



**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

**HOUSE COMMITTEE ON HOUSING**

March 17, 2014 at 9:00 a.m.  
State Capitol, Room 329

In consideration of  
**S.B. 2267, S.D. 1 PROPOSED H.D. 1  
RELATING TO HOUSING.**

The HHFDC **supports** S.B. 2267, S.D. 1, Proposed H.D. 1, provided that its passage does not replace or adversely affect priorities indicated in the Executive Supplemental Budget. We also provide the following specific comments on the Proposed H.D. 1:

Part II

This part requires all state agencies owning property within a one-half mile radius of the East Kapolei, University of Hawaii West Oahu, Leeward Community College, Aloha Stadium, Honolulu International Airport, Lagoon Drive, Kalihi, and Kapalama rail transit stations to enter into a Memorandum of Understanding with DBEDT to determine, among other things, how these stations will affect the availability of workforce housing and transit ridership. HHFDC supports this part, as it is consistent with smart growth principles and transit-oriented development of affordable and workforce housing.

Part III

This new part adds a new section to Chapter 201H, HRS, and makes other conforming amendments to authorize the HHFDC to certify for exemption from general excise taxes eligible location-efficient mixed use projects on certain state or county lands located within a one-half mile radius of a rail transit station.

HHFDC supports this new part as a potential incentive for the development of projects that would provide affordable housing within walking distance of rail transit stations.

Part IV

This part appropriates an unspecified amount of funds for the construction of micro apartment units in areas affected by rail transit. We believe that micro apartments can address the permanent housing needs of very low income households at a more efficient cost.

Thank you for the opportunity to testify.



**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

**HOUSE COMMITTEE ON HOUSING**

March 17, 2014 9:00 A.M.  
Room 329, Hawaii State Capitol

In consideration of

**Senate Bill 2267, Senate Draft 1, House Draft 1**

**Relating to Housing**

Honorable Chair Hashem and Members of the House Committee on Housing, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) 2267, Senate Draft 1 (SD1), House Draft 1 (HD1), relating to housing.

The Hawaii Public Housing Authority (HPHA) **supports the intent** of this measure, which would require all state agencies within a half-mile radius of proposed rail stations to enter into memoranda of understanding and convene working groups with HART on potential housing impacts of the rail system. The measure further provides a GET exemption for the development of affordable housing in mixed-use projects in location efficient locations and requires state agencies in these locations to enter into memoranda of understanding with HHFDC to develop mixed-use projects, and provides for an appropriation for micro apartment housing units.

The mission of the HPHA is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination. Currently, the HPHA provides low-income public housing at Mayor Wright Homes, which is within a half-mile radius from the proposed Iwilei rail station.

As the long term goal is to redevelop Mayor Wright Homes using Transit Oriented Design while following U.S. Department of Housing and Urban Development mixed-finance regulations, which promotes the leveraging of public funds with private dollars, the agency believes that the General Excise Tax exemption for this future mixed-use project will assist future tenants with the connectivity of the surrounding neighborhood and also create more vital affordable rental housing.

Hawaii Public Housing Authority

March 17, 2014

Page 2

The HPHA appreciates the opportunity to provide the House Committee on Housing with the agency's comments regarding S.B. 2267, SD1, HD1. We thank you very much for your dedicated support.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
WILLIAM J. AILA, JR.  
Chairperson**

**WILLIAM J. AILA, JR.**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**JESSE K. SOUKI**  
FIRST DEPUTY

**WILLIAM M. TAM**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS



**Before the House Committee on  
HOUSING**

**Monday, March 17, 2014  
9:00 A.M.  
State Capitol, Conference Room 329**

**In consideration of  
SENATE BILL 2267, SENATE DRAFT 1, Proposed HOUSE DRAFT 1  
RELATING TO HOUSING**

Senate Bill 2267, Senate Draft 1, Proposed House Draft 1 proposes to require all state agencies within one-half mile of proposed rail stations to enter into memoranda of understanding with the Department of Business, Economic Development and Tourism (DBEDT) to determine how the transit station and related development will affect and address the State's population growth the demand for workforce housing, and additionally requires the convening of working groups and the submission of annual reports to the Legislature. **The Department of Land and Natural Resources (Department) will participate in any relevant memorandum of understanding and working group established under this bill, but offers the following comments.**

The Department is responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations. To properly perform these fiduciary duties, the Board of Land and Natural Resources (BLNR) determined that the Department should utilize a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs.

