

SB 2092

Measure Title:	RELATING TO HOUSING.
Report Title:	Rental Housing Revolving Fund; Appropriation (\$)
Description:	Appropriates funds to and out of the rental housing revolving fund.
Companion:	
Package:	Housing and Homeless Legislative Package
Current Referral:	HOU, WAM
Introducer(s):	CHUN OAKLAND, GALUTERIA, GREEN, HARIMOTO, NISHIHARA, SHIMABUKURO, Taniguchi



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GOVERNOR

February 4, 2016

TO: The Honorable Senator Breene Harimoto, Chair
Senate Committee on Housing

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **SB 2092 – RELATING TO HOUSING.**

Hearing: Tuesday, February 4, 2016, 2:45 p.m.
Conference Room 225, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports this measure provided that its passage does not replace or adversely impact priorities indicated in the Executive Budget. The Coordinator also asks for the Legislature's support of the Governor's Executive Budget request, which includes a General Obligation bond appropriation of \$75 million for the RHRF.

PURPOSE: The purpose of the bill is to appropriate an unspecified amount of funds to and out of the RHRF.

The development of low-income affordable housing is necessary to address the issues of homelessness, and respond to the critical shortage of housing inventory in our community. The RHRF is a critical tool to address Hawaii's housing shortage. Since its inception, RHRF awards have been made to 71 affordable rental projects, comprising 5,673 units statewide.

An appropriation to increase funding for the RHRF would stimulate the production of affordable rental units to better meet housing demand. The Coordinator notes that this measure is in alignment with Goal 2, Objective 4 of the Hawaii Interagency Council on Homelessness' Strategic Plan to End Homelessness, which is to "Create and preserve affordable housing for people at 50% and below of area median income."

Thank you for the opportunity to testify on this bill.



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

February 4, 2016 at 2:45 p.m.
State Capitol, Room 225

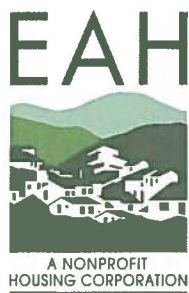
In consideration of
S.B. 2092
RELATING TO HOUSING.

The HHFDC supports S.B. 2092 provided that its passage does not replace or adversely affect priorities set forth in the Executive Supplemental Budget request.

This bill makes an unspecified General Fund appropriation for deposit into the Rental Housing Revolving Fund (RHRF). We note that the Supplemental Budget request includes a General Obligation bond appropriation of \$75 million for infusion into the RHRF. An infusion of that amount into the RHRF would help finance the development of an additional 600 affordable rental units.

The RHRF provides loans to projects that set aside rental units affordable to extremely and very low-income families. The RHRF loans fill the financing gap to develop an affordable rental housing project. Since its inception, RHRF awards have been made to 71 affordable rental projects comprising 5,673 units statewide.

Thank you for the opportunity to testify.



February 3, 2016

Hearing: SB 2092

Date: Thursday, February 4, 2016

Time: 2:45 P.M.

Room No. 225

Senate Committee on Housing

Senator Breene Hashimoto, Chair

Senator Brickwood Galuteria, Vice Chair

TESTIMONY IN SUPPORT of SB 2092

Chair Hashimoto, Vice Chair Galuteria and members of the committee:

Thank you for this opportunity to submit testimony in Strong Support of SB 2092 which appropriates an undefined sums to and out of the State's Rental Housing Revolving Fund (RHRF).

I am Kevin Carney, Vice President of EAH Housing. EAH is a 48 year old non-profit public benefit corporation whose mission is to develop, manage and promote affordable rental housing. We are one of the largest non-profit affordable rental housing developers in the western United States. We have developed over 95 affordable rental properties, manage over 100 properties and we serve over 20,000 residents in communities in Northern California and Hawaii. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI).

The primary source of equity funding for the projects we acquire and rehabilitate and for projects we develop is the federal and state low-income housing tax credit (LIHTC). A secondary source, but equally important is the State's RHRF. Additional supplements to this funding source are sought every year because of the demand placed on the fund by developers like EAH.

We know from our 19 years of experience in serving Hawaii residents on Kauai, Maui and Oahu that the demand for affordable rental housing at 60% of the area median income and below is huge. We have the waiting lists to our properties to prove it. A reliable and sustained source of funding is preferable but a one-time infusion of funds will be helpful. We encourage your Committee on Housing to give this bill your full support.

