

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO

Statement of
Orlando "Dan" Davidson

Hawaii Housing Finance and Development Corporation
Before the

**SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND
AFFORDABLE HOUSING
SENATE COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING**

February 1, 2008, 9:00 a.m.
Room 229, State Capitol

In consideration of
S.B. 2225
RELATING TO HOUSING.

The HHFDC supports the concept behind S.B. 2225. There have been many good ideas introduced this legislative session that support the State's economic development goals, which includes workforce housing. We hope the legislature will see it fit to support, pass and fund these ideas, together with the priorities of the Executive's Supplemental Budget.

We fully support extending the dedication of 50 percent of conveyance tax revenues for the Rental Housing Trust Fund (RHTF). We would prefer, however, that instead of extending the sunset date to 2013, the 50 percent allocation is made permanent. This dedication of conveyance tax revenues, along with the infusion of \$25 million into the RHTF, would enable the HHFDC to continue to finance a substantial amount of affordable rental housing units. Our testimony on the previous bill, S.B. 3174, provided the Committee with more detailed information on the RHTF and a list of pipeline projects.

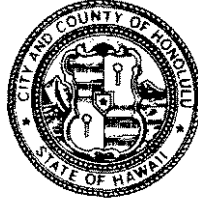
We also fully support the appropriation of funds to the Dwelling Unit Revolving Fund (DURF) and have made a budget request for an infusion of \$25 million. This measure appropriates \$30 million. The DURF may be used for various purposes, such as the acquisition of real property, the development of infrastructure, and for interim construction and permanent loans for the development of for-sale and rental housing. An infusion of funds into the DURF is a key component of our plan to produce over 7,300 affordable units from 2008 through 2012.

We also support the concept of an appropriation to cover the cost of third party review of permit processing of eligible affordable housing projects. The lengthy permit process is attributable in large part to the shortage of qualified county staff to conduct necessary reviews. The City and County of Honolulu allows certified third party reviewers to check plans. However, the cost for such review may inhibit developers of affordable housing projects from utilizing the service. This appropriation would provide an option to accelerate the review and issuance of permits for affordable housing projects.

Thank you for the opportunity to testify.

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR

DEBORAH KIM MORIKAWA
DIRECTOR

ERNEST Y. MARTIN
DEPUTY DIRECTOR

January 30, 2008

The Honorable Russell Kokubun, Chair
and Members of the Committee on Commerce,
Consumer Protection and Affordable Housing
The Honorable Suzanne Chun Oakland, Chair
and Members of the Committee on Human Services
and Public Housing
State Capitol, Room 407
Honolulu, Hawaii 96813

Dear Chairs Kokubun and Chun Oakland and Members:

Subject: SB No. 2225 Relating to Housing
Hearing: February 1, 2008, 9:00 am

The Department of Community Services strongly supports the five-year extension of the sunset date for earmarking a portion of conveyance tax collections for the rental housing trust fund. While we support the proposed extension of the sunset date, we believe it would be preferable to ensure a permanent source of funding for the rental housing trust fund. Sporadic funding of the trust fund has resulted in the current situation where few affordable units are available to low and moderate income renters at this time. The Department administers approximately 4,000 housing choice vouchers and is keenly aware of the dire need for affordable units. As you are aware, the housing development process is a long one requiring several years from project inception to occupancy of dwelling units. In order to address the needs of our citizens, a dedicated source of significant funding must be provided through this and other measures to allow development of much needed housing units statewide.

The Department also supports (1) the authorization of general obligation bond issuance and appropriation in Section 3 and 4 of the bill for \$25 million into the Rental Housing Trust Fund and (2) the authorization of \$30 million general obligation bond issuance into the Dwelling Unit Revolving Fund in Section 5 of the bill; (3) the appropriation of funds for third party permit review for affordable housing projects; (4) the authorization of general obligation bond issuance and appropriation in Section 8 of the bill for capital improvements at public housing projects; and (5) the appropriation of

The Honorable Russell Kokubun, Chair and Members
The Honorable Suzanne Chun Oakland, Chair and Members
January 30, 2008
Page 2

funds for outreach and support services for persons who are unsheltered or residing in homeless facilities, in the form of matching funds to federal homeless grant funds. Regarding the authorization for general obligation bond issuance and appropriation for shelters for persons experiencing homelessness, specifically for Honolulu, the Department prefers long term shelter or permanent housing options. With so many competing demands for state funds at this time, we urge you to commit funding for the long term shelter needs of our community. Thank you for the opportunity to provide this testimony.