The BLNR manages lands within a one-half mile radius of the proposed Kapolei transit station. The Department intends to develop these lands for commercial purposes to generate revenues to support its above-described mission. The Department's mission does not extend to

transportation or workforce housing. However, the Department is amenable to meeting with DEBDT and other affected State and City and County of Honolulu agencies regarding the Department's development plans for its lands.

HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas  
EXECUTIVE DIRECTOR AND CEO

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March 14, 2014

The Honorable Mark J. Hashem, Chair  
The Honorable Justin H. Woodson, Vice Chair  
and Members of the Committee on Housing  
State House of Representatives  
Hawaii State Capitol  
415 South Beretania Street  
Honolulu, Hawaii 96813

Dear Chair Hashem, Vice Chair Woodson, and Representatives:

Subject: SB2267, SD1, Proposed HD1, Relating to Housing  
Committee on Housing  
Monday, March 17, 2014, at 9:00 AM

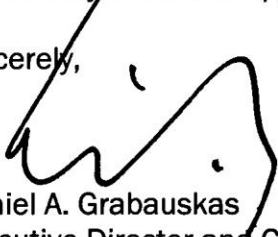
The Honolulu Authority for Rapid Transportation (HART) supports the intent of Senate Bill 2267, SD1, Proposed HD1, which encourages collaboration and coordination between State agencies that own property within a half-mile radius of the planned rail stations.

Attached is a copy of HART Board Resolution 2013-12, which reflects the Board of Directors' position regarding TOD-related legislation. HART is committed to working with State agencies, as well as the City Department of Planning and Permitting (DPP), Department of Transportation Services and other City departments, to review the potential housing impacts of the rail system.

HART notes that DPP is the lead City agency and HART is a supporting agency for DPP in its efforts to perform capital projects in this area.

We thank you for this opportunity to provide written testimony.

Sincerely,



Daniel A. Grabauskas  
Executive Director and CEO

Attachment

cc: HART Board of Directors

**Honolulu Authority for Rapid Transportation**

**RESOLUTION NO. 2013 - 12**

**REGARDING THE POSITION OF THE BOARD OF DIRECTORS OF  
THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION ON  
TRANSIT-ORIENTED DEVELOPMENT**

WHEREAS, the Honolulu Authority for Rapid Transportation (HART) has been established pursuant to Article XVII of the Revised Charter of the City and County of Honolulu 1973, as amended (RCH); and

WHEREAS, RCH Section 17-103.1 authorizes HART to "develop, operate, maintain and expand the city fixed guideway system;" and

WHEREAS, RCH Section 17-103.2(n) empowers HART to "promote, create and assist transit oriented development projects near fixed guideway system stations that promote transit ridership, and are consistent with the intent of the adopted community plans and zoning"; and

WHEREAS, the HART Board of Directors recognizes that transit oriented development (TOD) will benefit the Honolulu Rail Transit Project (HRTTP) and its ridership through:

- Encouraging convenient, safe multi-modal access to transit;
- Encouraging the creation of mixed-use, pedestrian and bicycle-friendly communities that provide employment, housing, and services;
- Creating housing options including market-rate and affordable units;
- Supporting economic development efforts; and
- Promoting sustainability by reducing pollution, noise and reliance on automobiles; and

WHEREAS, TOD provides a unique opportunity to foster more livable communities that take advantage of the benefits of transit, specifically, reducing transportation costs for residents, businesses and workers while improving mobility and circulation in the station area for all modes of travel; and

WHEREAS, In order to capitalize on this tremendous opportunity, development around future rail station stations needs to be focused, balanced and well-planned.


