

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

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

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

March 29, 2012 9:00 A.M.
Room 211, Hawaii State Capitol

In consideration of
House Bill 2302, Senate Draft 1
Relating to Capital Improvement Projects

Honorable Chair and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide you with comments regarding House Bill 2302, as amended by Senate Draft 1, relating to capital improvement projects.

The HPHA supports enactment of the measure, but would respectfully request it be amended to more closely reflect the language of House Draft 2. Currently, under Senate Draft 1, the measure seeks to appropriate General Obligation bonds to renovate the HPHA's uninhabitable public housing units and to provide limited exemption from the contest provisions of Chapter 103D, HRS. House Draft 2 further amended Section 76-16, Hawaii Revised Statutes (HRS), to temporarily exempt from the civil service persons hired or contracted to perform both repair or maintenance work on vacant housing units and planning, design, engineering, or permit processing work for capital improvement projects of state agencies.

With over 30,000 individuals currently waiting for public housing in this State, and with a great number of units currently vacant within the HPHA's inventory, this measure would assist our agency in more quickly and efficiently providing homes to those who need us the most. Attached is a spreadsheet provided by the U.S. Department of Housing and Urban Development that details the potential revenue losses currently incurred by the HPHA as a result of vacant units throughout our portfolio, nearing \$4,000,000 per year of rents and operating subsidy. Since the joint HMS/JDL hearing, HPHA staff has met with representatives of the United Public Workers (UPW) union, who have expressed their support since this measure would assist us in bringing in these additional revenues and thereby supporting the future hiring of additional staff. UPW support would be

contingent upon this measure maintaining a strict sunset date of June 30, 2015, and the HPHA agrees that this is a reasonable condition.

HPHA staff further met with other concerned parties that submitted opposing testimony to the HMS/JDL committees, including the AIA Hawaii State Council and the American Council of Engineering Companies of Hawaii. These organizations raised concerns that the exemptions within the measure were overly broad, applying to any state agency doing capital improvement work. These organizations agreed that this measure would be beneficial and would support it provided that it is amended to limit the exemption only to the Hawaii Public Housing Authority, and that it still retain a strict sunset date of June 30, 2015. They recognized the unique situation of the HPHA among state agencies as a housing entity and that we must be enabled to serve so many homeless families by restoring our vacant units. The HPHA agrees that these conditions are also reasonable and appreciates the support of the professional associations going forward.

The HPHA appreciates the opportunity to provide the Senate Committee on Ways and Means with the agency's position regarding H.B. 2302, S.D. 1. We respectfully request the Committee to amend and pass this measure favorably, and we thank you very much for your dedicated support.

Attachment: Potential Revenue Loss for Vacant Units, U.S. Department of Housing and Urban Development

Potential Revenue Loss for Vacant Units

AMP		Total Unit Count	Total Unit Months	Vacant (Unit Months)	Operating Subsidy (PUM)*	Tenant Rent (PUM)	Total Revenue Lost Due to Vacancies
30	Puuwai Momi	363	4,356	152	424	417	127,837
31	Kalihi Valley	373	4,476	627	505	243	469,243
32	Mayor Wright	364	4,368	182	507	295	145,959
33	Kamehameha	373	4,476	94	386	254	60,140
34	Kalakaua Homes	583	6,996	272	370	235	164,678
35	Punchbowl	587	7,044	325	375	250	203,028
37	Lanakila Homes I	322	3,864	573	315	238	316,808
38	Kekaha Ha'aheo	321	3,852	308	371	254	192,427
39	Kahekili Terrace	196	2,352	698	532	313	590,110
40	Kuhio Park Terrace	748	8,976	657	570	366	615,277
43	Ka Hale Kahaluu	202	2,424	87	423	189	53,294
44	Waimaha/Sunflower	260	3,120	383	535	147	261,207
45	Koolau Village	226	2,712	96	360	289	62,315
46	County of Hawaii	103	1,236	209	447	173	129,496
49	Wahiawa Terrace	150	1,800	392	418	349	300,592
50	Palolo	118	1,416	95	603	195	75,770
							\$ 3,768,181

* Operating Subsidy PUM is calculated by dividing 2012 Total Eligible Subsidy by Eligible Unit Months.



HB2302 HD2 SD1
RELATING TO CAPITAL IMPROVEMENT PROJECTS
Senate Committee on Ways and Means

March 29, 2012

9:00 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) **SUPPORTS** HB2302 HD2 SD1, which would ease civil service requirements and provide bond funding for the maintenance of public housing units.

Hawai`i is in dire need of affordable housing. The lack of such housing creates instability for many families, including the families of OHA's beneficiaries. In an attempt to promote systemic change in this area, OHA's strategic plan identifies as a strategic result the building of affordable housing. This bill represents a step in the right direction toward the maintenance and reopening of public housing stock, which would create stability in housing for OHA's beneficiaries and others in need.

OHA urges the committees to **PASS** HB2302 HD2 SD1. Mahalo for the opportunity to testify on this important measure.