

LINDA LINGLE
GOVERNOR



BARBARA E. ARASHIRO
ACTING EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
Honolulu, Hawaii 96817

EXECUTIVE ASSISTANT

February 24, 2010

Statement of Sandra Miyoshi
Administrator
State Homeless Program
Before the

HOUSE COMMITTEE ON FINANCE

February 24, 2010; 10:00 a.m.
Room 308, Hawaii State Capitol

In consideration of
H.B. 2488, H.D. 1; H.B. 2318, H.D. 1; and H.B. 2280, H.D. 1
RELATING TO THE HOMELESS

Chairman Marcus Oshiro, Vice Chairperson Marilyn Lee and members of the House Committee on Finance:

The State Homeless Programs recognizes the need to provide solutions to the State's growing homeless problem. H.B. 2488, H.D.1, would increase the conveyance tax by 15% on homes valued at \$1,200,000 to purchase parks to serve the homeless and requires the Counties to provide matching funds. H.B. 2318, H.D.1, proposes to establish a 5-year Housing First pilot program to assist chronically homeless individuals and also increase the conveyance tax by 15% to fund a parks for the homeless special fund. H.B. 2280, H.D. 1, proposes to assist the homeless in reuniting with their families, establishes a parks for homeless special fund that is to be funded by a 15% increase in the conveyance tax.

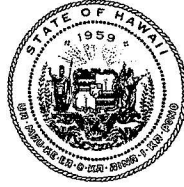
The State Homeless Programs cannot support these bills at this time given the State's economic difficulties. New programs require money and staffing to initiate and sustain them. The State's financial situation means that we are lacking both, and we cannot support the increase in the conveyance tax which would only add to the burden of the State's economic situation.

Additionally, the State Homeless Program does not support a camp site for the homeless. Other jurisdictions in the nation have tried to address their homeless challenge with camp sites that have been fraught with large costs, including 24/7 security, camp site degradation, high crime, and huge government liability. Many communities are embroiled in conflict on how to shut down previously established camp grounds that have become blights on the community and a law enforcement nightmare. This bill requires the Counties to provide matching funding for the camp sites, however, the Counties have not identified this as a budget priority.

Thank you for the opportunity to provide comments on these bills.

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
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HOUSE COMMITTEE ON FINANCE

TESTIMONY REGARDING HB 2318 HD 1 RELATING TO THE HOMELESS

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: FEBRUARY 24, 2010

TIME: 10AM

ROOM: 308

This measure, as amended, increases the conveyance tax on the sale of homes over \$1,200,000 to finance a pilot project for providing services to the chronically homeless.

The Department of Taxation (Department) **opposes** the tax increase in measure as an unwarranted tax increase.

I. THE ISSUE OF PROVIDING HOMELESS SERVICES IS IMPORTANT.

The Department recognizes that providing shelter and services to the homeless is an important issue; however these priorities and projects must be budgeted and prioritized just like every other state expenditure through the use of general funds rather than earmarks and diversions of tax revenues.

II. OPPOSED TO INCREASING THE CONVEYANCE TAX

The Department is opposed to the conveyance tax increase in this measure because ultimately the increase will merely make property prices more expensive. Taxes such as the conveyance tax will be recovered through the sales price of the property. This will not help in alleviating the already high real property prices in Hawaii.

III. REVENUE IMPACT

As amended, this legislation will result in the following revenue gains:

- **General Fund:** Annual revenue gain is estimated at \$1.6 million for FY 2011 & FY

2012, and \$1.2 million for FY 2013 & after.