Sincerely,

Kevin R. Carney, (PB), NAHP-E
Vice President, Hawaii



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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

FROM: Scott Fuji, Executive Director, PHOCUSED

HEARING: **Thursday February 4th, 2016 at 2:45 p.m. in Conf. Rm. 225**

Testimony in Support of SB2092, RELATING TO HOUSING

Thank you for the opportunity to provide testimony in **strong support** of SB2092 that would appropriate funds to and out of the rental housing revolving fund. PHOCUSED is a non-profit membership-based advocacy group for the health and human service sector representing Hawaii's vulnerable populations.

Since March 2014, PHOCUSED has worked together with 30+ homeless service providers throughout Oahu for better coordination of housing placements for the homeless. Based on this experience, we have a deeper understanding of the many challenges facing homeless households who are trying to transition off of the streets and into a stable residence.

Increasing Hawaii's affordable rental stock is a critical component towards relief for Hawaii's over-burdened renting population. The Rental Housing Revolving Fund is a clear and proven driver of affordable housing having created over 5,000 affordable housing units over its lifetime.

With the anticipated housing needs of our State continuing to rise repealing the cap is a clear way for the legislature to make affordable housing a priority for years to come. Additional appropriations to the Rental Housing Revolving Fund increase the capacity of building projects in both the short and long-term as well as continuing to generate jobs and economic activity.

Once again, PHOCUSED strongly urges your support of this bill. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.

From: mailinglist@capitol.hawaii.gov
To: [HOU Testimony](#)
Cc: graybip@gmail.com
Subject: Submitted testimony for SB2092 on Feb 4, 2016 14:45PM
Date: Wednesday, February 03, 2016 2:29:06 PM

SB2092

Submitted on: 2/3/2016

Testimony for HOU on Feb 4, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Margaret Graybill	FACE	Support	No

Comments: This is in support of the rental assistance revolving fund. It is a great way to give low-income people an opportunity to get into rental housing and be able to stay there.

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CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 2092: RELATING TO HOUSING

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: Thursday, 2/4/16, 2:45 PM; Room 225

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

Thank you for the opportunity to provide testimony **in strong support** of SB 2092, making an appropriation to the Rental Housing Revolving Fund (RHRF). I am Betty Lou Larson, from Catholic Charities Hawaii. We are also a member of Partners in Care.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii 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 Hawaii. Catholic Charities Hawaii has a long history of working in the areas of affordable housing and homelessness. We have supported funding to the RHRF since its inception, since it is a key resource for the construction of affordable rentals.

We support a **\$75 million** allocation to the Rental Housing Revolving Fund. We suggest that the committee may also want to consider use of CIP funding versus general revenues as stated in the bill. These funds would provide the gap financing critical to building more affordable rental units, an appropriate use of CIP funds. Hawaii has the most expensive housing in the nation—twice the nation average. Rents have increased 65% over the past 10 years. Hawaii also has the higher rate of homelessness per capital of the US states.

The Key to ending homelessness and providing a decent life for many Hawaii citizens is building the supply of affordable rental units. The RHRF has a proven track record: it has assisted in the creation of **5,671 units** in 71 rental projects since its inception in 1992. It creates public private partnerships to leverage monies to build these projects. 27,000 affordable rental units are projected to be needed by 2020. The Hawaii Housing Finance and Development Corporation projects that about 20 projects totaling 2,577 units could be built or rehabbed with approximately \$299 million to the RHRF—about 9.5% of the total units needed by 2020. The State needs a major commitment of funding to make an impact on the housing needs of the people of Hawaii.

We urge your support for affordable rentals to end homelessness and to create safe, decent housing now and for future generations of Hawaii's people. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



Catholic
Charities
USA



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808) 373-0356 • bettylou.larson@catholiccharitieshawaii.org



From: mailinglist@capitol.hawaii.gov
To: [HOU Testimony](#)
Cc: KehaulaniLum@Ameritech.net
Subject: Submitted testimony for SB2092 on Feb 4, 2016 14:45PM
Date: Wednesday, February 03, 2016 9:45:55 AM

SB2092

Submitted on: 2/3/2016

Testimony for HOU on Feb 4, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Kehaulani Lum	Aliʻi Pauahi Hawaiian Civic Club	Support	No

