

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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

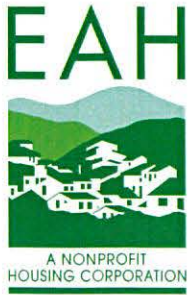
February 13, 2014 at 9:30 a.m.
State Capitol, Room 211

In consideration of
S.B. 2540, S.D. 1
RELATING TO HOUSING.

The HHFDC ***supports the intent*** of S.B. 2540, S.D. 1, which establishes a rental deposit loan program to assist households to obtain permanent affordable rental housing. However, we do not believe the proposed program has been fully vetted and offer the following comments:

- The estimated demand for the rental deposit loan program has not been quantified. The Department of Human Services operates several grant programs which serve similar needs -- the Housing Placement Program for TANF eligible families, the State Homeless Emergency Grant Program, and the federal Emergency Solutions Grant program (which operates on the neighbor islands). We are uncertain what percentage of the population in need of rental deposit assistance is being served by the DHS programs and the receptiveness for assistance in the form of a loan vs. a grant.
- HHFDC's mission is to facilitate the development of housing statewide. The bill mandates HHFDC to enter into grants with nonprofit corporations pursuant to Chapter 103F, HRS, which governs purchases of health and human services. HHFDC does not administer Chapter 103F contracts and has no experience in this area.

Thank you for the opportunity to provide written comments on this bill.



LATE

February 12, 2014

Hearing: SB2540, SD1
Date: Thursday, February 13, 2014
Time: 9:30 a.m.
Room No. 221

Committee on Ways and Means
Senator David Ige, Chair
Senator Michelle Kidani, Vice Chair

COMMENTS

Chair Senator Ige and Vice Chair Senator Kidani, and members of the Committee on Ways and Means, thank you for the opportunity to submit these comments in support of SB2540, SD1 which will establish a rental deposit loan program within the Hawaii housing finance and development corporation to assist low income and homeless individuals and families in obtaining affordable rental housing.

I am Kevin Carney, Vice President of EAH Housing and also President of Housing Hawaii. Both organizations advocate and support creative solutions to assist those in most need to acquire permanent rental housing.


I have submitted testimony in support of this measure previously. I'm sure this committee is aware that one of the major barriers encountered by anyone who desires to move, whether it be from the street into rental housing or from one rental to another to be closer to a job, family or school is being able to afford initial rental payment and the security deposit. In Hawaii this barrier is most profound for 22% of our state's families who qualify as the working poor.

A revolving fund that would provide this up front cost would enable many of our residents to obtain more suitable housing than what they reside in presently. One could only guess what a big difference moving into a 2 or 3 bedroom apartment would make for a family of 5 or 6 currently living in a 1 bedroom unit, or even sharing housing with another family, as well as the opportunity to be closer to work, childcare, or better access to medical care or public transportation.

In closing I would point out to the committee that several recent surveys have noted that as a result of our recent bad economy there are approximately 85,000 household who are 2 or 3 paychecks from becoming homeless themselves. A viable rental deposit loan program would provide a much needed safety net for this at risk population.

Please pass SB2540, SD1 so that it may crossover to the House for further hearings, and the opportunity to make necessary changes. SB2540, SD1 is a very good pragmatic common sense measure that will provide both hope and assistance to the homeless and to those that are under-housed. Thank you.

Sincerely,



Kevin R. Carney, (PB) NAHP-E
Vice President, Hawaii