Sincerely,



Deborah Kim Morikawa
Director

DKM:gk

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

- SUBJECT:** CONVEYANCE, Earmarking for rental housing trust fund
- BILL NUMBER:** SB 2979/HB 3057 (Identical); SB 2225/HB 2050 (Identical); SB 3174/HB 2468 (Identical); HB 2514 and HB 2668 (Similar)
- INTRODUCED BY:** SB 2979 by Hanabusa by request; HB 3057 by Say by request; SB 2225 by Chun Oakland, Gabbard, Espero and Sakamoto; HB 2050 by Mizuno, Awana, Marumoto, Meyer, Thielen, Ward, and 3 Democrats; SB 3174 by Chun Oakland, Baker, English, Espero, Fukunaga, Gabbard, Hanabusa, Hooser, Ige, Ihara, Inouye, Kim, Kokubun, Menor, Nishihara, Sakamoto, Taniguchi, Tokuda, Tsutsui and 2 Democrats; HB 2468 by Shimabukuro; HB 2514 by Shimabukuro, Belatti, Bertram, Caldwell, Chang, Chong, Evans, Green, Har, Herkes, Karamatsu, Lee, Luke, Magaoay, Manahan, Mizuno, Morita, Nishimoto, B. Oshiro, M. Oshiro, Rhoads, Saiki, Say, Sonson, Takai, Tsuji, Wakai, Waters, Yamane, Yamashita and 7 Democrats; HB 2668 by Say
- BRIEF SUMMARY:** SB 2979/HB 3057 and HB 2668 amend Act 100, SLH 2006, as amended by Act 222, SLH 2007, to repeal the June 30, 2008 sunset provision to make the increase in the earmarking of the conveyance tax revenues to the rental housing trust fund permanent.
- SB 2225/HB 2050 and SB 3174/HB 2468 and HB 2514 amend Act 100, SLH 2006, as amended by Act 222, SLH 2007, to extend the sunset date of the increase in the earmarking of the conveyance tax revenues to the rental housing trust fund from June 30, 2008 to June 30, 2013. Makes various appropriations with unspecified amounts for various homeless and housing programs and projects in the state.
- EFFECTIVE DATE:** SB 2979/HB 3057 - Upon approval; SB 2225/HB 2050; SB 3174/HB 2468; HB 2514 - June 29, 2008; HB 2668 - July 1, 2008
- STAFF COMMENTS:** SB 2979/HB 3057 are administration measures submitted by the department of business, economic development and tourism BED-01(08). The legislature by Act 195, SLH 1993, earmarked 25% of the conveyance tax revenues to the rental housing trust fund and another 25% to the natural area reserve fund. In 2005, the legislature by Act 156, SLH 2005, increased this earmarking to 30%. The legislature by Act 100, SLH 2006, again increased the earmarking to 50% until June 30, 2007 and provided that the earmarked amount was to revert back to 30% on June 30, 2007. Last year the legislature by Act 222, SLH 2007, extended the sunset date to June 30, 2008. The proposed measures continue the increased earmarking of conveyance tax revenues to the rental housing trust fund by either repealing or extending the sunset date of the increased earmarking.

The conveyance tax was enacted by the 1966 legislature after the repeal of the federal law requiring stamps for transfers of real property. It was enacted for the sole purpose of providing the department of taxation with additional data for the determination of market value of properties transferred. This

information was also to assist the department in establishing real property assessed values and at that time the department stated that the conveyance tax was not intended to be a revenue raising device. The conveyance tax is imposed each time property changes title or ownership.

It should be remembered that the conveyance tax is one of the least dependable sources upon which to rely for funding with collections rising and falling with the fortunes of the real estate market. Any amount collected under this tax will depend on activity in the real estate market. If the housing market slows down, revenues may not be sufficient to meet the expectations of the fund. If the additional revenues are not sufficient or another "important" program needs funding, will the conveyance tax be increased to generate even more revenue?