Comments: Aloha Chair Harimoto and Vice Chair Galuteria, As the President of the Aliʻi Pauahi Hawaiian Civic Club and an ardent advocate for affordable housing in Hawaiʻi Nei, I am writing in strong support of S.B. 2092, which appropriates an undetermined amount for the Rental Housing Revolving Fund (RHRF), which is a critical resource for developing affordable housing. In order for the people of Hawaiʻi, and Native Hawaiians, in particular, to continue to call these islands "home," this type of support is Aloha in practice, and we seek your steadfast kokua to achieve its vision. Mahalo nui loa, Kehaulani Lum

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Cc: leilani.maxera@gmail.com
Subject: *Submitted testimony for SB2092 on Feb 4, 2016 14:45PM*
Date: Wednesday, February 03, 2016 10:52:58 AM

SB2092

Submitted on: 2/3/2016

Testimony for HOU on Feb 4, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Leilani Maxera	The CHOW Project	Support	No

Comments:

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February 4, 2016

The Honorable Breene Harimoto, Chair

Senate Committee on Housing
State Capitol, Room 225
Honolulu, Hawaii 96813

RE: S.B. 2092, Relating to Housing

HEARING: Thursday, February 4, 2016 at 2:45 p.m.

Aloha Chair Harimoto, Vice Chair Galuteria, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, 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. HAR **supports the intent** of S.B. 2092 which appropriates funds to the Rental Housing Revolving Fund.

According to the Department of Business, Economic Development and Tourism, nearly 66,000 housing units are needed to meet long-term demand over the next ten years. Not only do we need more affordable homes to meet today's needs of our working individuals and families, we need a place where our keiki can afford to live in the future.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Revolving Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

As such, HAR believes appropriating funds to the Rental Housing Revolving Fund will help expand the much needed affordable rental housing opportunities for Hawaii's residents and will help address the States unique challenges related to affordable rentals.

Mahalo for the opportunity to testify.



PARTNERS IN CARE

Oahu Continuum of Care

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

TESTIMONY IN SUPPORT OF SB 2092: RELATING TO HOUSING

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

FROM: Greg Payton, Chair of the Advocacy Committee, Partners in Care

Hearing: **Thursday, 2/4/16, 2:45 PM; Room 225**

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

Thank you for the opportunity to provide testimony **in strong support** of SB 2092, making an appropriation to the Rental Housing Revolving Fund (RHRF). I am Greg Payton, the Chair of the Advocacy Committee of Partners in Care (PIC).

Partners in Care is a coalition of homeless service providers and many other in the community on Oahu dedicated to ending homelessness. In the past year on Oahu, we have developed a coordinated entry system to more effectively and strategically help homeless to navigate resources and be linked to housing. The next step and the **KEY** to ending homelessness is the creation of more affordable rental housing.

Partners in Care supports allocating **\$75 million to the Rental Housing Revolving Fund (RHRF)**. We suggest that the committee may also want to consider the use of CIP funding versus general revenues as stated in the bill. The RHRF provides the gap funding needed to construct new projects. Without filling this gap, projects will not be economically feasible. This is an appropriate use of CIP funding.

Partners in Care supports a comprehensive plan to end homelessness. Creating more affordable rental housing is the key to ending homelessness. . This bill puts into action the legislature's commitment to creating more affordable rental housing units. \$75 million would be a significant step forward in the creation of housing.

The need is great: Hawaii has the most expensive housing in the country, at more than twice the national average. Our rate of homelessness per capita is the top among the US states. Our rents have skyrocketed. The fair market rent for a 2 bedroom unit in Honolulu is \$1,810, an increase of 67% over the last 10 years (2005 to 2015). Action must be taken now. Non-profit and for-profit developers stand ready to produce units, but projects are not economically feasible without funding from the RHRF. The gap equity provided is critical, even as it is leveraged with other resources to construct these projects.

We thank you for your dedication to ending homelessness. Please contact me at (808) 529-4554 or gpayton@mhkhawaii.org if you have any questions.

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To: [HOU Testimony](#)
Cc: ajc@aloha.net
Subject: Submitted testimony for SB2092 on Feb 4, 2016 14:45PM
Date: Wednesday, February 03, 2016 12:15:49 PM

SB2092

Submitted on: 2/3/2016

Testimony for HOU on Feb 4, 2016 14:45PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Alika Campbell	Individual	Support	No

Comments: Hawaii faces a growing housing shortage, with too much development being targeted at the rich/ultra-rich. Funding the rental housing revolving fund is vital to promote development of affordable and workforce housing that is currently needed and will be in even shorter supply in the future if steps are not taken now.

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