

NEIL ABERCROMBIE  
GOVERNOR



KAREN SEDDON  
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IN REPLY REFER TO:

Statement of  
**Karen Seddon**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON WATER, LAND AND HOUSING**

February 3, 2011 at 1:15 p.m.  
Room 225, State Capitol

In consideration of  
**S.B. 898 RELATING TO HOUSING.**

Chair Dela Cruz, Vice Chair Solomon, and Members of the Committee on Water, Land and Housing,

The HHFDC ***supports the intent*** of S.B. 898, part of the Honolulu Urban Caucus's legislative package. S.B. 898 expands the existing allowable uses of the Rental Housing Trust Fund to moderate rehabilitation projects, defined in this bill as "rehabilitation to upgrade a dwelling unit to a decent, safe, and sanitary condition, or to repair or replace major building systems or components in danger of failure."

We note, however, that the Rental Housing Trust Fund is already oversubscribed by existing eligible applicants. Accordingly, absent a significant infusion of funds, the Trust Fund's capacity to provide loans to additional projects will be limited and not immediately available.

Thank you for the opportunity to testify.



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February 1, 2011

**The Honorable Donovan M. Dela Cruz, Chair**  
Senate Committee on Water, Land and Housing  
State Capitol, Room 225  
Honolulu, Hawaii 96813

**RE: S.B. 898 Relating to Housing**

**HEARING: Thursday, February 3, 2011 at 1:15 p.m.**

Aloha Chair Dela Cruz, Vice Chair Solomon and Members of the Committee:

I am Craig Hirai, the chair of the Subcommittee on Affordable Housing, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,500 members. HAR supports S.B. 898, Relating to Housing, which amends the allowable uses of Rental Housing Trust Fund moneys to include the "moderate rehabilitation" of rental housing units.

We believe that 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 has historically supported 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 would, however recommend that you consider amending the added definition to be added to HRS §201H-201 in Section 1 of S.B. 898 and the amendment to subsection (d) of HRS §201H-202 in Section 2 of S.B. 898 to read as follows because HAR does not believe that "substantial rehabilitation" as defined in HRS §201H-36(c) should be deleted from HRS §201H-202(d).

"Moderate rehabilitation" and "substantial rehabilitation" shall have the same meaning as set forth in subsection (c) of section 201H-36."

"(d) The fund shall be used to provide loans or grants for the development, pre-development, construction, acquisition, preservation, moderate rehabilitation, and substantial rehabilitation of rental housing units.  
... "

Mahalo for the opportunity to testify.