If the legislature deems affordable housing to be such a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. When the legislature dipped into housing special funds to maintain funding for programs like education and social services, that was poor tax policy. This proposal represents the obverse, lawmakers are stealing from the general fund all in the name of affordable housing. When general fund revenues wane, will elected officials once more dip into special funds or repeal this earmarking or in the alternative raise taxes? Earmarking revenues restricts the flexibility in utilizing these revenues. The question that lawmakers must ask themselves is whether or not all of the currently earmarked funds are being used wisely and accomplishing the intended goals. With earmarked funds that can only be used for a designated purpose, lawmakers tend to overlook how those earmarked funds are being used.

Before earmarking any more funds for affordable rental housing, lawmakers should assess the success of the affordable rental housing program. Further, they should take into consideration the fact that during the past decade the homes revolving fund was raided to shore up general fund expenditures and that if the concern is affordable housing in Hawaii, then the homes revolving fund should be made whole again with an appropriation of general funds.

While the fortunes of the rental housing fund, natural area reserves program, and the legacy lands program have been greatly enhanced because of the recent boom in the real estate market, the ebullience of the collections of this tax have also been bolstered by the fact that lawmakers enacted a schedule of rates that basically punishes larger transactions be they residential or nonresidential and if residential, higher rates if the residence is not to be owner-occupied. This strategy of trying to punish larger transactions and transactions of residential property that will not be owner-occupied is childish and reflects the ignorance of lawmakers about the reality of the real estate market. First, not all transactions of \$1 million or more involved residential property. As a result the higher rates on transactions of \$1 million or more penalizes the transfer of commercial, industrial, and agricultural property - all types of nonresidential property - most of which are of values greater than \$1 million. Thus, lawmakers have added yet another nail in the coffin for businesses in Hawaii. Second, just because residential property that is sold is not to be owner-occupied does not infer that something bad is taking place. Do lawmakers realize where rental housing comes from - it does not just drop out of the sky. With policies like this there is no wonder that there is such a scarcity of rental housing in Hawaii. Further, the highest conveyance tax rate is imposed on residential real property that will not be owner-occupied where the transaction value is more than \$1 million. A recent transaction of dilapidated rental housing which the purchaser proposes to redevelop into affordable rentals was subject to this highest rates. Thus, all the punitive conveyance tax will do is make this affordable housing development less affordable. So as long

as the rental housing trust fund is dependent on this earmarking, there is no likelihood that the conveyance tax will ever be looked upon as anything but a cash cow ripe for even more tax increases.

What is so characteristic of the legislature is reflected in the conflicting and contradictory policies embodied in the conveyance tax law. On one hand, lawmakers seem to make a "commitment" to affordable rental housing by earmarking the receipts of the tax for the trust fund while at the same time punishing those purchasers of residential property that will not be owner-occupied with higher confiscatory rates. This type of thinking is an indication of the lack of understanding of where the state's rental inventory originates. As long as this thought pattern continues, taxpayers can rest assured that the legislature will never truly address the problem, let alone come up with rational solutions.

Digested 1/31/08



PARTNERS IN CARE

Testimony for: Committee on Commerce and Consumer Protection and Affordable Housing; and Committee on Human Services and Public Housing

Hearing Date and Time: Thursday, February 1, 2008 @ 9:00 a.m.

Place: Conference room 229

S.B. 2225- Related to Housing

Dear Chair Kokubun and Chair Chun-Oakland, Vice-Chair Ige and Vice-Chair Ihara, Jr, and members of the Committee

Thank you for the opportunity to provide testimony. I am Darryl Vincent the Chairperson of the Advocacy Committee for Partners In Care and Director of US VETS-Hawaii. I am testifying in strong support of SB 2225 which provides funding to create solutions for affordable housing as well as for homelessness.

Partners in Care is a membership organization of providers of homeless services, concerned professionals, units of local and state government, consumers, and other community representatives located in the City and County of Honolulu. We are a coordinating body that develops recommendations for programs and services to fill gaps in the Continuum of Care on O'ahu and provides direction in response to HUD's Continuum of Care annual announcement for homeless assistance funds.

We suggest three amendments:

1) Section 11 (page 7): to clarify the intent, we suggest a change in wording, replacing “on the islands of Oahu and Hawai‘i”, with the wording: “including \$20 million for an urban shelter on Oahu, and \$12 million for the Kaloko project on the island of Hawai‘i.”

2). Section 30 (page 3): We urge deletion of the sunset date, which would establish a **permanent allocation**.

