



CATHOLIC CHARITIES HAWAII

LATE TESTIMONY

TESTIMONY RE: HB 2302- OPPOSE/COMMENTS - RELATING TO CAPITOL IMPROVEMENT PROJECTS

TO: Representative Rida Cabanilla, Chair, Representative Ken Ito, Vice Chair, and Members, Committee on Housing

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i

HEARING: **Wednesday, February 1, 2012; 8:45 am; CR 325**

Chair Cabanilla, Vice Chair Ito, and members of the Committee on Housing:

Thank you for the opportunity to provide written testimony on this housing bill. I am Betty Lou Larson, Legislative Liaison at Catholic Charities Hawai'i. Catholic Charities Hawai'i supports the intent of Part II of this bill which is to provide funding to improve public housing stock. However Catholic Charities Hawai'i **opposes Section 8** of this bill which would divert \$5 Million in funding from the Rental Housing Trust Fund to renovate public housing units.

Catholic Charities Hawai'i continues to support the Rental Housing Trust Fund (RHTF) as a critical tool in the State's efforts to promote the creation of new affordable rental housing inventory as well as preservation of low-income rental units. Diverting \$5 Million from this fund to public housing would have a disastrous effect on new projects which are ready to go, but are waiting for funding. The RHTF already has many more applications than can be funded with the current funds.

The only dedicated source of funding to the RHTF is 25% of the conveyance tax. This fund has proven its effectiveness in promoting the development of affordable rentals by leveraging many other sources of funds. More funding is required for the RHTF to create more affordable rentals in our State, not less.

Our clients who live in projects funded by the RHTF tell us many stories of how these affordable rentals have saved their lives by created financial stability and freedom from the worry of becoming homeless due to the lack of other affordable housing. These buildings are a legacy for future generations of Hawaii's seniors and families.

While Catholic Charities Hawai'i supports the renovation of public housing, we urge that other resources be identified to fulfill this need. We urge the Committee to delete Section 8 from this bill.



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February 1, 2012

LATE TESTIMONY

Representative Rida Cabanilla, Chair
Representative Ken Ito, Vice Chair
Members of the House Committee on Housing
State Capitol, Room 325
415 South Beretania Street
Honolulu, Hawaii 96813

Subject: HB 2302; Hearing February 1, 2012 at 8:45 A.M.; Testimony in Opposition to Section 8 of HB 2302

Dear Chair Cabanilla, Vice Chair Ito and Members of the House Committee on Housing:

EAH Housing is a non-profit public benefit corporation dedicated to developing, managing, promoting and preserving affordable rental housing. EAH is celebrating its 44th year of service this year and proud of its 15 years of operations in Hawaii.

EAH Housing applauds the State's effort to maintain and rehabilitate its Public Housing inventory. However, we strongly oppose the proposed appropriation of \$5,000,000 from the State Rental Housing Trust Fund (RHTF) for this purpose as specified in Section 8 of HB 2302.

EAH like many other developers of affordable rental housing depend on the RHTF to supplement Low Income Housing Tax Credits (LIHTC) in order to make our projects feasible. Typically applications for RHTF support exceed the amount of money available. This lack of funding delays the production of new affordable rental housing. As you know, we service residents whose incomes are at 60% and below of the Area Median Income. This segment of our population has the greatest need for rental housing.

Planning for new development projects takes years of work. We must know well in advance that there is funding available to make the project viable. Any reduction in the continuous funding of the RHTF will have a huge negative impact on the production and preservation of affordable rental housing.

In 2006 the State Legislature declared that we had an affordable housing crisis because demand for housing exceeded the number of units available. Nothing has changed in the last 6 years. Demand continues to exceed the number of units available. This is evidenced by the long waiting lists at existing affordable rental housing properties.

Affordable housing creates jobs. New construction of affordable rental housing and the preservation and rehabilitation of existing affordable rental housing means badly needed jobs for our construction industry as well as jobs for the continued operation of these projects.

Please do not take any action that will reduce the funding of the RHTF. In fact, we would strongly encourage you to increase the funding of the RHTF. Thank you for this opportunity to submit our opinion.

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■ *Creating community by developing, managing and promoting quality affordable housing since 1968.*

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LATE TESTIMONY



Housing Hawaii

Advocating Creating Maintaining Affordable Housing

February 1, 2012

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Representative Ken Ito, Vice Chair
Members of the House Committee on Housing
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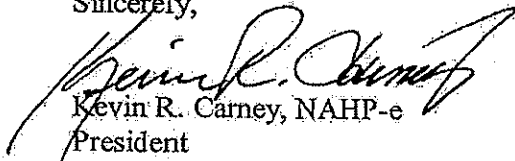
Dear Chair Cabanilla, Vice Chair Ito and Members of the House Committee on
Housing:

Thank you for this opportunity for Housing Hawaii to submit comments on HB
2302. Housing Hawaii supports the State's effort to provide healthy, safe and
secure housing for its Public Housing residents and to maintain its housing
inventory in good condition. However, Housing Hawaii is very concerned and
opposed to the proposed appropriation of \$5,000,000 from the State Rental
Housing Trust Fund (RHTF) as specified in Section 8 of HB 2302.

The RHTF is used as a source of gap funding to supplement Low Income
Housing Tax Credits (LIHTC) in the development and rehabilitation of low
income rental properties. It is our understanding that developer applications for
RHTF support often exceed the amount of money available. This lack of funding
translates to a smaller inventory which means fewer choices, less options for
those in need and more households doubling up or going homeless. Housing
Hawaii is extremely concerned that a further reduction in the funds available will
add further delay to the production of new inventory.

The RHTF is funded from a 25% portion of the Conveyance Tax. We would
encourage the legislature to increase this funding to enable more low income
rental housing developments to be completed.

Sincerely,



Kevin R. Carney, NAHP-e
President

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