

PIA Committee

From: Khara Jabola-Carolus <jabola@facehawaii.org>
Sent: Monday, September 05, 2016 1:56 AM
To: PIA Committee
Subject: Support Testimony - Real Estate Transfer Tax

Dear Chair Couch and Committee Members,

Enclosed below is our testimony in strong support of the proposed Real Estate Transfer Tax, which has been submitted by Councilmember Cochran. Thank you for the opportunity to submit our thoughts.

Aloha and mahalo,

Khara Jabola
Policy Coordinator and Lead Organizer
Faith Action for Community Equity

TESTIMONY IN SUPPORT OF REAL ESTATE TRANSFER TAX

by Khara Jabola, Policy Coordinator & Lead Organizer, Faith Action for Community Equity
before the Maui County Policy and Intergovernmental Affairs Committee
February 6, 2016, at 9:00 a.m., Council Chamber

Dear Chair Couch and Members of the Committee,

On behalf of Faith Action for Community Equity (FACE), I would like to thank the Committee for this opportunity to submit testimony in strong support of the Real Estate Transfer Tax (RETT). RETT, if enacted, would place a temporary one (1) percent conveyance tax on all residential home, fee simple, and leasehold condominium sales over \$700,000. Funds generated will be used to create an emergency Affordable Housing Fund for each county in the State to directly address the dearth in our workforce housing inventory.

Affordable housing is the focal issue of our organization. FACE is a grassroots, interfaith 501(c)(3) non-profit that is composed of 25 congregations on Maui, and over 50 member congregations statewide.

Our legislative activity is directly shaped by our membership and, if their feedback is any indication, we believe that affordable housing is the shared, preeminent concern of every resident in this State. Accordingly, we believe that this proposed tax would receive broad support by the larger public. This was the case in Colorado where a similar short-term tax measure received widespread backing by voters, and was so successful that voters extended its lifespan.

The proposed RETT on high-end property sales would sunset in less than six years and, based on data from the past two years, is estimated to generate at least \$60 million over its lifetime. While this amount is modest relative to the costs of development, we believe that this measure is a step in the

right direction and that it would provide critical funding toward the long-range goal of increased affordable housing on our islands.

Maui is ground zero for the State's housing crisis. With South and West Maui seeing the lowest local home purchases in the State, we are leading a problem that is only spiraling downwards for the majority of our population. As such, Maui should be in the vanguard of solutions and seize upon the opportunity to enact this special tax, which does not burden the working or middle classes.

Accordingly, we request that your committee pass this measure. Thank you for the opportunity to provide our written comments.

Sincerely,

Khara Jabola