3). We **also urge increasing the percentage** of the conveyance tax allocated to the Rental Housing Trust Fund (RHTF) to **65%**. The Increasing the share of the conveyance tax to the Rental Housing Trust Fund is a direct avenue for the development of low-income rental housing. The working poor need this housing. Currently there are too many residents of Hawaii who are currently homeless or living in substandard or crowded conditions. The development of low cost rental housing must be a priority.

We support the infusion of \$25 million from GO bonds to the Trust Fund that is also crucial to expanding the number of rental units that can be created in the next 3-5 years. While the need for shelters and supportive

PARTNERS IN CARE c/o Aloha United Way • 200 North Vineyard • Suite 700 • Honolulu, Hawaii
96817 • (808) 330-2825

services is crucial to in the initial stages of ending homelessness, we need to also focus on making more affordable units so when those families are ready to move into their own housing, Hawaii has the inventory of affordable rental units. Families with children are still ending up on beaches or in cars. We need to continue to focus on creating a large number of affordable housing units.

Repairing vacant units in public housing will make available more units for homeless families' and low income families immediately. We urge your support for the proposed funding. This can be one huge step towards moving families from our beaches.

While we work on creating housing, we need to support services to currently homeless people. Partners in Care and US VETS-Hawaii strongly support the \$5.3 million for outreach and support services, matching funds, and continual operational funds for non-profits to develop and operate shelters and transitional programs. Supportive services are another essential tool in assisting those individuals that are experiencing or have experienced homelessness. These services allow trained workers to facilitate the process of taking the first step out of homelessness and helping individuals reach their highest level of independence as rapidly as possible.

With the state's commitment to reducing homelessness, we are excited about the possibilities to come. The passage of SB 2225 would help provide the resources to create low income rentals and provide the supportive services that are needed to help individuals and families who are homeless. Please pass SB 2225 out of this Committee.

Mahalo,

Darryl J. Vincent, Partners In Care
Submitted: February 1, 2008

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CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 2225: RELATING TO HOUSING

TO: Senator Russell S. Kokubun, Chair, Committee on Affordable Housing, and
Senator Suzanne Chun Oakland, Chair, Committee on Human Services & Public
Housing, and Members

FROM: Betty Lou Larson, Housing Programs Director, Catholic Charities Hawai'i

HEARING: Friday, February 1, 2008; 9:00 am; Conf. Rm. #229

Chair Kokubun and Chair Chun Oakland and Members, Committees in Affordable Housing and
Human Services & Public Housing

Thank you for the opportunity to provide written testimony on this very important bill. I am Betty Lou Larson, from Catholic Charities Hawai'i. We also are members of Partners in Care. We strongly support all sections of SB 2225.

We suggest three amendments: 1) Section 11 (page 7): to clarify the intent, we suggest a change in wording, replacing "on the islands of Oahu and Hawai'i", with the wording: "including \$20 million for an urban shelter on Oahu, and \$12 million for the Kaloko project on the island of Hawai'i." 2). Section 30 (page 3): We urge deletion of the sunset date, which would establish a **permanent allocation**. 3). **We also urge increasing the percentage** of the conveyance tax allocated to the Rental Housing Trust Fund (RHTF) to **65%**. The RHTF has allocated virtually all the funds from last year. Consistent and adequate funding is critical for development of more affordable projects.

We support the infusion of \$25 million from GO bonds to the Trust Fund that is also crucial to expanding the number of rental units that can be created in the next 3-5 years. Catholic Charities Hawai'i receives hundreds of calls each month for housing help. Over half of the seniors who come to Catholic Charities Hawai'i's Housing Assistance Program are facing homeless. Families with children are still ending up on beaches or in cars. We need to continue to focus on creating a large number of affordable housing units,

To fast track getting more housing, we need to repair vacant units in public housing and provide funds for maintenance. Public housing has subsidies allowing renters to pay 30% of their income and do not require the 2-4+ year development time as for new projects. We urge your support for the proposed funding. This can be one huge step towards moving families from our beaches.

While we work on creating housing, we need to support services to currently homeless people. Catholic Charities Hawai'i strongly supports the \$5.3 million for outreach and support services, matching funds, and continual operational funds for non-profits to develop and operate shelters and transitional programs. Without adequate funding, these programs will lack the capacity to serve the large numbers of homeless people in Hawai'i. New shelters also plan to open in FY 2008 and need operational funds.

We thank you for your foresight expressed in this bill and for addressing the housing concerns of Hawaii's citizens. Your actions can create a future of hope for our State.



