

**GOVERNOR LINDA LINGLE'S REMARKS
MOKULOA VISTA AFFORDABLE HOUSING FACILITY DEDICATION**

Thursday, January 8, 2009

Aloha everyone. It's terrific to be here with you today.

Today offers a good example of what we can achieve when we work together. It's more than just building affordable rental homes, it's helping hardworking individuals – families – to become more financially secure and build better lives for themselves and their families.

Difficult economic times don't lessen our obligation to the residents of Hawai'i, it increases our obligation. It provides us with an even greater incentive to collaborate across city county and federal agencies, private sectors.

Sixty-nine individuals and families will soon embark on a new phase of their lives as residents of Mokuloa Vista and I congratulate all of them who will come. I also want to congratulate the partners who made Mokuloa rentals a reality.

I know Sandy (Pfund) mentioned them, but I think it's important to underscore again how important these collaborations are. So to Homes Hawai'i, HHFDC, and all the financial people involved, thank you for your work.

This serves as a model for public-private partnerships across the state. You know that we can't be operating in a "business as usual" fashion during these challenging times. This project is a part of the continuum of affordable housing that we seek to provide.

We can provide emergency shelters – we've proven that, we can provide transitional housing – we continue to prove that; but there has to be somewhere that people can go after they transition. The very name says they are going to be going somewhere else and you're providing the somewhere else – the next step for people.

When I talk about “business as usual,” this project certainly wasn’t that. When market conditions changed, partners acted quickly to adjust. They were proactive, collaborative and they modified their plans as needed.

As you know, this project started out as a “for sale” project and morphed into an affordable rental project. Sometimes the most challenging times present wonderful opportunities.

Since 2003 through the end of 2008, we have approved and/or participated in the development of 5,825 units – 1,987 have already been built or preserved, including Kukui Gardens affordable rental project. The build-out of the remaining units will be occurring through 2013, and Hawai‘i Housing and Finance Development Corporation has taken on a very ambitious goal. Their production plan will likely increase even more in the years ahead, and our proposed biennium budget to the legislature supports this commitment.

We have included in our budget \$50 million additional funds for the dwelling unit revolving fund and \$50 million for the rental housing trust fund to construct more affordable housing and rental units such as these. There’s also \$33 million for HHFDC through the senior residence in Iwilei, which is on track to be completed in 2011.

It’s not just money that makes it a challenge to develop these kinds of projects. The regulatory environment also impacts our ability to move forward with affordable housing.

Our Administration is focused on identifying the regulatory barriers that add to the cost or prevent the construction of affordable housing in Hawai‘i. We established a 21-member affordable housing regulatory barriers task force in August 2007. This task force includes housing representatives from state government agencies, the legislature, experts and nonprofit organizations. The last meeting was on December 16; and the task force decided to submit 14 separate recommendations to include seven proposed legislative changes.

One example will be allowing mixed-income and mixed-use housing projects and infrastructure development to qualify for the expedited 201-H approval process. Our Administration is also planning to reintroduce a bill that will make the state low income housing tax credits more valuable by allowing investors to take those credits over five years, rather than the current 10 years.

We're also planning to introduce a bill that would facilitate the issuance of special purpose revenue bonds for the development of low and moderate income housing by exempting their issuance from the procurement process.

Collectively, we all share a responsibility to live up to the kind of community we say we are. It's a commitment that involved reaching out to those in need, implementing smart and effective incentives so that doing what's best for the community also makes economic sense.

This is certainly a challenging time, one that calls for close collaboration and bold action. You've taken that here with this project.

Congratulations to everyone involved. Mahalo.