- **Special Fund:** The annual special funds will increase as follows:

(in \$million)	FY 2011 & FY 2012	FY 2013 & After
Parks for Homeless Fund	\$0.4	\$0.4
Land Conservation Fund	\$0.3	\$0.3
Rental Housing Fund	\$0.9	\$1.1
Natural Area Fund	\$0.7	\$0.9

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 2318, H.D. 1

February 24, 2010

RELATING TO THE HOMELESS

House Bill No. 2318, H.D. 1, creates the Parks for Homeless special fund within the State treasury to be funded by increasing the conveyance tax on homes valued at \$1,200,000 and above, and by matching funds provided by the counties. The bill also authorizes the Hawaii Public Housing Authority to develop a Housing First pilot program to address the needs of the chronically homeless with disabilities, including addiction and mental illness. The special fund will support the Housing First pilot program, and homeless programs administered by the counties.

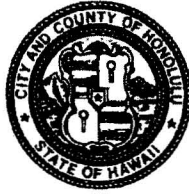
As a matter of general policy, this department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund will be self-sustaining.

Further, given the State's current financial situation, it does not appear fiscally prudent to increase the conveyance tax for the purpose of implementing a pilot program, or expanding homeless programs administered by the counties.

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



DEBORAH KIM MORIKAWA
DIRECTOR

ERNEST Y. MARTIN
DEPUTY DIRECTOR

February 23, 2010

The Honorable Marcus R. Oshiro, Chair,
and Members of the Committee on Finance
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

Subject: House Bill 2318, HD1

House Bill 2318, HD1 establishes a five-year Housing First pilot program to be developed by the Hawaii Public Housing Authority, in collaboration with the Department of Human Services, to assist chronically homeless individuals. The City Department of Community Services (DCS) strongly supports Sections 5, 6, and 7 of House Bill 2318, HD1 pertaining to the establishment of a five-year Housing First pilot program to assist the chronically homeless population. However, the DCS strongly opposes the provision in Section 4 of HB 2318, HD1 which requires each county to provide matching funds to be deposited in the parks for homeless special fund.

Housing First and permanent supportive housing is a key strategy in our nation's efforts to end chronic homelessness. National studies and the experience of other municipalities indicate that Housing First initiatives are not only a more humane way to respond to the needs of chronic homeless persons, but are also a cost-effective approach. Housing First helps residents achieve stability and transition towards greater independence, and has been shown to reduce: (1) "street" homelessness; (2) arrests of people who are homeless for status crimes (loitering, public urination, or public intoxication); (3) emergency room visits and costs; and (4) incarceration days and costs.

The proposed establishment of a five-year Housing First pilot program is timely, given the number of chronically homeless persons on Oahu. The City's proposed River Street Residences dedicates a City-owned property in downtown Honolulu for the development of a permanent rental housing project incorporating the "Housing First" model. While still in the public comment phase, we are hopeful that this project will be supported by the community and will be allowed to proceed. For more information on this project, please visit the following website: <http://www.honolulu.gov/dcs/homeless.htm>.

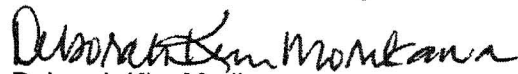
Although the DCS supports the Housing First pilot program, we oppose the requirement in HB 2318 that each county provide matching funds to be deposited into the parks for homeless special fund. Since the money in the parks for homeless special fund would be administered by the counties to provide programs to support the homeless, any matching funds required should be appropriated at the local level rather than being deposited into the State treasury. During this time of limited fiscal resources, counties may not have funds available to fulfill the matching

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
February 23, 2010
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requirement, thus resulting in the counties being unable to utilize these funds. We respectfully recommend that the matching funds requirement be deleted.

The DCS appreciates the opportunity to provide this testimony. We respectfully request your support of House Bill 2318, HD1 with an amendment to eliminate the provision in Section 4 requiring the provision of county matching funds.

Sincerely,

A handwritten signature in black ink, appearing to read "Deborah Kim Morikawa".

