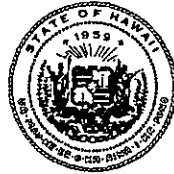


NEIL ABERCROMBIE
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

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 HOUSING
February 1, 2012 at 8:45 a.m.
Room 325, State Capitol

In consideration of
H.B. 2302 RELATING TO CAPITAL IMPROVEMENT PROJECTS.

While the HHFDC supports the Hawaii Public Housing Authority in the repair and maintenance of public housing units, **we oppose section 8 of H.B. 2302**, which appropriates \$5,000,000 out of the Rental Housing Trust Fund for this purpose. We defer to the Hawaii Public Housing Authority with respect to the remainder of this bill.

Leveraging limited state resources through public-private partnerships can provide a much broader, long-term solution for the renovation and long-term preservation of low-income rental units. For example, HHFDC provided tax-exempt bonds and non-volume cap Low-Income Housing Tax Credits to help finance the acquisition and rehabilitation of Kuhio Park Terrace. Since the bond closing late last Fiscal Year, one of the two towers at the former HPHA project has been completed, and work is already proceeding on the second tower. Attached to our testimony are before and after photos showing the remarkable breadth and scope of the improvements to Kuhio Park Terrace accomplished in that short period of time. Also attached are before and after photos of Banyan Street Manor, another former HPHA property being renovated under another public-private partnership.

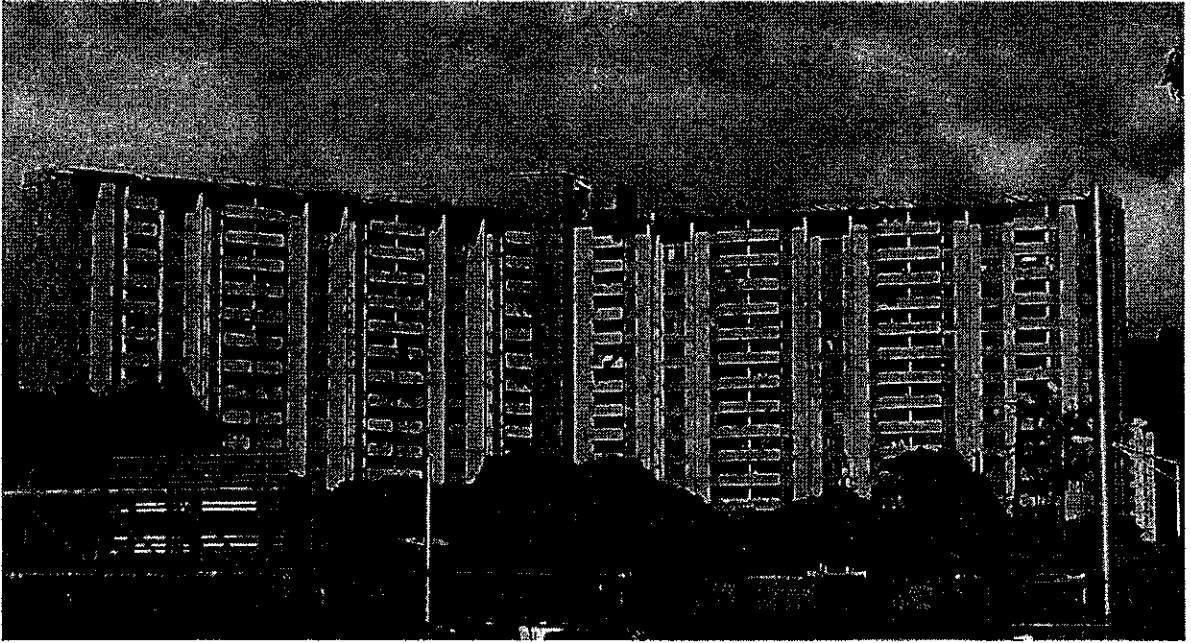
As a condition of receiving financing assistance from HHFDC, both projects are subject to the requirements of Chapter 104, Hawaii Revised Statutes.

The Rental Housing Trust Fund is a valuable tool for the development or preservation of affordable rental housing. The Trust Fund may be used to provide loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. As of June 30, 2011, the Trust Fund has been leveraged with Federal, County funds, private investment, and other HHFDC financing programs to develop or preserve 4,140 rental units.