**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of HART as follows:

1. The HART Board of Directors favors and supports legislative measures which maximize the potential for TOD, promote effective community planning and provide a vision for neighborhood improvements and future urban redevelopment.
2. The HART Executive Director and CEO is authorized to submit testimony on pertinent legislation consistent with the overall policies set forth herein.



3. This Resolution shall take effect immediately upon its adoption.

ADOPTED by the Board of the Honolulu Authority for Rapid Transportation on  
DEC 19 2013.

  
Board Chair

ATTEST:

  
Board Administrator



## PARTNERS IN CARE

### Oahu's Coalition of Homeless Providers

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#### TESTIMONY IN SUPPORT OF SB 2267 SD1 RELATING TO HOUSING

TO: Rep. Mark Hashem, Chair; Rep. Justin Woodson, Vice Chair; and members of the House Committee on Housing

FROM: Peter K. Mattoon, Advocacy Committee Co-Chair, Partners In Care

**Hearing: Monday, March 17, 2014, 9:00 AM, Room 329**

Dear Chair Hashem, Vice Chair Woodson, and members of the committee,

Thank you for the opportunity to provide testimony in **strong support** of SB 2267 SD1 to help develop affordable micro-apartments. My name is Peter K. Mattoon, and I am an Advocacy Committee Co-Chair for Partners in Care, a coalition focusing on the needs of homeless persons and strategies to end homelessness. Partners in Care **strongly supports this bill to create lower-cost micro-apartment units**, and we respectfully urge the committee to appropriate **\$15.8 million** toward this effort.

Hawai'i's severe affordable housing shortage places an immense strain on lower-income households. Housing costs are twice the national average—the highest in the nation. According to the Hawai'i Housing Planning Study, Hawai'i will need 13,000 more rental units by 2016 to meet the need for affordable rentals. The consequences of this shortage are clear: Hawai'i has the highest rate of homelessness among the states. The 2010 Homeless Services Utilization Report found that 56 percent of homeless families were homeless because of their inability to pay the rent. If these households were able to live in affordable units, their stories may have turned out very differently.

With a growing and improving economy, we must focus on this basic need to provide very vulnerable and very low income people with safe, decent and lower cost rental housing. 81 percent of homeless are single persons, and almost 25 percent of Hawaii's population are households of one person. Many seniors, young working people, single homeless and very low-income small families cannot afford Hawaii's rents. They need rents from \$350 to \$400 or lower that are very difficult to find without waiting long years for public housing. These are the most vulnerable and new creative ideas are needed to solve their housing needs.

The concept of micro units is a new pathway to house people in safety and dignity in a small, well-designed unit. These units may range from 220 to about 300 square feet. At a minimum, these units include a small bathroom, kitchen sink, refrigeration and cooking appliance, along with at least a closet or other storage space in each unit. In many high-cost urban areas, micro units are popular with younger working people who want to live in the urban core and pay a lower but still market rent for these units. The estimated cost of a micro unit is half of what it costs to construct a regular "affordable" rental unit. Funding \$15.8 million for the construction of micro units will encourage developers to be creative to design and build rental units that could be models for future developments.

We urge your support of this bill. Thank you for your dedication to finding new solutions to create housing and help end homelessness.

Partners In Care, c/o Aloha United Way, 200 N. Vineyard Blvd. Suite 700  
Honolulu, Hawai'i 96817

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*Partners In Care is a membership organization of homeless service providers, other service professionals, units of local and state government, homeless consumers, and other community representatives located in Hawai'i on Oahu. It is a planning, coordinating, and advocacy body that develops recommendations for programs and services to fill gaps in the Continuum of Care on Oahu.*

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting SB 2267 Relating to Housing  
House Committee on Housing  
Scheduled for Hearing Monday, March 17, 2014, 9:00 AM, Room 329

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*Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.*

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Thank you for an opportunity to testify in **strong support** of Senate Bill 2267, which would appropriate funds for the development of micro-apartments. Hawai'i Appleseed Center for Law and Economic Justice supports an allocation of at least **\$15.8 million**. Micro-apartments provide modest yet decent housing and can serve a variety of populations in critical need. Because modern micro-units are an innovative model, subsidies for their development are particularly important to demonstrate outcomes, especially those related to reducing costs. We also **support** the additional provisions **proposed HD1** to promote planning that will ensure affordable housing through in mixed-use project areas around rail transit.

