



PARTNERS IN CARE
Oahu's Coalition of Homeless Providers

LATE

<http://www.partnersincarehawaii.org/>

TESTIMONY IN SUPPORT OF SB 903, SD1 HD1: CREATES THE AFFORDABLE RENTAL HOUSING DEVELOPMENT PROGRAM

TO: Representative Marcus Oshiro, Chair, Representative Marilyn Lee, Vice Chair, and Members, Committee on Finance

FROM: Max Gray, Chair, Partners In Care Advocacy Committee

Hearing: **Wednesday 3/30/11; 11:00 a.m, Room 308**

Chair Oshiro, Vice Chair Lee, and Members of the Housing Committee,

Thank you for the opportunity to provide comments on SB 903 SD1 HD1, which would preserve Housing and Urban Development (HUD) and US Department of Agriculture (USDA) housing projects in Hawaii. Partners In Care strongly supports this bill.

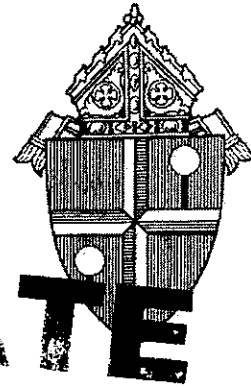
This important bill ensures that critical housing resources remain affordable. HUD and USDA projects are valuable projects since they offer rents at 30% of the residents' incomes. While these projects were all built with government funding, there is a time limit on how long the owners must keep the rents affordable. When the restrictions expire, the owners, many of whom are for-profit entities, can convert them to market rents. The Hawaii Housing Finance and Development Corporation (HHFDC) has already provided funds to preserve some of these affordable rental projects.

Partners In Care, as a consortium of service providers from across O'ahu, advocates on behalf of a diverse population of homeless men, woman and children. The development of affordable housing is vital to the success and long-term stability of our homeless clients. It is also essential to maintain housing affordability in perpetuity so as to provide tenants with a safe, reliable place to live. The key to keeping projects affordable in perpetuity is to link the owners to non-profits whose mission is to provide affordable housing. Partners In Care strongly supports this bill and the legislature's commitment to the development of affordable rentals.

Thank you for hearing this bill and for your support.

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
March 30, 2011, 11:00 am; Conference Room 308
Support Intent for SB 903, SD1, HD1

Good Morning Committee Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance. Thank you for the opportunity to testify on behalf of **SB 903, SD1, HD1**.

My name is Kent Anderson, and I testify 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.

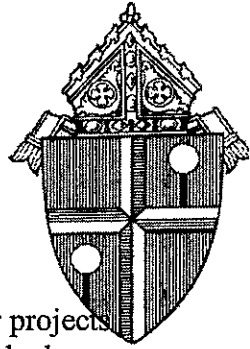
Homelessness will impact over 15,000 of our neighbors this year statewide. Many of the victims will be keiki and kupuna. Many working families are unable to make ends meet since we experience the highest housing costs in the country. According to HUD statistics, fair market rent for a two-bedroom apartment 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.

SB903, SD1, HD1 will make a positive impact in the availability of affordable housing by preserving HUD and USDA affordable housing projects in Hawaii. These units are particularly vital to our State since they offer rents at 30% of resident income, thereby enabling tenants to sustainably live in Hawaii without the threat of displacement and homelessness due to our high cost of housing. Many units are "maturing out" of their required affordability period and may convert to market rentals without quick and timely intervention. This bill would proactively utilize HHFDC to negotiate with owners to keep these projects affordable in perpetuity, thereby protecting our precious affordable housing stock. We will not move forward in our State's housing goals unless we maintain our current affordable inventory and add to it through the creation of additional housing projects. We support the intent of SB903, SD1, HD1 and would like to suggest the following amendment:

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



Suggested Amendment for Section 201H- (d). line 6: We suggest extending the timeframe for projects with expiring affordability restrictions to January 1, 2016. Project owners need to be approached before they develop their own plans to sell or otherwise change the use of the project. By targeting projects whose affordability expires within 5 years, HHFDC has more lead time to work with owners to urge them to partner with non-profits and HHFDC to preserve these buildings in perpetuity.

Thank you for hearing this bill and for your support to find creative ways to preserve the availability of affordable rental housing. 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.