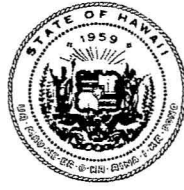


LINDA LINGLE
GOVERNOR



CHAD K. TANIGUCHI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
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Statement of
Chad K. Taniguchi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

February 25, 2008, 12:30 p.m.
Room 308, Hawaii State Capitol

In consideration of
H.B. 2668 HD1
RELATING TO PUBLIC HOUSING

The Hawaii Public Housing Authority (HPHA) supports the intent of this bill requiring HPHA's public housing projects to remain affordable in perpetuity.

HPHA acknowledges the importance of preserving state-subsidized housing for many of the families in Hawaii that have no other housing options. HPHA intends to explore redevelopment of public housing to include affordable and market units, as other housing authorities countrywide have done, **while at least maintaining the current number of public housing units**. This bill as it is currently written may affect these future endeavors.

Please note that HPHA is seeking to sell its non-public housing inventory at Wilikina Apartments (Wahiawa) and Banyan Street Manor (Palama) to nonprofits who will continue providing the units as affordable units. For Wilikina Apartments, HPHA owns the land and can support affordable housing in perpetuity. For Banyan Street Manor, the city owns the land. Proceeds will be used to reduce operating deficits or put into capital repairs.

Thank you for the opportunity to testify on this important measure.

LINDA LINGLE
GOVERNOR



LINDA L. SMITH
SENIOR POLICY ADVISOR

STATE OF HAWAII
GOVERNOR'S POLICY OFFICE
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Testimony of Linda L. Smith
Senior Policy Advisor to the Governor

Before the

HOUSE FINANCE COMMITTEE
on
HOUSE BILL No. 2668 House Draft 1

Monday, February 25, 2008
12:30 P.M.
Room 308

Chair Oshiro, Vice Chair Lee, and members of the committee, thank you for the opportunity to provide testimony in opposition to House Bill 2668 House Draft 1.

The State is heavily challenged to maintain the existing inventory of Federal and State public housing. As the Legislature is well aware, the Hawaii Public Housing Authority has had to come forward this year with an emergency appropriation request to address a shortfall of \$10 million needed for operating expenses of these projects. As public housing facilities age, it has become increasingly difficult to keep projects in good repair. Given limited government resources, we must look beyond government, and create public/private partnerships to preserve affordable housing.

A balanced housing policy that includes incentives for private sector investment in affordable rental housing is needed. The approach called for in this bill would prohibit mixed use developments for affordable housing projects, which is an attractive mechanism to finance such projects for developers. An affordability requirement that extends beyond the useful life of the property, such as perpetuity, is not practical and may instead serve as a disincentive to the development of affordable housing.