SB2225, Relating to Housing

CPH, Chair, Sen kokubun
HSPH, Chair, Sen Chun-Oakland

PLEASE PAS THIS BILL.

This "omnibus bill" extends and develops many programs to help deal with the tremendous housing crisis in Hawai'i. Members of these committees know as well as anybody that the housing crisis will need a multi-pronged attack before the major dents can be made in the lack of affordable housing.

I am very grateful to the sponsors of this bill for their thoughtful approach. I would be equally grateful if this bill could be passed out with deleting major provisions.

Thank you.

Aloha, joel

Dr. Joel Fischer, ACSW
President, 19-3, Democratic Party

Professor
University of Hawai'i, School of Social Work Henke Hall Honolulu, HI 96822

"It is reasonable that everyone who asks justice should DO justice."
Thomas Jefferson

"There comes a time when one must take a position that is neither safe, nor politic, nor popular, but one must take it because one's conscience tells one that it is right."
Dr. Martin Luther King, Jr.

"Never, never, never quit."
Winston Churchill



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February 1, 2008

The Honorable Russell S. Kokubun, Chair
Senate Committee on Commerce, Consumer Protection,
and Affordable Housing

The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services and Public Housing
State Capitol, Room 229
Honolulu, Hawaii 96813

RE: S.B. 2225 Relating to Housing
Hearing Date: February 1, 2008 @ 9:00 a.m., Room 229

On behalf of our 10,000 members in Hawaii, the Hawaii Association of REALTORS® (HAR) supports Section 2 of S.B. 2225 which extends the sunset date for the allocation of 50% of the Conveyance Tax to the Rental Housing Trust Fund from June 30, 2008 to June 30, 2013. HAR also supports the intent of: (a) Sections 3 and 4 of S.B. 2225 which make an appropriation in general obligation bonds for the Rental Housing Trust Fund, (b) Section 5 of S.B. 2225 which makes an appropriation in general obligation bonds for the Dwelling Unit Revolving Fund, and (c) Section 6 of S.B. 2225 which makes an appropriation for expedited third party reviews of affordable housing projects.

We believe Smart Growth is our road map to sustaining and enhancing the quality of life in our communities and we believe that this bill aligns with our core principle of *providing housing opportunities*.

HAR supports mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Trust Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

HAR looks forward to working with our state lawmakers in building better communities by supporting quality growth, seeking sustainable economies and housing opportunities, embracing the cultural and environmental qualities we cherish, and protecting the rights of property owners.

Mahalo for the opportunity to testify.

Sincerely,

A handwritten signature in black ink, appearing to read "Craig Hirai".

Craig Hirai, Member
Subcommittee on Taxation and Finance
HAR Government Affairs Committee

LATE TESTIMONY

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
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SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION & AFFORDABLE HOUSING AND HUMAN SERVICES & PUBLIC HOUSING

TESTIMONY REGARDING SB 2225 RELATING TO HOUSING

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)
DATE: FEBRUARY 1, 2008
TIME: 9AM
ROOM: 229

This bill proposes, among other things, to extend the increased amount of conveyance tax deposited into the Rental Housing Trust Fund from Act 100, Session Laws of Hawaii 2006. Act 100 increased the amount of conveyance tax deposited to 50% of revenues realized through June 2008.

The Department of Taxation ("Department") **supports this measure, however prefers the administration measure SB 2979.**

I. THE DEPARTMENT DEFERS TO THE HOUSING AGENCIES ON THE MERITS.

The Department defers to the various executive housing agencies on the merits of this bill in general. Hawaii is currently facing an affordable housing crisis. It will take meaningful initiatives on behalf of the Legislature, as well as the Governor, in order to eliminate the shortage of affordable housing suitable for Hawaii residents.

II. THE ISSUE OF AFFORDABLE HOUSING IS IMPORTANT.

The Department recognizes that affordable housing is an important issue. To properly eliminate the affordable housing crisis, sufficient money must also be available for administration initiatives.

This legislation is a positive solution. The Department appreciates that this bill extends the conveyance tax revenues increase for an additional five years. Providing sufficient funding will assist in remedying the housing shortages in Hawaii. The Department prefers SB 1349 because this

bill makes the conveyance tax deposit increase permanent.

