



**Testimony on SB188: Relating to Housing
Senate Committee on Education and Housing
Conference Room 225, 2/09/09, 1:15 p.m.**

*Building
houses,
building
hope*

Hawaii Habitat for Humanity Association supports this bill that would increase funding for the Rental Housing Trust Fund. With the help of this fund developers are doing what often seems impossible in Hawaii. They are building affordable rentals for the half of Hawaii's population that do not own homes.

In this economy affordable rentals are needed more than ever and the construction of these apartments provides jobs to construction workers, thus strengthening our economy.

Thank you for supporting this bill.

Kathleen Hasegawa
Executive Director
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CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 188: RELATING TO HOUSING

TO: **Senator Norman Sakamoto**, Chair, Senator Michelle Kidani, Vice Chair,
and Members, Committee on Education and Housing

FROM: Betty Lou Larson, Housing Programs Director, Catholic Charities Hawai'i

HEARING: Monday, February 9, 2009; 1:15 pm; CR 225

Chair Sakamoto, Vice Chair Kidani, and Members, Committee on Education and Housing:

Thank you for the opportunity to provide written testimony on this housing bill. I am Betty Lou Larson, the Housing Programs Director at Catholic Charities Hawai'i. We are a member of Partners in Care. Catholic Charities Hawai'i strongly supports this bill which would provide a percentage of the conveyance tax and excise tax to be paid into the Rental Housing Trust Fund.

It is critical to provide ongoing funding to the Rental Housing Trust Fund (RHTF). Consistent and adequate funding is critical for development of more affordable projects. This fund is a vital resource to expand the number of rental units that can be created in the next 5 years. Catholic Charities Hawai'i receives hundreds of calls each month for housing help. Over half of the seniors who come to Catholic Charities Hawai'i's Housing Assistance Program are facing homeless. Families with children are still ending up on beaches or in cars. We need to continue to focus on creating a large number of affordable housing units.

We strongly support this creative bill to utilize the State excise tax to create new affordable housing. It is appropriate to designate part of the tax on leased property for the benefit of renters. Owners of homes receive a large tax break for their interest payments. Renters are being forced into homelessness by the high rents in Hawaii. Using a portion of this tax would provide more options for low and moderate income renters, including many working families, senior citizens and persons with disabilities.

We also strong support the allocation of a minimum of 50% of the conveyance tax to the RHTF. These two funding resources would greatly enhance developers' ability to look for land and other funds needed to make affordable projects pencil out. With the long time frame needed to create projects, developers need to know that funds will be available in the future to ensure feasibility.

The RHTF has allocated virtually all the funds from last year. More funding is needed to address the crisis in affordable housing. The Trust Fund is unique in that it mandates that 5% of the units built must be targeted to persons at 30% of the median income or below. These units are the only new rental units being produced to help our elders on SSI, or families earning the minimum wage or other low income families.

Thank you for your support to address the increasing need for affordable housing.





Via Capitol Website

February 9, 2009

**Senate Committee on Education and Housing
Hearing Date: Monday, February 9, 2009, 1:15 p.m. in CR 225**

Comments Regarding SB 188 – Relating to Housing
(Requires a percentage of state conveyance and excise taxes to be paid into the rental housing trust fund)

The Honorable Chair Sakamoto, Vice-Chair Kidani & EDH Members:

My name is David Arakawa, and I am the Executive Director of the Land Use Research Foundation of Hawaii (LURF), a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. One of LURF's missions is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources and public health and safety.

LURF is writing to **provide comments** regarding **SB 188**, which would require a percentage of state conveyance and excise taxes to be paid into the rental housing trust fund.

Background. The lack of affordable housing remains a significant problem affecting Hawaii. Finding ways to provide sufficient affordable housing and market housing for Hawaii's residents has been a major objective for our elected officials, and state and county agencies, and members of the housing industry and business community. For the past two years, LURF has participated in a statewide task force comprised of representatives from all four counties, business, labor, developers, architects, nonprofit providers of services, the State, and the legislature, whose purpose was to identify, address and propose regulatory reform and solutions to remove the barriers to the production of affordable housing.

SB 188. The purpose of this bill is to allocate a percentage of state conveyance and excise taxes to be paid into the rental housing trust fund.

SB 188 proposes to amend HRS §237-31 and allow a percentage of the GE tax generated from the leasing of real property to be deposited into the rental housing trust fund. The provisions say,

(4) per cent of all general excise tax revenues realized by the State that were generated by the leasing of real property under section 237-16.5 shall be deposited into the rental housing trust fund established by section 201H-202."

LURF's Position. The housing crisis in Hawaii has affected many families who are now forced to live with extended families because of high costs. Access to affordable housing is critical to quality of life for island residents. However, because of current economic difficulties, it would not be prudent to pursue this measure at this time.

Thank you for the opportunity to submit comments regarding SB 188.

LATE TESTIMONY

Senator Norman Sakamoto
Chair
Committee on Education and Housing
Conference Room 225
Hawaii State Capitol
Honolulu, Hawaii

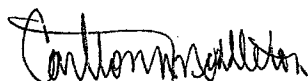
In support of SB 188

February 13, 2009

Aloha Senator Sakamoto:

We must do whatever we can to pass this bill out of your committee and raising the funds from the state conveyance and excise taxes to be paid into the rental housing trust fund. And please do it quickly. Time is running out. The homeless are running out of places to sleep. The places that they are finding to sleep are not where we want them to sleep.

And yes it will cost some people some money, but think of it is an investment!!! Having an affordable place to sleep can do the mind wonders allowing them to rest and be productive. Thank you.


Carlton N. Middleton