Micro-units are smaller than traditional apartments but have all the necessities a tenant would need inside the unit. They can be built in smaller buildings with greater density and easily replicable floor plans and construction methods. Out of the state's general population, almost one out of four households are composed of one occupant. Micro-units work for a wide variety of populations: elders, students, youth transitioning out of foster care, young professionals starting their careers, and people experiencing homelessness. They are also effective as mixed-income housing, particularly when built in desirable locations. These small apartments have been used around the country and world, in other high-cost cities such as New York, San Francisco, and Boston which seek to prevent sprawl and create livable urban cores.

Micro-apartments would present many opportunities to house individuals experiencing homelessness and should be a major tool in our efforts to end homelessness. Hawai'i has the highest rate of homelessness among the states, and 81 percent of households experiencing homelessness are single individuals. Micro-apartments are also popular for Housing First programs, which is an evidence-based best practice that provides permanent housing and supportive services to people who have been chronically homeless.

The state should play a role not only in subsidizing and helping develop affordable housing, but also to spur innovation in the market. In cities such as Seattle, private developers of micro-apartments have actually been able to charge lower rents than other units targeted at single individuals because of higher density. In Hawai'i, a subsidized micro-unit building will let developers, financiers, and builders determine the feasibility of this kind of housing.

We must also reimagine housing that meets the needs of our most vulnerable individuals and the growing number of single-occupant households. By increasing housing stock for these single individuals, larger units will be freed up for bigger households, while those living in micro-apartments can be charged lower rents if the cost per unit is reduced. We strongly encourage you to support SB 2267 to fund the creation of micro-apartments, as well as the proposed HD1 to ensure adequate affordable housing in rail transit areas.

# TAXBILLSERVICE



126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, Exempt mixed-use project in a location-efficient area

BILL NUMBER: SB 2267, Proposed HD-1

INTRODUCED BY: House Committee on Housing

**BRIEF SUMMARY:** Adds a new section to HRS chapter 201H to allow the Hawaii housing finance and development corporation (HHFDC) to approve and certify any qualified person or firm involved in the development of affordable housing in a newly constructed, or moderately or substantially rehabilitated, mixed-use project within a location-efficient area for the purposes of receiving the general excise tax exemption under HRS section 201H-36 and 237-29 in taxable years beginning after December 31, 2015. Requires any claim for the exemption to be filed with the HHFDC and forwarded to the department of taxation.

Defines “location-efficient” as meaning one or more contiguous parcels of land aggregating five or more acres that are owned by the state or county, one parcel of which is located within half a mile of a rail transit station. Defines “mixed-use project” for purposes of the measure.

Amends HRS sections 237-8.6(d) and 238-2.6(c) to provide that the county surcharge on state tax shall be imposed on such projects subject to the general excise tax exemption.

Makes other nontax amendments to facilitate discussion between the state and county agencies regarding the potential impacts of the rail transit system as it relates to population growth and housing.

EFFECTIVE DATE: July 1, 2050

**STAFF COMMENTS:** Currently, the HHFDC may certify affordable rental housing projects under HRS 201H-36 which qualify for the general excise tax exemption under HRS 237-29. This measure proposes to extend the general excise tax exemption to any qualified person or firm involved in the development of affordable housing in a mixed-use project within a location-efficient area. Thus, it would appear that the general excise tax exemption would not only be applicable to development of affordable housing but also to the rest of the project.

The bill provides that certified amounts are exempt from general excise or use tax but are *not* exempt from the Honolulu county surcharge. This is curious, and adds complexity to the system, because the surcharge is presently designed to apply only to amounts subject to the general excise or use tax at the 4% retail rate.