III. REVENUE IMPACT.

There is an expected revenue loss of approximately \$11.7 million for FY2009 and annually through FY2013 due to the extended sunset date.



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
Honolulu, Hawaii 96817

Statement of
Chad K. Taniguchi
Hawaii Public Housing Authority
Before the

**SENATE COMMITTEE ON COMMERCE, CONSUMER PROTECTION, &
AFFORDABLE HOUSING**

SENATE COMMITTEE ON HUMAN SERVICES & PUBLIC HOUSING

February 1, 2008, 9:00 p.m.
Room 229, Hawaii State Capitol

In consideration of
S.B. 2225
RELATING TO HOUSING

The Hawaii Public Housing Authority (HPHA) supports S.B. 2225 to the extent that it does not adversely impact HPHA's funding priorities as indicated in the Executive Supplemental Budget.

Section 7 proposes funding for HPHA's recurring repair and maintenance contracts. HPHA currently has \$1,500,000 for recurring repair and maintenance in its base budget for FY 09.

Section 8 seeks to appropriate funding for capital improvement projects. Please note that the HPHA's executive supplemental budget request includes \$26,410,000 for capital improvement projects. Capital improvement project funding is a vital resource that HPHA utilizes to repair and renovate public housing projects across the state.

Section 9 proposes funding for security at public housing projects. HPHA currently receives \$1,500,000 to contract with private security companies. With additional funding HPHA would incorporate off-duty police officers and sheriffs to work with our current security contractors to increase the effectiveness of security at public housing projects.

Section 10 seeks to provide funding for outreach and support services to the homeless. Please note that HPHA's executive supplemental request includes \$4,300,000 for homeless services.

Section 11 authorizes general obligation bonds for homeless facilities, emergency shelters, and transitional shelters. Please note that HPHA's supplemental budget request includes \$20,000,000 to build a homeless shelter in Honolulu.

Thank you for the opportunity to present testimony on this measure.

Waikiki Health Center, Care-A-Van Program
1640 South King Street, Honolulu, Hawaii 96826
Phone: 791-9380 Cell: 295-9605 Fax: 947-6454

TESTIMONY IN SUPPORT OF SB 2225: RELATING TO HOUSING

Hearing Date and Time: Friday, February 1, 2008 at 9:00 a.m.

Place: Conference room 229

Dear Chair Chun Oakland, Chair Kokubun, Members of the Human Services & Public Housing Committee and the Commerce, Consumer Protection, and Affordable Housing Committee:

Thank you for the opportunity to provide testimony. I am Darlene Hein, Program Director of the Waikiki Health Center's Care-A-Van Program, and I am writing in favor of SB 2225 which provides funding to create solutions for affordable housing as well as for homelessness.

The Care-A-Van program works with hundreds of individuals and families who are homeless. As a drop-in and outreach medical and social service program we work everyday to assist both sheltered and unsheltered individuals and families to attain a better quality of life. The path for an individual or family out of homelessness is often complex, but the way to assist them is fairly straight forward. Provide supportive services and increase housing in our neighborhoods. This bill provides funding for both these strategies. As such we are in full support of the bill, but would like to suggest the following changes:

We suggest three amendments: 1) Section 11 (page 7): to clarify the intent, we suggest a change in wording, replacing "on the islands of Oahu and Hawai'i", with the wording: "including \$20 million for an urban shelter on Oahu, and \$12 million for the Kaloko project on the island of Hawai'i."

2). Section 30 (page 3): We urge deletion of the sunset date, which would establish a **permanent allocation**. 3). **We also urge increasing the percentage** of the conveyance tax allocated to the Rental Housing Trust Fund (RHTF) to **65%**. The RHTF has allocated virtually all the funds from last year. Consistent and adequate funding is critical for development of more affordable projects.

We support the infusion of \$25 million from GO bonds to the Trust Fund that is also crucial to expanding the number of rental units that can be created in the next 3-5 years. We need to continue to focus on creating a large number of affordable housing units,

One way to fast track getting more housing, is to repair vacant units in public housing and to provide funds for ongoing maintenance. Public housing projects have subsidies allowing renters to pay 30% of their income and do not require the 2-4+ year development time as for new projects. We urge your support for the proposed funding. This can be one huge step towards moving families from our beaches.