Deborah Kim Morikawa
Director

DKM:dw

DEPARTMENT OF PARKS AND RECREATION
CITY AND COUNTY OF HONOLULU

KAPOLEI HALE, 1000 ULUOHIA STREET, STE. 309 • KAPOLEI, HAWAII 96707
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MUFI HANNEMANN
MAYOR



LESTER K. C. CHANG
DIRECTOR

RICHARD HARU
DEPUTY DIRECTOR

February 23, 2010

The Honorable Marcus R. Oshiro, Chair
and Members of the Committee on Finance
House of Representatives
State Capitol
Honolulu, Hawaii 96816

Dear Chair Oshiro and Committee Members:

Subject: HB 2318, HD1, Relating to the Homeless

While the City and County of Honolulu (City) agrees with the intent of HB 2318, HD 1, the City and County of Honolulu, Department of Parks and Recreation (DPR) opposes this legislation. We understand that testimony from the City's Department of Budget and Fiscal Services was also submitted in opposition. From DPR's perspective, implementation would significantly derogate the parks operation affecting the thousands of park and beach goers every day. It would also add fiscal challenges to the already stretched operational and capital budgets.

This legislation proposes to establish a State Parks for Homeless Special Fund (PHSF) which would be used to finance the acquisition, conversion, and maintenance of county parks that are specifically dedicated to house individuals and families experiencing homelessness. The PHSF would be funded with proceeds from an increase in the Conveyance Tax and mandate contributions from the counties.

Although the City is sensitive to the needs of the individuals and families experiencing homelessness, we disagree with the basic premise of HB 2318, HD1, which suggests that passive and active recreation as well as sports facilities in county parks can coexist with homeless encampments.

Other objections to HB 2318, HD1 are found on several levels:

- (1) The legislation oversteps State authority by dictating what kinds of services and maintenance schedule would apply to county parks.
- (2) The legislation creates a conflict with the core function of the DPR which is to develop and implement programs for cultural, recreational and other leisure-time activities for the people of the city.

The Honorable Marcus R. Oshiro
February 23, 2010
Page 2

- (3) The county is in the midst of a severe reduction in funds available for our budget and is barely able to fund essential park facilities and programs. We would not be able to contribute funds to this project without significantly affecting park operations to multiple parks and programs throughout the island. Many of these programs are utilized by homeless.
- (4) Some of the current homeless individuals that monopolize an area of the park are there because they have been waiting for homeless shelter space to become available. On the other hand, many choose to stay in a park even if they had other reasonable alternative living accommodations. That does not mean we should legalize anyone living in the park. If we did that, there would be many more that would take the opportunity to occupy a "million dollar" beach front location. It would no longer be a park, but become a tent city for permanent campers. The City offers recreation camp, camping for limited time periods to provide individuals and families the camping experience.
- (5) One of the authors of this legislation stated in a recent editorial to the Star Bulletin that "... a significant percentage of homeless refuse to go to shelters for various reasons...they cannot be forced to live where society feels it is right for them to live." What makes you think that they will stay in any sort of controlled environment, even a park that has rules? The editorial goes on to say "The chronic homeless are those who cannot be helped or do not want to be helped." How will providing parks for them to legally reside help these people?
- (6) Oahu has over 1,000,000 people with approximately 4,000 – 5,000 that are homeless. It does not make any sense to reduce active park land for this less than ½ % of the population. Oahu's population has grown without the proportionate amount of growth in active park space. There already is conflict of use to support the very active and high demand of the general population and visitors. Taking space away that would be needed to implement this legislation would be very problematic.
- (7) Lastly, the bill's premise appears to say that if you give the County park department money and force them to provide matching funds and to maintain it better, then the problems with homeless will go away. This premise is questionable and in fact may create more demand to accommodate homeless, which in turn will convert more park real estate to non-park use.

The City certainly is sensitive to the plight of individuals and families experiencing homelessness, however, we do not believe HB 2318, HD1 offers a reasonable, desirable, and valid means of helping this segment of the community. We reiterate our objections to this legislation.

