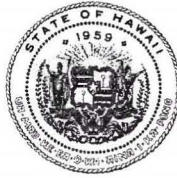


DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

SHAN S. TSUTSUI  
LT. GOVERNOR  
STATE OF HAWAII



JOBIE M. K. MASAGATANI  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

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 HAWAIIAN AFFAIRS,  
COMMITTEE ON PUBLIC SAFETY, INTERGOVERNMENTAL, AND MILITARY AFFAIRS &  
COMMITTEE ON HUMAN SERVICES AND HOUSING  
IN SUPPORT OF

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

March 23, 2015

Aloha Chair Shimabukuro, Chair Espero, Chair Chun Oakland, and Members  
of the Committees:

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.

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.

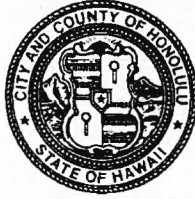
During the interim since the last legislative session, our department has executed a memorandum of agreement with the County of Kauai to smooth implementation of this program and to address concerns related to home rule previously raised by this county. We are also currently working on a memorandum of agreement with the City and County of Honolulu to achieve the same goal. We acknowledge the amendment language offered to a companion measure, SB 785, by the Senate Committee on Ways and Means to address some concerns raised by the counties, and we are open to continuing to amend this bill language to ensure this program is optimal for both our Department and the counties.

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.

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8000 • FAX: (808) 768-6041  
DEPT. WEB SITE: [www.honoluludpp.org](http://www.honoluludpp.org) • CITY WEB SITE: [www.honolulu.gov](http://www.honolulu.gov)

KIRK CALDWELL  
MAYOR



GEORGE I. ATTA, FAICP  
DIRECTOR

ARTHUR D. CHALLACOMBE  
DEPUTY DIRECTOR

March 23, 2015

The Honorable Maile S.L. Shimabukuro, Chair  
and Members of the Committee on Hawaiian Affairs  
The Honorable Will Espero, Chair  
and Members of the Committee on Public Safety,  
Intergovernmental and Military Affairs  
The Honorable Suzanne Chun Oakland, Chair  
and Members of the Committee on Human  
Services and Housing  
Hawaii State Senate  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chairs Shimabukuro, Espero, Chun Oakland and Members:

SUBJECT: House Bill No. 142, HD1  
Relating to Affordable Housing on Hawaiian Home Lands

The Department of Planning and Permitting (DPP) **opposes** House Bill No. 142, HD1, which would extend until July 1, 2021, the affordable housing credit program under the Department of Hawaiian Home Lands (DHHL). We testified on similar bills in the past, which either proposed to extend the program, or establish it permanently.

The City strongly supports an increase in the inventory of affordable housing units. The City also recognizes the challenges faced by DHHL in fulfilling its obligations to its beneficiaries. However, we testified in opposition to this program at its inception in 2009. This program costs the State of Hawaii nothing. In fact, it creates credit value that DHHL can sell to developers who have an obligation to fulfill affordable housing requirements imposed by the counties. It undermines the ability of the counties to provide new affordable housing to all its residents within county-defined income need groups, on a time schedule commensurate with private sector construction, and in geographic areas where the counties believe affordable housing is needed.

In the six years since this mandatory credit program was adopted as Act 141 (2009, Session Laws of Hawaii), the City and County of Honolulu awarded more than 700 affordable housing credits to DHHL. If this program continues, we expect about 300 more in the near future. These are high figures compared to the total amount of affordable housing otherwise delivered; in high-construction years, the private sector delivers about 600 affordable housing units annually.

The Honorable Maile S.L. Shimabukuro, Chair  
and Members of the Committee on Hawaiian Affairs  
The Honorable Will Espero, Chair  
and Members of the Committee on Public Safety,  
Intergovernmental and Military Affairs  
The Honorable Suzanne Chun Oakland, Chair  
and Members of the Committee on Human  
Services and Housing  
Hawaii State Senate  
Hawaii State Capitol  
RE: House Bill No. 142, HD1  
March 23, 2015  
Page 2

The goal should not be to redirect the resources and/or opportunities from one branch of government at the expense of another. We all need to work together in addressing the affordable housing shortage.

As you may know, the City is focusing on encouraging affordable housing in the rail corridor. This DHHL program dampens the county's ability to do so, in that credits for housing in Nanakuli can substitute for housing that would have been delivered in the corridor. Moreover, the DHHL credits represent single-family dwellings, and the City is promoting denser, "infill," multi-family projects.

We do have ongoing conversations with DHHL about the opportunities that transit-oriented development (TOD) represents to DHHL in fulfilling its mission, whether as an independent housing developer or in partnership with other developers and landowners. We are encouraged by these conversations in recent months. To allow the credit program to continue would appear to be a disincentive to TOD.

Lastly, please note that DHHL can already participate in our affordable housing program without this credit law. They would receive the same benefits that private housing developers receive. Namely, for qualifying units, the DHHL would receive a higher benefit ratio than 1 credit for 1 housing unit. The credit value is increased for larger units and those that are kept in the affordable sales range for a longer period of time. Units that are located in the rail corridor can also receive bonus credits.

In summary, we believe Act 141 benefits the DHHL at the cost of the counties' programs. It infringes on home rule and the counties' ability to administer their affordable housing programs. If Act 141 cannot be held, we ask that you amend it by making it an optional program, subject to compliance with county programs.

Thank you for this opportunity to testify.

