



LATE TESTIMONY

CATHOLIC CHARITIES HAWAII

TESTIMONY IN OPPOSITION TO SB 1106: RELATING TO PUBLIC HOUSING

TO: Senator Will Espero, Chair, Housing; Senator Rosalyn H. Baker, Chair, Commerce, Consumer Protection and Health; and Members, Committees on Housing and Commerce, Consumer Protection and Health

FROM: Terrence L. Walsh, Jr., President & Chief Executive Officer

Hearing: Thursday, 2/9/17; 2:45 pm; CR 225

Thank you for the opportunity to provide testimony **in opposition to SB 1106**, which would establish a Family Self-Sufficiency Program to provide matching funds to enable tenants of state public housing units to purchase housing units. It authorizes the Hawaii Public Housing Authority to impose maximum rental periods and conditions of tenancy for tenants participating in the Family Self-Sufficiency Program, amends other requirements and appropriates funds. I am Terry Walsh, with Catholic Charities Hawai'i. We have grave concerns about this bill, as written.

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. Ending homelessness is a top priority for 2017.

Catholic Charities Hawai'i is very concerned that this bill would result in homelessness for many tenants at the end of 5-7 years. They often come out of homelessness and many have low education and lack skills to advance greatly in work income. We have a number of questions:

- Realistically, how many tenants would be able to purchase a home after 5 years of saving? What does HPHA data show?
- Considering the current incomes of its tenants, what does the Hawaii Public Housing Authority estimate would be the average savings in a Trust Account?
- What would be the breakdown of the Range of savings in a Trust Account (since averages can be misleading)? For example, 30% of households estimated to achieve savings of \$4,000 to \$8,000; 30% estimated to save \$8,001 to \$10,000, 10% could save \$20,000 to \$25,000, etc.
- How would this data match current listings in the housing market? The Star Advertiser reported on 2/7/17 that the median sales price for a condo is now \$380,000. A 20% down payment would require a HPHA tenant to save \$76,000. Even a 10% down payment of \$38,000 may be out of reach for the majority of HPHA tenants.
- Even if the down payment is provided, mortgages may be difficult to obtain without good credit or with the lower incomes of many tenants.
- Yet at the end of a certain timeframe, it appears that all tenants must leave housing with NO savings and no vouchers, unless they purchase a housing unit. Per page 3-4 of the bill, it appears that the tenant would only be eligible for the Trust Account and a



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
• terry.walsh@CatholicCharitiesHawaii.org



housing choice voucher (to only assist with a mortgage) if they successfully purchase a housing unit.

- It also appears from this bill that all new eligible applicants have to accept these conditions to obtain a housing unit (Part II, Section 2, (c).
- Catholic Charities could support a voluntary program such as the one proposed if it were not tied to a mandatory limit for occupancy of a unit. We support programs to give tenants more financial stability and allow them to move up in life. We would be interested to see the data on the projected number of people and their income levels who could successfully obtain a mortgage to purchase a home, especially projecting housing costs into the future.

We are further very concerned that Part II, Section 2, (c) states: “the authority shall give priority to working families earning between thirty per cent and sixty percent of the state median income”.

As a housing advocate, we have often heard from State officials that the Hawaii Public Housing Authority has the responsibility to plan for and to take the lead in housing those at 30% AMI or below. Does not this mandate conflict with the new priority policy set forth above in Section 2, (c), giving a priority to those ABOVE 30% AMI? Where is there housing for those with the most financial need and who are most vulnerable to homelessness, if these State housing projects screen out the lower income families? There must be a coordinated State effort to address the housing needs of these families below 30% AMI or Hawaii will not be able to ameliorate our current crisis in homelessness.

Thank you for considering our concerns and helping to focus attention on housing for those families under 30% AMI. Please contact me at terry.walsh@catholiccharitieshawaii.org; or Legislative Liaison, Betty Lou Larson, at 373-0356 or bettylou.larson@catholiccharitieshawaii.org, if you have any questions.