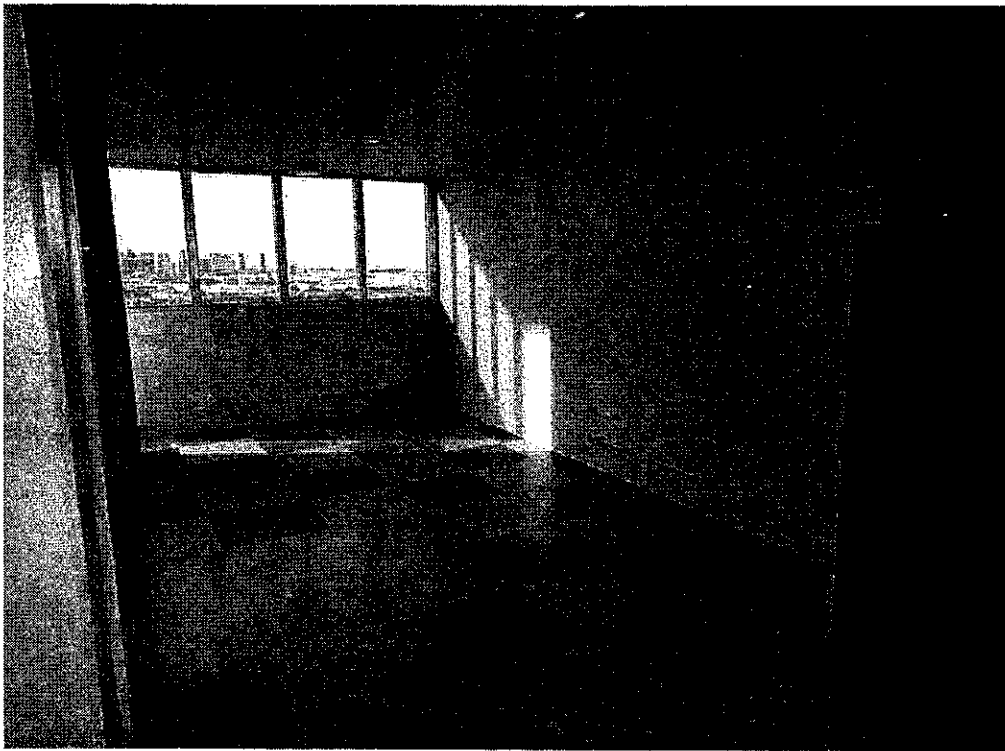
The only dedicated source of funding for the Rental Housing Trust Fund is a 25 percent share of conveyance tax proceeds. The Legislature has also appropriated CIP funds. Applications for Trust Fund loans far exceed the amount available in the fund. This is why HHFDC has a pending Supplemental budget request for an infusion of \$5,000,000 in General Obligation Bond funds into the Trust Fund.

Thank you for the opportunity to testify.