Sincerely,

Lester K. C. Chang
Director

DEPARTMENT OF BUDGET AND FISCAL SERVICES
CITY AND COUNTY OF HONOLULU
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MUFI HANNEMANN
MAYOR



RIX MAURER III
DIRECTOR

MARK K. OTO
DEPUTY DIRECTOR

February 24, 2010

The Honorable Marcus R. Oshiro, Chair
and Members
Committee on Finance
House of Representatives
The Twenty-Fifth State Legislature
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Committee Members:

Subject: HB 2318, HD1, Relating to Homeless

While the City and County of Honolulu (City) agrees with the intent of HB 2318, HD 1, it raises constitutional and administrative questions that render the legislation impotent. Given that we find the legislation objectionable.

This legislation proposes to establish a State Parks for Homeless Special Fund (PHSF) which would be funded with proceeds from an increase in the Conveyance Tax and mandated contributions from the counties. The PHSF would be used to allow the counties to provide support to programs that address homelessness. In addition, it provides a specific appropriation to the Hawaii Public Housing Authority to implement the Housing First Pilot Program.

Objections to HB 2318, HD 1 are found on several levels:

- (1) The bill includes an unconstitutional mandate for the counties to contribute to the PHSF.
- (2) The bill provides for the PHSF to be established in the State treasury, but to be administered by the finance department of any county that receives funding from the PHSF. It would be inappropriate for a county to administer any fund in the State treasury. It would be more efficient for

The Honorable Marcus R. Oshiro, Chair
and Members
February 24, 2010
Page 2

the State to appropriate grants from the PHSF directly to the counties so they may fund their programs that address homelessness.

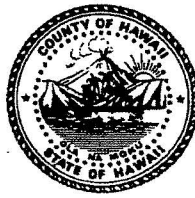
While the City certainly is sensitive to the plight of individuals and families experiencing homelessness, we do not believe HB 2318, HD 1 offers a reasonable, desirable, and legal valid means of helping this segment of the community. We reiterate our objections to this legislation.

Sincerely,



Rix Maurer III
Director

William P. Kenoi
Mayor



Nancy E. Crawford
Director

Deanna S. Sako
Deputy Director

County of Hawaii

Finance Department

25 Aupuni Street, Suite 2103 • Hilo, Hawaii 96720
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February 23, 2010

The Honorable Marcus R. Oshiro, Chair
and Members of the House Committee on Finance
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

Dear Chair Oshiro and Members of the Committees:

RE: Testimony in Opposition to HB 2280, HD1, Relating to the Homeless
Testimony in Opposition to HB 2318, HD1, Relating to the Homeless
Hearing Wednesday, February 24, 2010, at 10:00 a.m., Conference Room 308

The Finance Department strongly opposes HB 2280, HD1 and HB 2318, HD1, which seek to establish a State "Parks for the Homeless Special Fund" (PHSF) which would be funded by an increase in Conveyance Tax on certain properties and mandated match by the counties.

We question the constitutionality of mandating contributions from the counties to the proposed fund. Additionally, at a time when Hawai'i County is struggling with serious budget shortfalls, there are no funds available for such contributions.

While we recognize that homelessness is a serious concern and services should be provided to people who find themselves in a displaced situation, we question the feasibility the proposed program and the State's authority to legislate mandatory contributions from the counties. This legislation is would negatively impact Hawai'i County, as it would directly impact the county budget.

Thank you for your attention to our concerns. We urge you to file HB 2208, HD1 and HB 2318, HD1.

Sincerely,

A handwritten signature in cursive script that reads "Nancy E. Crawford".

Nancy Crawford
Director of Finance

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: CONVEYANCE, Increase rate, disposition for parks for homeless special fund

BILL NUMBER: HB 2318, HD-1

INTRODUCED BY: House Committee on Housing

BRIEF SUMMARY: Amends HRS section 247-2 to propose the following conveyance tax rates for properties (eligible for a home exemption as well as all non-residential property):

Rate Per \$100	Property Value
\$.30	\$1,000,000 but less than \$1,200,000
.345	\$1,200,000 but less than \$2,000,000
.575	\$2,000,000 but less than \$4,000,000
.805	\$4,000,000 but less than \$6,000,000
1.035	\$6,000,000 but less than \$10,000,000; and
1.15	\$10,000,000 and greater.