Digested 3/14/14

March 17, 2014

**The Honorable Mark Hashem, Chair**

House Committee on Housing  
State Capitol, Room 329  
Honolulu, Hawaii 96813

**RE: S.B. 2267, S.D.1, Proposed H.D.1, Relating to Housing**

**HEARING: Monday, March 17, 2014, at 9:00 a.m.**

Aloha Chair Hashem, Vice Chair Woodson, 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 8,300 members. HAR **support the intent** of S.B. 2267, S.D.1, Proposed H.D.1, which requires all state agencies within a half mile radius of proposed rail stations to enter into memoranda of understanding and convene working groups with HART on potential housing impacts of the rail system. Additionally, this measure provides a General Excise Tax ("GET") exemption for the development of affordable housing in mixed-use projects in location efficient locations and requires state agencies in these locations to enter into memoranda of understanding with HHFDC to develop mixed-use projects.

S.B. 2267, S.D.1, Proposed H.D.1, would encourage private sector investment and construction of housing for low and moderate-income families by creating units that are affordable to households having the lowest incomes. It would also provide opportunities to qualified investors for a variety of housing developments and allocate exemptions necessary to ensure the financial feasibility of those developments.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing, such as the Rental Housing Trust Fund. As such, this program can help expand the much needed housing opportunities for Hawaii's families struggling to make ends meet and continue to address the States unique challenges related to affordable housing and rentals.

Mahalo for the opportunity to testify.



## CATHOLIC CHARITIES HAWAII

### TESTIMONY IN SUPPORT OF SB 2267, Proposed HD1: RELATING TO HOUSING

TO: Rep. Mark Hashem, Chair; Rep. Justin Woodson, Vice Chair; and  
Members, House Committee on Housing

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: **Monday, March 17, 2014, 9:00 AM, Room 329**

Chair Hashem, Vice Chair Woodson, and Members of the committee,

Thank you for the opportunity to provide testimony in **strong support** of SB 2267, proposed HD1, to help develop affordable micro-apartments. My name is Betty Lou Larson, the Legislative Liaison for Catholic Charities Hawaii. We **strongly supports this bill to create lower-cost micro-apartment units**. We respectfully urge the committee to appropriate **\$15.8 million** toward this effort (in Part IV of this bill).

Catholic Charities Hawaii daily sees the impact of the severe lack of affordable housing on the most vulnerable in our State. Daily, we receive calls from seniors, from families, from homeless or people on the verge of losing their housing, who cannot find affordable housing. As we plan for the future, we must consider the housing needs of these lower income households.

Almost 25% of Hawaii's population are households of one person. Many of our most vulnerable citizens need rents from \$350 to \$400 that are very difficult to find without waiting long years for public housing. New creative ideas are needed to solve their housing needs.

The concept of micro units is a new pathway to house people in safety, dignity and in a small, well-designed unit. These units may range from 220 to 320 square feet. They minimally include a small bathroom, kitchen sink, refrigeration and cooking appliance, along with at least a closet or other storage space in each unit. In many high cost urban areas, micro units are popular with younger working people who want to live in the urban core and pay a lower but still market rent for these units. The estimated cost of a micro unit is half of what it costs to construct a regular "affordable" rental unit.

Our housing crisis is NOW. Hawaii has the highest rate of homelessness in the USA. Almost 75% of extremely low income households pay more than half their income for rent. Hawaii needs to build 13,000 rental units by 2016 but the market is not building affordable rentals. We must focus on this basic need to provide very vulnerable and very low income people with safe, decent and lower cost rental housing.

Funding **\$15.8 million** for the construction of micro units will encourage developers to be creative to design and build rental units that could be models for future developments.

We urge your support of this bill as you consider the long term impact of transit oriented development on our community. Thank you for your dedication to finding new solutions to create lower cost housing.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822

Phone (808)373-0356 -- [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org)

• [www.CatholicCharitiesHawaii.org](http://www.CatholicCharitiesHawaii.org)



HAWAII OPERATING ENGINEERS  
INDUSTRY STABILIZATION FUND



*Uniting our strengths and working together  
for a better tomorrow.*

Affiliated AFL-CIO  
OPPEU - 8 - AFL-CIO (8)

March 15, 2014

Honorable Mark J. Hashem, Chair  
Committee on Housing  
Hawaii State Capitol  
415 South Beretania Street, Room 326  
Honolulu, HI 96813

Dear Chair Hashem:

RE: Comments on Senate Bill 2267, SD1, Proposed HD1 – Relating to Housing

My name is Kimberly Ribellia, Government Liaison, of the Hawaii Operating Engineers Industry Stabilization Fund (HOEISF), a labor management fund representing 4000 unionized members in heavy engineering site work and 500 general contractors specializing in heavy site and vertical construction.