Very truly yours,



George I. Atta, FAICP  
Director

GIA:ks



**COUNTY COUNCIL**

Mel Rapozo, Chair  
Ross Kagawa, Vice Chair  
Mason K. Chock  
Gary L. Hooser  
Arryl Kaneshiro  
KipuKai Kualii  
JoAnn A. Yukimura



**OFFICE OF THE COUNTY CLERK**

Ricky Watanabe, County Clerk  
Jade K. Fountain-Tanigawa, Deputy County Clerk

Telephone (808) 241-4188  
Fax (808) 241-6349  
Email [cokcouncil@kauai.gov](mailto:cokcouncil@kauai.gov)

**Council Services Division**  
4396 Rice Street, Suite 209  
Lihue, Kauai, Hawaii 96766

March 20, 2015

**TESTIMONY OF JOANN A. YUKIMURA  
COUNCILMEMBER, KAUAI COUNTY COUNCIL  
HB 142, HD 1, RELATING TO AFFORDABLE HOUSING  
ON HAWAIIAN HOME LANDS**

Senate Committee on Hawaiian Affairs  
Senate Committee on Public Safety, Intergovernmental and Military Affairs  
Senate Committee on Human Services and Housing  
Monday, March 23, 2015  
1:15 p.m.  
Conference Room 224

Dear Chair Shimabukuro, Chair Espero, Chair Chun Oakland, and Members of the Committee:

Thank you for the opportunity to provide testimony on HB 142, HD 1, relating to affordable housing on Hawaiian Home Lands. I write as an individual Councilmember and as the Chair of Kauai County Council's Committee on Housing & Transportation. I write in opposition to HB 142, HD 1 which would extend the affordable housing credit program under the Department of Hawaiian Home Lands (DHHL) until July 1, 2021.

The Kauai County Council and the Kauai County Administration have opposed the bill in the past because it would enable DHHL to 1) take affordable housing obligations that developers have to the County and use those credits for DHHL clients without assurance that those credits will go to help families qualified by county income standards, 2) use those credits without regard to smart planning or to offsetting housing impacts in the area that was impacted by the development out of which the credits arose, 3) allow subsequent re-sale of the credits that could allow production of affordable housing to be delayed.

The County of Kauai's affordable housing policy and ordinance already allow a certain number of credits to go to DHHL, but only as mutually agreed. Our County Housing Director and his staff have been working in good faith to develop a memorandum of agreement that would govern how credits would be transferred and utilized. I thus strongly oppose HB 142, HD 1 which would allow DHHL to

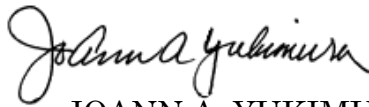
AN EQUAL OPPORTUNITY EMPLOYER

Chair Shimabukuro, Chair Espero, Chair Chun Oakland, and Committee Members  
RE: HB 142, HD 1, Relating to Affordable Housing on Hawaiian Home Lands  
March 20, 2015  
Page 2

unilaterally usurp housing credits from the counties. If it is not your decision to hold the bill, I request that the bill be amended to require county consent as to how the credits are transferred to Hawaiian homes.

Thank you for this opportunity to testify. Should you have any questions, please feel free to contact me or the Office of the County Clerk, Council Services Division, at (808) 241-4188.

Sincerely,

A handwritten signature in black ink, appearing to read "Joann A. Yukimura". The signature is fluid and cursive, with the first name "Joann" being more prominent.

JOANN A. YUKIMURA  
Councilmember, Kaua'i County Council  
Chair, Committee on Housing & Transportation

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [HWNTestimony](#)  
**Cc:** [pohlca@aol.com](mailto:pohlca@aol.com)  
**Subject:** Submitted testimony for HB142 on Mar 23, 2015 13:15PM  
**Date:** Thursday, March 19, 2015 5:08:09 PM

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**HB142**

Submitted on: 3/19/2015

Testimony for HWN/PSM/HSB on Mar 23, 2015 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Brown	Pana'ewa Hawaiian Home Lands Community Association	Support	No

Comments: Pana'ewa Hawaiian Home Lands Community Association - PHHLCA SUPPORTS the intent of HB 142, HD1, which extend the sunset date for provisions for affordable housing credits ON affordable housing development etc., on Hawaiian Home Lands to July 1, 2021. PHHLCA believes ACT 142 benefits DHHL along with its beneficiaries (native Hawaiians) in the islands for affordable housing

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [HWNTestimony](#)  
**Cc:** [darakawa@lurf.org](mailto:darakawa@lurf.org)  
**Subject:** Submitted testimony for HB142 on Mar 23, 2015 13:15PM  
**Date:** Sunday, March 22, 2015 9:12:32 AM

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**HB142**

Submitted on: 3/22/2015

Testimony for HWN/PSM/HSB on Mar 23, 2015 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	No

Comments: The Land Use Research Foundation of Hawaii SUPPORTS the intent of HB 142, HD1, which extends the sunset date for provisions for affordable housing credits for affordable housing developed on Hawaiian home lands to July 1, 2021. Some of the counties may oppose this bill, however, LURF recommends that DHHL and the counties discuss and resolve outstanding issues relating to this measure.

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**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [HWNTestimony](#)  
**Cc:** [kamakane73@gmail.com](mailto:kamakane73@gmail.com)  
**Subject:** \*Submitted testimony for HB142 on Mar 23, 2015 13:15PM\*  
**Date:** Thursday, March 19, 2015 10:45:34 PM

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**HB142**

Submitted on: 3/19/2015

Testimony for HWN/PSM/HSB on Mar 23, 2015 13:15PM in Conference Room 224

Submitted By	Organization	Testifier Position	Present at Hearing
Kama Hopkins	Individual	Support	No

Comments:

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