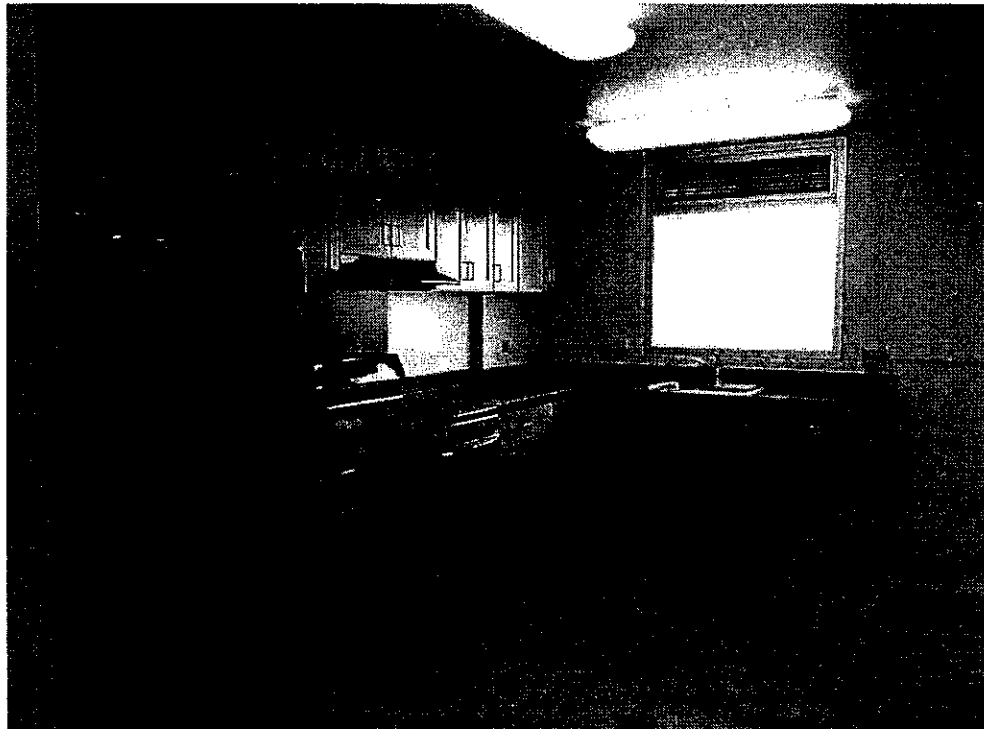
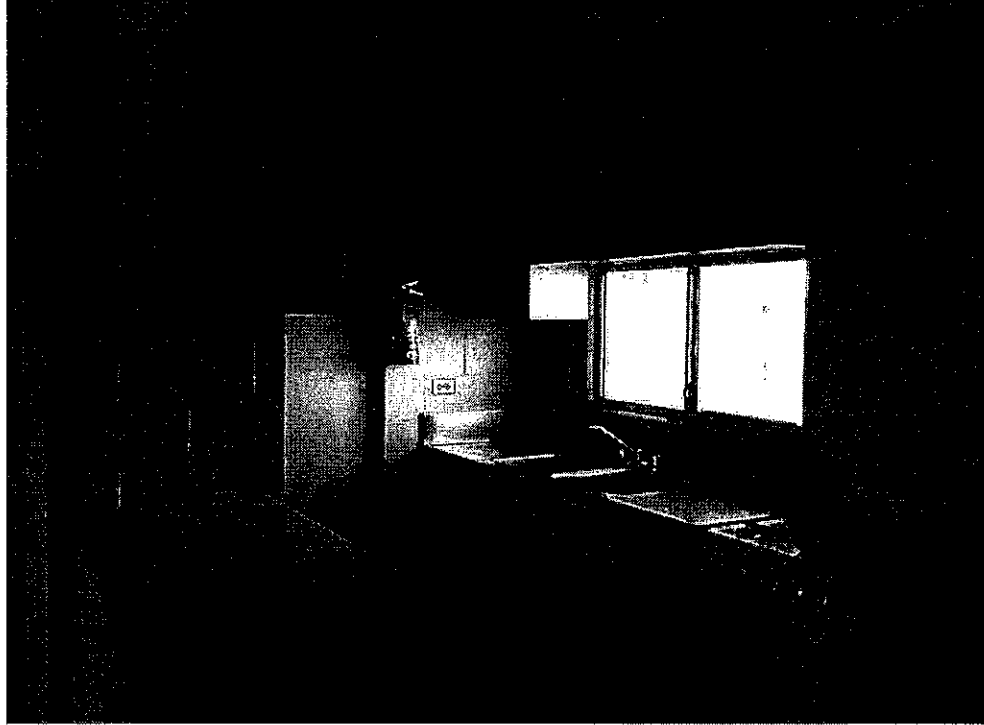
KUHIO PARK TERRACE
Tower A Exterior—Before and After