HOEISF supports SB 2267, SD1, Proposed HD1 which provides incentives for the development of affordable housing within transit-oriented developments, encourages further discussion between State and County agencies on housing development along the transit corridor, and provides funds for the construction of micro apartment housing units.

HOEISF supports efforts to increase the inventory of affordable housing, including workforce housing and micro apartment units, to address the shortage of housing on Oahu. The construction of the rail transit project provides a great opportunity for the State and County to focus and encourage development along the rail corridor. Government will need to continue to take an active role in setting the policy for growth and development on Oahu.

HOEISF would like to thank the committee for the opportunity to provide comments on Senate Bill 2267, SD1, Proposed HD1.

Sincerely,

A handwritten signature in cursive script that reads 'Kimberly Ribellia'.

Kimberly Ribellia  
Government Liaison  
HOEISF

**woodson1-Brina**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, March 17, 2014 8:43 AM  
**To:** HSGtestimony  
**Cc:** lisalaeha@yahoo.com  
**Subject:** Submitted testimony for SB2267 on Mar 17, 2014 09:00AM



**Follow Up Flag:** Follow up  
**Flag Status:** Flagged



**SB2267**

Submitted on: 3/17/2014  
Testimony for HSG on Mar 17, 2014 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Mitchell	Individual	Support	No

Comments: Thank U for RECOGNIZING NEED & VALUE of MICRO Units as AFFORDABLE HOUSING Development; & im looking forward to Passage of this bill. MAHALO NUI, lisa mitchell

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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**LATE**

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

**RECEIVED  
Date & Time**

Mar 17, 2014, 10:04 am

**Board of Directors**

*Howard Garval, Chair  
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Marya Grambs  
John McComas  
Robert Naniole  
Ruthann Quitiquit  
Darcie Scharfenstein  
Alan Shinn  
Laura Smith*

TO: Representative Mark Hashem, Chair  
Representative Justin Woodson, Vice Chair  
Members, Committee on Housing

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: House Committee on Housing  
**Monday, March 17, 2014 at 9:00 a.m. in Conf. Rm. 329**

**Testimony in Support of SB2267, Relating to Housing.**

Thank you for the opportunity to provide testimony in support of the proposed HD1 for SB2267, which includes an appropriation for the construction of micro apartment housing units. PHOCUSED is a coalition of health, housing, human services agencies and individual advocates committed to strengthening policies and programs to support the marginalized and underserved in Hawaii. PHOCUSED strongly supports an **appropriation of \$15.8 million for the construction of micro apartment housing.**

As a community, it is critical that we support the development of housing, which is both safe and affordable for Hawaii's residents. Currently, many Hawaii families struggle to afford just basic housing costs. According to the Corporation for Enterprise Development (CFED), over 56% of Hawaii's renters are housing-cost burdened – paying more than 1/3 of their income to housing costs – which is one of the highest percentages of cost-burdened renters in the nation. In addition, Hawaii has one of the highest rates of homelessness in the U.S., which is partly attributed to our high housing costs and lack of safe and affordable housing stock. The development of new affordable rental housing is critical to our community's ability to reduce homelessness for Hawaii's people, including our seniors and families with young children in the home.

Micro units typically range in size from 220 to about 300 square feet, and are a creative and cost-efficient new option for housing development. The estimated construction cost for a micro unit is roughly half that of the construction cost for a traditional rental unit – an estimated \$150,000 per unit vs. \$300,000 per unit. Based on this estimate, the appropriation in this bill would be enough to develop roughly 90 micro units for low-income Hawaii residents.

PHOCUSED strongly urges your support of this bill and a general fund appropriation to support the development of micro apartment housing units for Hawaii's residents. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at [admin@phocused-hawaii.org](mailto:admin@phocused-hawaii.org).