

From: mailinglist@capitol.hawaii.gov
To: [WTLTestimony](#)
Cc: smorishige@phocused-hawaii.org
Subject: Submitted testimony for HB1469 on Mar 19, 2015 13:30PM
Date: Thursday, March 19, 2015 12:44:36 PM
Attachments: [P128 - Testimony in opposition to HB1469 \(RHTE, Conveyance Fund Cap\).pdf](#)

HB1469

Submitted on: 3/19/2015

Testimony for WTL/HSB on Mar 19, 2015 13:30PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Morishige	PHOCUSED	Support	Yes

Comments:

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Members, Senate Committee on Water and Land

Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair
Members, Senate Committee on Human Services and Housing

FROM: Scott Morishige, MSW
Executive Director, PHOCUSED

HEARING: Tuesday, **March 19, 2015 at 1:30 p.m. in Conf. Rm. 016**

Testimony in Opposition to HB1469 HD1, Relating to Disposition of Tax Revenues.

Thank you for the opportunity to provide testimony in **opposition** to HB1469, which would establish maximum dollar amounts that shall be distributed from the conveyance tax into the Rental Housing Trust Fund (RHTF) and other special funds. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community, including homeless individuals and families.

According to the National Alliance to End Homelessness, Hawaii has the 2nd highest rate of homelessness per capita in the nation. Because of this, our community needs to adopt policies that will support the transition of homeless households into permanent, stable housing. The RHTF is a critical piece of Hawaii's strategy to end homelessness – Since its inception, the fund has added over 5,000 new rental units to Hawaii's housing inventory, and the RHTF is the only fund that mandates units for the very poor (i.e. households at 30% of Area Median Income or below). Our community needs to maximize every resource at our disposal to effectively be able to address the complex issue of homelessness.

There is a growing momentum to end homelessness and develop truly affordable housing, which has not existed in prior years. For the first time, there is synergy between the City and State in their conversations relating to homelessness and the exploration of micro-units and other innovative housing options. In addition, homeless service providers are gaining valuable data on the specific needs of homeless individuals and families across the state, and this data is being used to inform the development of a statewide plan by the Hawaii Interagency Council on Homelessness, which includes the creation of affordable housing units through partnership with the Hawaii Housing and Finance Development Corporation (HHFDC) and other State housing agencies.

We believe that HB1469 will limit our community's ability to effectively capitalize on this growing momentum by placing a dollar cap on conveyance tax funds distributed into the RHTF. By placing a dollar cap, we are restricting the funds' ability to keep up with rising construction costs, and thereby greatly restricting the number of new affordable rental units that we can produce over the next five years. Historically, there has always far greater demand for the RHTF than there are funds available – In 2013, the RHTF



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received over \$70.4 million in requests, and available funds could only support a fraction of this demand.

PHOCUSED respects the Legislature's close examination of the RHTF, and we understand the very difficult job you have to balance competing needs across the State. However, we also recognize the critical need to develop affordable rental housing statewide, and the impact that lack of housing has on other social issues – such as child development, education and health. Furthermore, of over 2,100 homeless households assessed by service providers since March 2014, **over a quarter (26%) indicate a need simply for affordable housing** and do not require case management or additional supportive services. Currently, conveyance tax revenues are much higher than in prior years, and our community should take full advantage of this increase in available funding for affordable housing development.

If this bill proceeds further, we respectfully request that the bill be amended to include a two year sunset date of June 30, 2017 for the \$38 million cap, so that the impacts of the dollar cap can be evaluated.

Once again, PHOCUSED respectfully opposes HB1469. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.