



CATHOLIC CHARITIES HAWAII

TESTIMONY in SUPPORT of SB 2833: RELATING TO HOMELESSNESS

TO: Senator Breene Harimoto, Chair, Senator Brickwood Galuteria, Vice Chair, and Members, Senate Committee on Housing

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: Tuesday, 2/2/16; 2:45 pm; CR 225

Chair Harimoto, Vice Chair Galuteria and Members, Committee on Housing:

Thank you for the opportunity to testify **in support of SB 2833**, which would make the State Low-Income Housing Tax Credits more valuable. I am Betty Lou Larson representing Catholic Charities Hawaii. We are also a member of Partners in Care.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. A priority for advocacy this year is affordable housing and homelessness.

This bill would creatively provide more resources for the construction of affordable rental housing without any additional cost to the State, over time. By reducing the State tax credit period from ten years to five years, this makes these credits more valuable. Investors receive the same credit and the State "suffers" the same loss of revenue, but over 5 years instead of 10 years. The impact is to increase the amount that investors will pay for these state credits. The federal Low Income Housing Tax Credits are so valuable that they are now selling for close to \$1.00 for \$1.00 of credits!

Under this bill, the State tax credit could significantly increase the amount of funding going into projects for construction of new projects. Our housing crisis demands new and creative tools to leverage all available sources to create housing. To end homelessness and to help our children remain in Hawaii, the key is construction of more affordable rentals. Hawaii already has the most expensive housing in the country, at more than twice the national average. Rent for a 2 bedroom unit rose 67% in Honolulu in the last 10 years. We need to action now. This bill is a win-win solution to put more money into new construction of affordable rental units.

Thank you very much for hearing and considering this important bill to provide more resources for the creation of affordable rental housing. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



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Affordable Housing Legislation, SB 2833

OVERVIEW: Per the study I did last year for the state and the four counties on affordable rental housing, entitled: Affordable Rental Housing Study Update, 2014, one in five households statewide needs housing assistance (20% of our families make 60% or under of the Area Median Income).

It is thanks to this condition, plus the chronic undersupply of housing over 30+ years, that our community suffers from the stress of finding adequate shelter.

COMMENTS: Please support this measure. It makes it easier for those in need of shelter, as it will increase the supply of affordable housing, at all levels.

To be sure, this is just one incentive to encourage developers to build affordable housing, support should be given to it, as well as to a number of other strategies.

Thanks for your consideration.

Yours truly,



Paul Cassidy Jr. (Ricky)
Residential Market Consultant