



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 2225 SD1: RELATING TO HOUSING

Date: February 9, 2008

To: Senator Carol Fukunaga, Chair; and Senator Will Espero, Vice Chair,
and Members, Senate Committee on Economic Development & Taxation

From: Betty Lou Larson, Housing Programs Director, Catholic Charities Hawaii

Hearing: **Tuesday, February 12, 2008; 9:25 am; CR 224**

Honorable Chair and members of the Senate Committee on Economic Development & Taxation:

I am Betty Lou Larson, from Catholic Charities Hawaii. We also are members of Partners in Care, Housing Hawaii and the Affordable Housing and Homeless Alliance. We speak in support of this bill.

We strongly support the changes in SD1 that repeals the sunset date for allocation of conveyance tax to the rental housing trust fund. There is a great need for consistency of funding for affordable rentals.

There is also a need for adequate funds to create a much larger number of affordable rental units. Each month, Catholic Charities Hawaii receives over 1000 calls for help, many of them related to the need for affordable housing. We urgently need more funds to create larger number of affordable rental units. Currently, 50% of the conveyance tax is targeted to the Rental Housing Trust Fund.

We urge that the Committee amend SD1 to allocate 65% of the conveyance tax to the Rental Housing Trust Fund. These changes will ensure development into the future.

We suggest a second amendment to clarify the intent of the \$32,000,000 for shelters on Section 7 (page 5): we suggest a change in wording, replacing "on the islands of Oahu and Hawaii", with the wording: "**including \$20 million for an urban shelter on Oahu, and \$12 million for the Kaloko project on the island of Hawaii.**"

While we work on creating housing, we need to support services to currently homeless people. Catholic Charities Hawaii strongly supports the \$5.3 million for outreach and support services. Without adequate funding, these programs will lack the capacity to serve the large numbers of homeless people in Hawaii. 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.



Hawaii State Legislature
(EDT) Economic Development and Taxation
Chair- Ms. Carol Fukunaga
Vice- Chair – Mr. Will Espero
Member - Ms. Rosalyn H Baker
Member - Mr. Kalani English
Member- Mr. David Y. Ige
Member- Mr. Sam Slom

RE: IN SUPPORT OF SB 2225 SD1

Aloha e;

The Friends of Pai'olu Kaiaulu is a non-profit organization dedicated to the enrichment and promotion of health, education and culture for the residents of Pai'olu Kaiaulu, a homeless facility in Wai'anae with a population of about two hundred and ninety+ people including children from birth to age 18.

Many of our children experience their father and/or mother going to church services, getting off of dependences of drugs, alcohol, and yes!, even cigarettes. Also, taking the initiative; as active partnership in our community.

A year may seem so long, but, our children has been given a second chance in life, a renewed vitality and appreciation for the wonder of life and all it has to offer, the values and integrity of their parent/s, a home full of memories of their new found friends and families, even though we lack the structure of a house.

Pai'olu Kaiaulu is more than a "Shelter", it is a place that gives us "hope, a new beginning and viable opportunities.

Our appreciation goes to the Staff of U.S. Vets, Hawaii, most of all to Mr. Daryl Vince and from our friends and families near and afar.

We stand in support for S.B. 2225 SD 1

MAHALO

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

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SENATE COMMITTEE ON ECONOMIC DEVELOPMENT & TAXATION

TESTIMONY REGARDING SB 2225 SD 1 RELATING TO HOUSING

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: FEBRUARY 12, 2008

TIME: 9:25AM

ROOM: 224

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 Committees on Human Services & Public Housing and Commerce, Consumer Protection & Affordable Housing amended this measure to eliminate the repeal date for the increase in conveyance tax deposits to the Rental Housing Trust Fund, as requested by the Department.

The Department of Taxation ("Department") **supports the conveyance tax component in this measure.**

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. Providing sufficient funding will assist in remedying

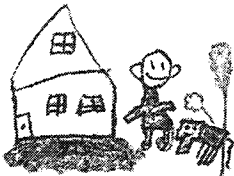
the housing shortages in Hawaii. As amended, the Department supports that this legislation increasing the conveyance tax deposit to the Rental Housing Trust Fund.

III. REVENUE IMPACT.

There will be no impact on overall tax collections, however the allocation of funds will be affected. There is an expected General Fund tax revenue loss of approximately \$11.7 million for FY2009 and annually thereafter. The Rental Housing Trust Fund will increase by the same amount.

The General Fund expenditures are expected to increase by \$8.8 million, however, this will not impact the revenue. The bonds should not impact revenues.

According to the Department of Taxation's Annual Report, total conveyance tax revenue for FY2007 was \$46.9 million. It was expected that after Act 100, SLH 2006 was repealed, an additional 25% of the conveyance tax revenue would be deposited into the General Fund. This amount is therefore assumed to be the revenue lost as a result of the sunset date extension.



PARTNERS IN CARE

Testimony for: Committee on Commerce, Consumer Protection and Affordable Housing Committee

Hearing Date and Time: Thursday, February 12, 2008 @ 9:25 a.m.

Place: Conference room 224

S.B. 2225- Related to Housing

Dear Chair Kokubun, Vice-Chair Ige, 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 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

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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 12, 2008

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