Proposes the following conveyance tax rates for residential properties ineligible for a home exemption:

Rate Per \$100	Property Value
\$.40	\$1,000,000 but less than \$1,200,000
.46	\$1,200,000 but less than \$2,000,000
.69	\$2,000,000 but less than \$4,000,000
.9775	\$4,000,000 but less than \$6,000,000
1.265	\$6,000,000 but less than \$10,000,000; and
1.4375	\$10,000,000 and greater.

Amends HRS section 247-7 to provide that 10% of conveyance taxes collected under the above rates for properties valued at \$1,200,000 or over shall be deposited into the parks for homeless special fund before any of the other dispositions are made.

Adds a new section to HRS chapter 46 to establish a parks for homeless special fund into which shall be deposited the designated portion of the conveyance tax. Requires each county to provide matching funds which shall be deposited into the parks for homeless special fund.

Requires the Hawaii public housing authority in collaboration with the department of human services to develop a housing first pilot project to move homeless individuals into housing directly from the streets and shelters without a precondition of accepting or complying with treatment.

Appropriates \$ _____ out of the parks for homeless special fund for fiscal 2011 for the housing first pilot project.

Repeals this act on June 30, 2016.

EFFECTIVE DATE: July 1, 2010

STAFF COMMENTS: The proposed measure increases the conveyance tax on properties valued at \$1,200,000 or over, and establishes a parks for homeless special fund to be used to establish a pilot program to get the homeless off the streets and out of shelters into housing. While the measure proposes another tap of the conveyance tax revenues, it should be noted that as with any earmarking, the legislature will be giving their stamp of approval for another "automatic funding" mechanism for the particular program - the parks for homeless special fund. It should be noted that while funds would be diverted to the fund without any legislative intervention, they will also avoid legislative scrutiny, and it will be difficult to ascertain the effectiveness of the program. It would also be difficult to ascertain whether or not the fund has too little or too much revenue.

Further, while this measure also proposes to increase the conveyance tax rates, it should be remembered that the conveyance tax is one of the least dependable sources upon which to rely for funding with collections rising and falling with the fortunes of the real estate market. Any amount collected under this tax will depend on activity in the real estate market. As the housing market slows down, revenues may not be sufficient to meet the expectations of the fund. If the additional revenues are not sufficient or another "important" program needs funding, will the conveyance tax be increased to generate even more revenue? For example, revenues of the conveyance tax declined from \$43.4 million in fiscal 2008 to \$19.5 million in fiscal 2009.

While the conveyance tax increase appears to target properties valued at \$1,200,000, it should be remembered that this schedule also applies to non-residential properties covering everything from a mom and pop supermarket in Waialua to the Ala Moana Shopping Center to the car repair shop in Kaka'ako to the farm lot in Waimanalo. Thus, this proposal makes it even more expensive to do business in Hawaii. At a time when other committees of the legislature are hearing legislation to spur economic activity, this measure does just the opposite. And where do these legislators believe the purchasers of these properties will find the resources to pay these additional funds? Or in the case of businesses, they will have to either charge higher prices for the goods and services they produce or keep their production costs in control which in many cases means paying their employees less.

Given the high tax burden already imposed on Hawaii residents, this proposal is arrogant to assume that more money can be extracted from the economy to pay for another state program which obviously has been given little thought insofar as solutions. Thus, this measure represents another grab for money which lawmakers believe will "solve" the homeless problem while truly not understanding the economic crisis that has caused so many to be homeless.