KUHIO PARK TERRACE
Living Room—Before and After

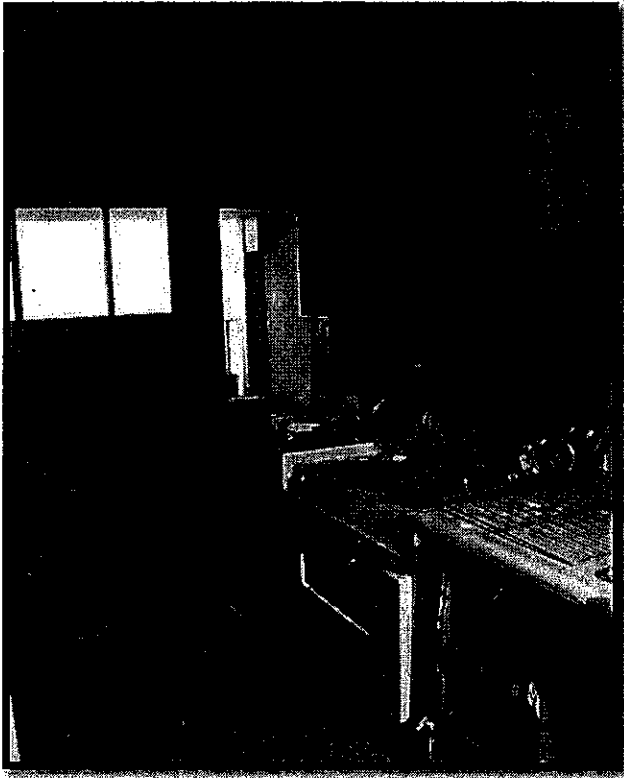


**KUHIO PARK TERRACE
Kitchen—Before and After**



Banyan Street Manor Apartments

Before & After Renovation

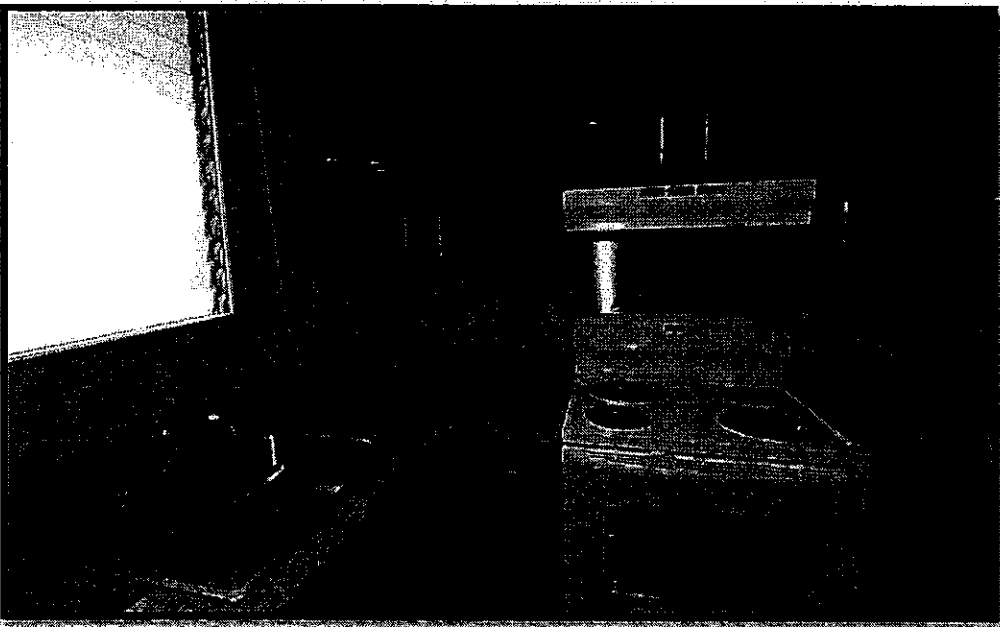


May 2011

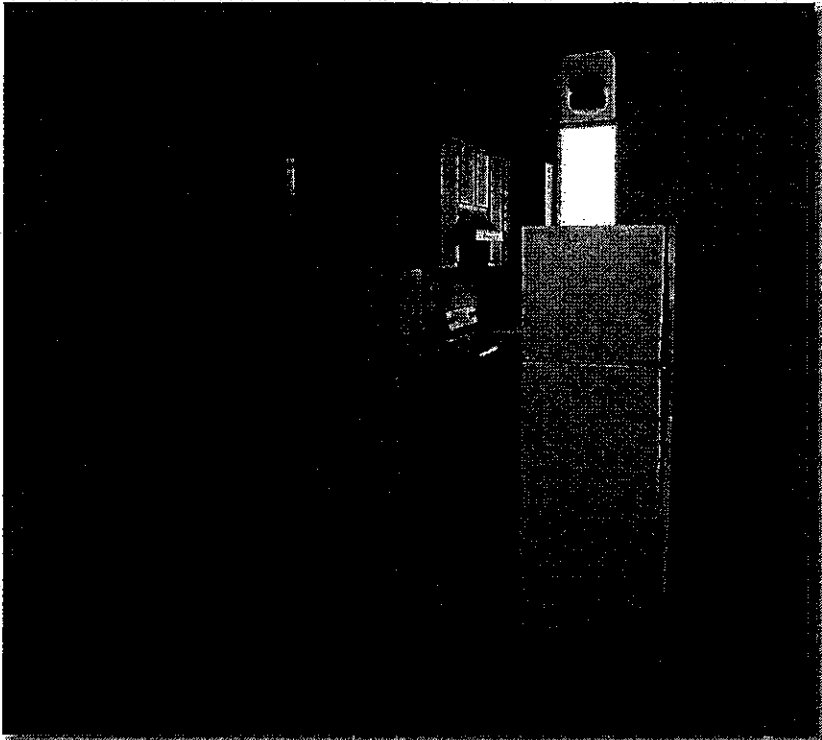
Kitchen Renovations Include:

- *New Granite Countertops
- *New Cabinetry
- *New Refrigerator, Stove, Range Hood
- *Stainless Steel Grease Guard
- *New Sink
- *Electrical Upgrades Throughout
- *Under counter insta-Hot Water Heater

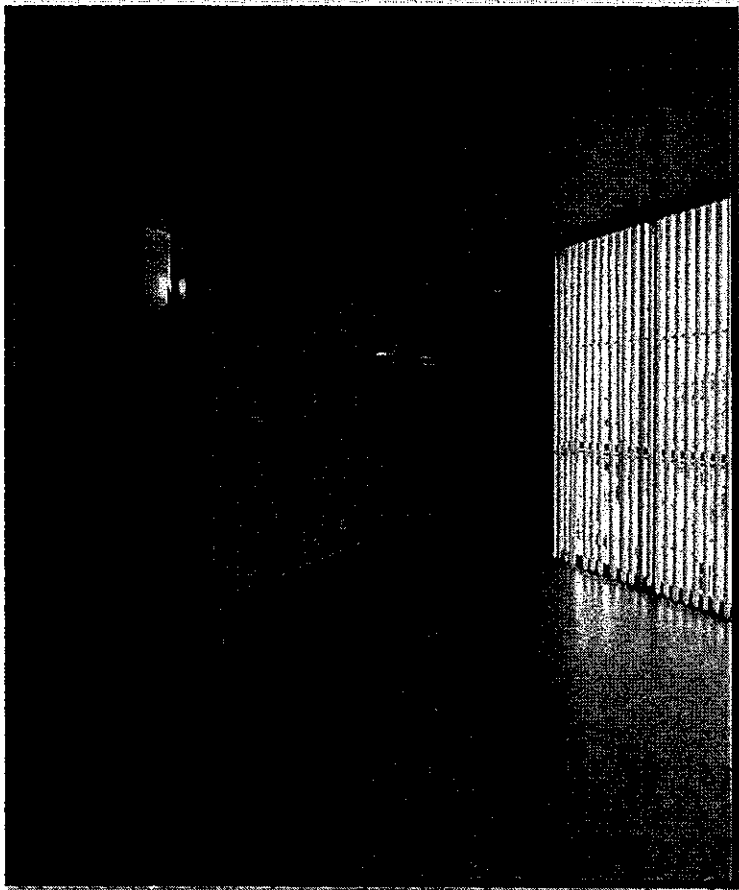
September 2011



Banyan Street Manor Apartments
September 2011



May 2011



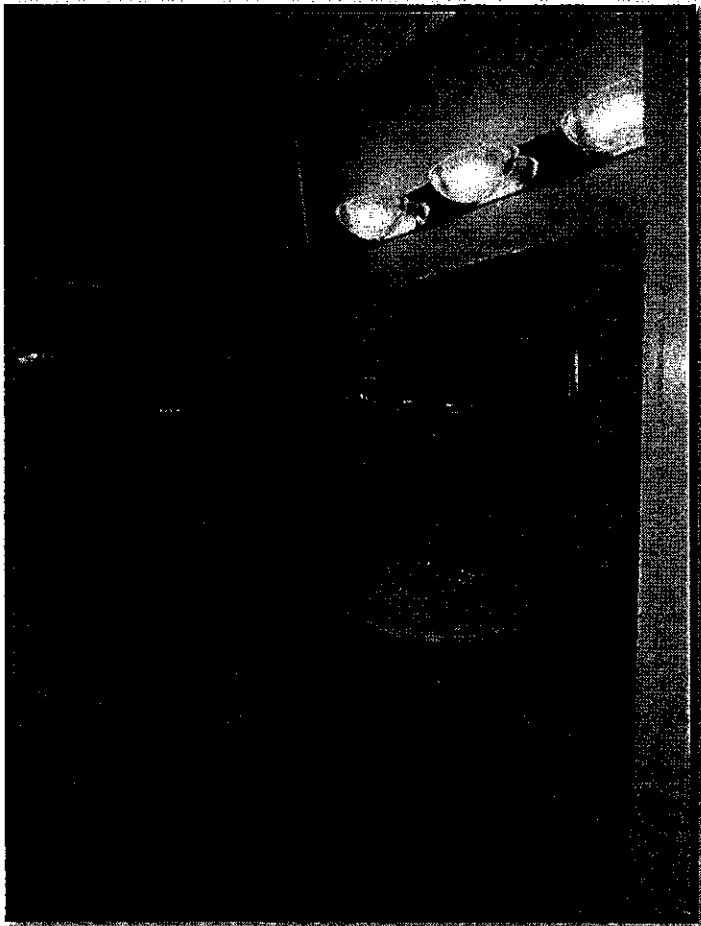
- Living Room Renovations Include:**
- *New Flooring
 - *New Window Treatments Throughout
 - *New Paint
 - *Removal of Asbestos Popcorn Ceiling

