

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
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 25, 2011 at 6:00 p.m.
Room 308, State Capitol

In consideration of
H.B. 783, PROPOSED H.D. 1
RELATING TO HOUSING.

The HHFDC ***strongly opposes*** H.B. 783, proposed H.D. 1. Although we are keenly aware of the difficult fiscal situation facing the State, the use of the Dwelling Unit Revolving Fund (DURF) in this fashion would negatively impact upon affordable housing development statewide.

As of January 31, 2001, the DURF uncommitted/unencumbered balance was **\$9,897,426.40**. DURF's cash balance was \$107,887,736.86, with a state investment pool cash write-down to fair market value of \$6,155,866, and outstanding loan agreements and restricted funds totaling \$91,834,444.41. The following table provides details on those commitments and encumbrances.

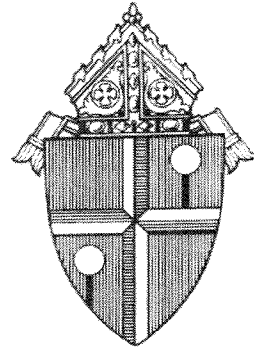
Project Name	Location	No. of Units
Hale Mahaolu Ehiku Ph. II	Maui	59
Holomua	Oahu	176
Hale Wai Vista Ph. I	Oahu	84
Jack Hall cesspool conversion	Hawaii	--
Kahikolu Ohana Hale O Waianae	Oahu	72
Kamaaina Hale renovations	Hawaii	--
Kamakana Villages at Keahuolu	Hawaii	2,330
Kapolei Master Plan	Oahu	4,400
Kona non-ceded	Hawaii	--
Kuliouou	Oahu	--
Lealii Master Plan	Maui	4,800
Lokenani Hale	Maui	62

Project Name	Location	No. of Units
Mali Self-Help	Oahu	73
Senior Residence at Iwilei	Oahu	160
Waiahole lots/infrastructure	Oahu	169
Land search	Statewide	--
Lease rent renegotiation	Statewide	--
Cash restricted – repurchase fund	Statewide	--

Thank you for the opportunity to testify.

ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII

St. Stephen's Diocesan Center of the Roman Catholic Diocese of Honolulu
6301 Pali Highway, Kaneohe, HI 96744 • Phone: (808) 203-6718



Testimony of Kent Anderson
February 25, 2011, 6:00pm; Conference Room 308
Opposition for HB 783, HD1

Good Morning Committee Chair Marcus R. Oshiro, Vice-Chair Marilyn B. Lee, and members of the Committee on Finance. Thank you for the opportunity to testify on behalf of **HB 783, HD1**.

My name is Kent Anderson, and I am here on behalf of the Diocese of Honolulu. I serve as the newly appointed Housing Development Director for the Office of Affordable Housing for the Diocese. We are your partners and among your strongest supporters in providing supportive services and permanent housing opportunities for those at the lowest levels of income who are either homeless or dangerously close to becoming homeless. We have and will continue to be your partners because we know that the government cannot and should not be the sole caretaker for our whole community.

Homelessness will impact over 15,000 of our neighbors this year statewide. Many of the victims will be keiki and kupuna. Many working families are unable to make ends meet since we experience the highest housing costs in the country. According to HUD statistics, fair market rent for a two-bedroom apartment is \$1,610. In order to afford this level of rent without paying more than 30% of income on housing, an employee must earn \$30.96/hr. Unfortunately, the average renter only earns \$12.89/hr in Hawaii. At this wage, two full time jobs are not sufficient to sustainably support a family. For minimum wage earners, the outlook is heartbreaking. A minimum wage earner would need to work 171 hours/week to support a family of four without any time off for sickness or vacation. An individual who could achieve this workload would be miraculous, especially since there are only 168 hours in a week.

We understand that times are tough right now; therefore, we must step forward to assist those most in need. Affordable housing is a basic need for our entire Ohana. It helps provide the basis of a healthy workforce, healthy children, healthy kupuna, and healthy economy. We ask that you prioritize your legislation to ensure that homeless services and affordable housing are priorities during this legislative session. We appreciate and highly applaud your past efforts and look forward to partnering with you to provide a home for each member of our Ohana.

HB783, HD1 will have a devastating impact on the creation of desperately needed affordable housing. According to State reports and recent dialogue, Hawaii experiences a \$7,500,000,000+ housing deficit that has created our current affordable housing crisis. Our state needs to create more affordable housing, not reduce funding for it! This bill would create an unfair burden to families struggling to survive and kill potential construction jobs that would help us overcome our fiscal woes. Please oppose HB783, HD1 and help us create a stronger community. We urge your opposition to this bill.

Thank you again for this opportunity to testify. Please contact me at kentanderson@rcchawaii.org or by phone at 808-203-6718 if the Office of Affordable Housing may be of assistance to your housing efforts.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN OPPOSITION TO HB 783, HD1: RELATING TO HOUSING

TO: Representative Marcus R. Oshiro, Chair; Representative Marilyn B. Lee, Vice Chair, and Members, Committee on Finance

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: Friday, 2/25/11; 6:00 pm; CR 308

Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance:

Thank you for the opportunity to provide written testimony on HB 783. I am Betty Lou Larson, Legislative Liaison for housing and homelessness issues at Catholic Charities Hawaii. Catholic Charities Hawaii opposes this bill as it would adversely impact the State's ability to promote the development of affordable rental housing.

The Dwelling Unit Revolving Fund (DURF) is a flexible tool that developers can use to reduce the cost of construction. Less than 10% of the funds in DURF are now available. The other funds are already committed/encumbered for specific projects. The balance of the funds (just under \$9.9 million) is critical to maintain since projects can submit applications for DURF financing at any time during the year. This flexibility means time is not wasted waiting for a "window of opportunity". As we all know, time is money for developers.

The State needs all the tools possible to create more affordable rental housing. In tough economic times, we need to continue to focus on how to provide affordable rentals for our struggling families as well as the homeless.

We urge you to defer this bill. Thank you very much for the opportunity to provide written testimony.