If the legislature deems that the provision of homeless housing is of such a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. Earmarking revenues merely absolves elected officials from setting priorities. When the legislature dipped into housing special funds to maintain funding for programs like education and social services, that was poor tax policy. The housing market slowed in 2008 and the rental housing trust fund realized only \$21 million in FY 2008 as compared to the \$23 million it received in the prior year. If asked, housing officials would probably say that is not enough to carry out their mandate, thus the program is underfunded. If the money were appropriated, lawmakers could then evaluate the real or actual needs of

this particular program.

If the legislature deems any of the programs for which conveyance tax revenues are earmarked to be such a high priority, then it should maintain the accountability for these funds by appropriating the funds as it does with other programs. When general fund revenues wane, will elected officials once more dip into special funds or repeal this earmarking or in the alternative raise taxes? Earmarking revenues restricts the flexibility in utilizing these revenues. This measure underscores the unwillingness of legislators to be held accountable for their actions.

Finally, it should be noted that when the legislature increased conveyance tax rates last year, lawmakers rationalized that Hawaii's rates were low by comparison to those imposed in a state like Vermont. What they seemed to have overlooked is the fact that one can buy a single family home on three-quarters of an acre with five bedrooms and three baths for under \$50,000, something that certainly is not possible in Hawaii. Thus, taxpayers are whipsawed between unbelievably high real estate prices and a confiscatory conveyance tax.

Digested 2/23/10

**HB 2318 HD1
RELATING TO THE HOMELESS**

**PAUL T. OSHIRO
MANAGER – GOVERNMENT RELATIONS
ALEXANDER & BALDWIN, INC.**

FEBRUARY 24, 2010

Chair Marcus Oshiro and Members of the House Committee on Finance:

I am Paul Oshiro, testifying on behalf of Alexander & Baldwin, Inc. (A&B) on HB 2318 HD1, "A BILL FOR AN ACT RELATING TO THE HOMELESS." We respectfully oppose this bill.

This bill increases the conveyance tax to finance the Housing First pilot program. While we support efforts to alleviate homelessness here in Hawaii, we are concerned with the negative impact that this measure may have upon Hawaii's businesses, residents, and our economy. We anticipate that the new tax imposed by this bill, which will be imposed on both residential and non-residential properties, will increase both the cost of housing and cost of doing business here in Hawaii. The bill may also have a negative impact in attracting outside investments in Hawaii businesses and other entities.

Based on the aforementioned we respectfully request that this bill be held in your Committee.

Thank you for the opportunity to testify.



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February 23, 2010

The Honorable Marcus R. Oshiro, Chair

House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

RE: H.B. 2318, H.D. 1, Relating to the Homeless

HEARING: Wednesday, February 24, 2010 at 10:00 a.m.

Aloha Chair Oshiro, Vice Chair Lee and Members of the Committee:

I am Craig Hirai, a member of the Subcommittee on Taxation and Finance, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,800 members in Hawai'i. HAR **opposes** H.B. 2318, H.D. 1, which purports to increase the conveyance tax by fifteen percent on homes valued at \$1,200,000 and over to fund parks for the homeless special fund.

As proposed, the Conveyance Tax increase will also apply to the conveyance of multi-family rentals, land for residential subdivisions, mixed-income and multi-use properties, commercial properties, resort properties, and agricultural lands, as well as condominium and single-family homes. HAR believes that, while the parks for homeless special fund may have value, the Conveyance Tax increases set forth in H.B. 2318, H.D.1, will again increase the already high cost of housing, living and doing business in Hawaii.

In 2005, the Conveyance Tax was increased on: (1) the sale of realty for all transfers or conveyance of realty or any interest (i.e. commercial, timeshare, agricultural, industrial, etc, and condominium or single family residence for which the purchaser is eligible for a county homeowner's exemption), and (2) the sale of a condominium or single family residence for which the purchaser is ineligible for a county homeowner's exemption.