September 2011

Banyan Street Manor Apartments
September 2011



May 2011



Bathroom Renovations Include:

- *New low flow toilet
- *New Cabinet
- *New Granite Countertop
- *New Handheld Shower Fixtures
- *New Flooring
- *New Ceramic Tile Tub Surround
- *New Bathtub
- *New Waste Systems

September 2011

Banyan Street Manor Apartments
September 2011



May 2011



- Bedroom Renovations Include:**
- *New Interior Doors & Hardware
 - *New Mirrored Closer Doors
 - *New Flooring
 - *New Smoke Alarms
 - *New Shelving in Closets

September 2011

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

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

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

February 1, 2012 8:45 A.M.
Room 325, Hawaii State Capitol

In consideration of
House Bill 2302
Relating to Capital Improvement Projects

Honorable Chair and Members of the House Committee on Housing, thank you for the opportunity to provide you with comments regarding House Bill 2302, relating to capital improvement projects.

While the Hawaii Public Housing Authority (HPHA) recognizes the good work done by the Hawaii Housing Finance and Development Corporation (HHFDC) through the use of the Rental Housing Trust Fund and supports their efforts, our agency supports the enactment of this measure.

The measure would, in pertinent part to the HPHA, amend Section 76-16, Hawaii Revised Statutes (HRS), to temporarily exempt from the civil service persons hired or contracted to perform both repair or maintenance work on vacant housing units and planning, design, engineering, or permit processing work for capital improvement projects of state agencies. The measure further seeks to appropriate \$5,000,000 in General Obligation bonds and \$5,000,000 in funds from the Rental Housing Trust Fund (RHTF) to renovate the HPHA's uninhabitable public housing units and to provide limited exemption from the contest provisions of Chapter 103D, HRS.

The HPHA fully supports the proposed amendments to Section 76-16, HRS, which will enable our agency to expeditiously and efficiently expend the capital improvement program (CIP) funds allocated in the current biennium budget. Under Act 164, Session Laws of Hawaii 2011, the HPHA was appropriated CIP funds to make much needed capital repairs to our housing units statewide. In the supplemental year, the Executive Administration's budget is requesting additional funds to assist the agency with its capital needs. With the exemption provided by this measure, our agency will have the

Hawaii Public Housing Authority
February 1, 2012
Page 2

flexibility to procure contractors to help stimulate jobs in both the public and the private sector and improve the living environment for all of our tenants statewide.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the agency's position regarding H.B. 2302 and we thank you very much for your dedicated support.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, January 31, 2012 3:38 PM
To: HSGtestimony
Cc: gary@gsfhi.com
Subject: Testimony for HB2302 on 2/1/2012 8:45:00 AM

Testimony for HSG 2/1/2012 8:45:00 AM HB2302

Conference room: 325
Testifier position: Oppose
Testifier will be present: No
Submitted by: Gary Furuta
Organization: Individual
E-mail: gary@gsfhi.com
Submitted on: 1/31/2012

Comments:

I am opposed only to Section 8 of HB 2302, appropriating \$5M from the Rental Housing Trust Fund ("RHTF"). RHTF monies are the major gap financing for very low-income housing in HI. Each dollar has a multiplier effect in producing new direly needed affordable housing. Projects developed with RHTF funds that I am involved in must remain affordable for 60+ years, virtually the life of the building. Also, they must be maintained professionally so as they will not become a burden in the future and require additional repair monies. Every dollar not given to the RHTF is a strike against affordable housing. RHTF monies are well used for development of new, well maintained low-income housing. Please add, and do not take monies from the RHTF. Thank you. Gary Furuta