While we work on creating housing, we need to support services to currently homeless people and therefore the \$5.3 million for outreach and support services, matching funds, and continual operational funds for non-profits to develop and operate shelters and transitional programs. Without adequate funding, these programs will lack the capacity to serve the large numbers of individuals and families who are homeless in Hawai'i. New shelters also plan to open in FY 2008 and need operational funds.

The passage of SB 2225 would truly make a difference to the many Hawaii residents living in poverty and without housing.

Mahalo,

Darlene W. Hein, Program Director
Submitted: January 31, 2008



Affordable Housing and Homeless Alliance

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TESTIMONY IN SUPPORT OF SB 2225: RELATING TO HOUSING

TO: COMMITTEE ON COMMERCE, CONSUMER PROTECTION, AND AFFORDABLE HOUSING,

Senator Russell S. Kokubun, Chair
Senator David Y. Ige, Vice Chair

COMMITTEE ON HUMAN SERVICES AND PUBLIC HOUSING

Senator Suzanne Chun Oakland, Chair
Senator Les Ihara, Jr., Vice Chair

FROM: Doran J. Porter, Executive Director, Affordable Housing and Homeless Alliance

HEARING: Friday February 1, 2008 9:00 AM - Conf. Rm. #229

Chair Chun Oakland, Chair Kokubun and Members, Human Services & Public Housing Committee and Commerce, Consumer Protection and Affordable Housing Committee

Thank you for the opportunity to provide testimony on this important bill. I am Doran J. Porter, Executive Director of the Affordable Housing and Homeless Alliance. We strongly support SB 2225, which provides funding to alleviate human suffering by creating new opportunities for affordable housing as well as providing assistance for those experiencing homelessness.

Although we support SB 2225 we also believe the following three amendments would serve to clarify and further the outcomes of SB 2225:

1. Section 11 (page 7): replace "on the islands of Oahu and Hawai'i", with the wording: "including \$20 million for an urban shelter on Oahu, and \$12 million for the Kaloko project on the island of Hawai'i." This will serve to clarify the intent of the bill.
2. Section 2 (page 3): We urge removal of the sunset date. This would serve to establish a permanent allocation.
3. We urge increasing the percentage of the conveyance tax allocated to the Rental Housing Trust Fund (RHTF) to 65%. The RHTF has allocated virtually all the funds from last year. Consistent and adequate funding is critical for development of more affordable projects.

Harry Kim
Mayor



2225

Edwin S. Taira
Housing Administrator

County of Hawaii
OFFICE OF HOUSING AND
COMMUNITY DEVELOPMENT

50 Waituku Drive • Hilo, Hawai'i 96720-2456
V/TT (808) 961-8379 • FAX (808) 961-8685

January 31, 2008

The Honorable Suzanne Chun Oakland, Chair
The Honorable Les Ihara, Vice-Chair
And Committee Members
Committee on Human Services and Public Housing

The Honorable Russell Kokubun, Chair
The Honorable Senator David Ige, Vice-Chair
And Committee Members
Committee on Commerce, Consumer Protection, and Affordable Housing

Twenty-Fifth Legislature
Regular Session of 2008

SUBJECT: Senate Bill 2225
Relating to Housing
Hearing Date: February 1, 2008
Time: 9:00 a.m.
Conference Room: 229

The Office of Housing and Community Development (OHCD) supports an amendment to Section 11 of Senate Bill 2187 to appropriate \$12 million for the development of the Kaloko Housing Program on the island of Hawai'i.

The OHCD is facilitating the development of the Kaloko Housing Program (KHP), a fifty-four unit multi-family, cluster homes program, which will provide short- and long-term rental service-enriched housing.

The reason it is a top priority for our County is that the KHP is needed to replace the Ka Hale O Kawaihae Transitional Housing Program (24 units), a temporary transitional housing program scheduled for closure in 2009. The facility, which current violates EPA large capacity cesspool standards, is the only shelter that currently serves homeless families in West Hawai'i.

The OHCD has worked with local service providers for over 15 years to find a suitable and permanent location on which to construct a comprehensive housing program, which will include a warehouse to (1) house The Food Basket (formerly known as the Hawai'i Island Food Bank) and Habitat for Humanity; and (2) provide employment opportunities for the participants.

As this program provides housing, employment and educational opportunities for this vulnerable population, the OHCD respectfully requests your amendment of SB 2225. Thank you for the opportunity to provide testimony.


Edwin S. Taira
Housing Administrator



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PROVIDER AND EMPLOYER"