In 2009, the Legislature increased the Conveyance Tax on: (1) the sale of realty from 30 cents per \$100 (.30%) for properties over \$1,000,000 to a maximum of \$1.00 (1%) per \$100 for properties over \$10,000,000 -- an increase of over 333%, and (2) the sale of a property ineligible for a county homeowner exemption from 30 cents per \$100 to \$1.25 per \$100 (1.25%) -- an increase of over 416.66%.

Section 2 of H.B. 2318, H.D.1 increases the Conveyance Tax by an additional 15% across various Conveyance Tax brackets that were just drastically increased in 2009.





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The Conveyance Tax applies whether or not a property is sold at a gain or a loss and (as opposed to the Real Property Tax), and only applies to properties that are being sold at any given time. Please note also that the Conveyance Tax under H.B. 2318, H.D.1, has the effect of reducing the value of a \$10,000,001 commercial property to a business owner by \$115,000 (the 1.15% Conveyance Tax on the sale of property).

Mahalo for the opportunity to testify.



HOUSE COMMITTEE ON FINANCE
WEDNESDAY, FEBRUARY 24, 2010, CR 308
IN SUPPORT OF HB 2318-RELATING TO HOMELESSNESS

Aloha Chair Marcus Oshiro, Vice Chair Marilyn Lee and members of the Finance committee

I am Linda Guting, a carehome operator for 30 years and have provided home to several homeless for free.

Homelessness is attributed by number of factors to include, welfare reform, high rates of domestic violence, declining purchasing power of low-wage jobs, and decrease in availability of affordable family housing. According to US HUD, we are experiencing a period when worst case housing needs are at an all time high. Although there is a reduction in chronic homelessness in some communities, other communities have exploding rates of increase of homelessness and the growing segment of the homeless population are families with children.

Emergency shelters and transitional housing are utilized to provide vital access to services for families in crisis, they fail to address the long term needs of homeless families. Linkages to permanent housing support services to retain housing and construction of resources and services available in the community at large are indispensable to ending and preventing family homelessness. An alternative solution to this problem is Housing First Methodology also known as rapid re-housing. Housing First methodology has been proven to be a practical means to ending and preventing family homelessness and has been adapted by organizations throughout the United States through Beyond Shelter's institute for Research Training and Technical Assistance and the national Alliance to End Homelessness. The housing first approach provides a link between emergency shelter and transitional housing systems that serve homeless families and the mainstream resources and services that can help these families begin to regain self-confidence and control over their lives they lost when they became homeless.

Thank you for the opportunity to testify.

HOUSE COMMITTEE ON FINANCE
WEDNESDAY, FEBRUARY 24, 2010, CR 308
IN SUPPORT OF HB 2318-RELATING TO HOMELESSNESS

Aloha Chair Marcus Oshiro, Vice Chair Marilyn Lee and members of the Finance committee

I am Flor Martinez, a radio broadcaster for 35 years and a retiree from Department of Foreign Affairs.

Homelessness is one of the nation's most serious problems. While it is often the result of interwoven systemic and personal problems, the primary cause of homelessness among families is the growing gap between housing costs and income. The emergency shelter system is able to accommodate only a small fraction of the growing number of homeless families in need. Families are forced to live in their cars, in garages, in other places unsuitable for human habilitation or they move from place to place with their children, staying intermittently with friends and families. The effects of homelessness extend to depression, mental illness, and child neglect. While emergency shelters are unable to provide the intensive long term assistance which homeless families require in order to stabilize their lives and transitional housing programs do provide such assistance, families are however more responsive to service interventions from a stable, permanent housing base. An alternative to the current emergency shelter and transitional housing is housing first. The methodology is premised on the belief that vulnerable and at risk homeless families are more responsive to interventions and social services support after they are in their own housing rather than while living in temporary transitional facilities or housing programs. With permanent housing these families can begin to regain the self-confidence and control over their lives they lost when they became homeless. This bill will provide an alternative solution to homelessness that is a nationwide serious problem.

Thank you for the opportunity to testify