



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 FINANCE

March 31, 2014 2:00 P.M.
Room 308, Hawaii State Capitol

In consideration of

**Senate Bill 2265, Senate Draft 1, House Draft 1
Relating to Housing**

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide you with comments regarding Senate Bill (SB) 2265, Senate Draft 1 (SD1), House Draft 1 (HD1), relating to housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which would authorize the director of finance to issue general obligation bonds in the sum of \$50,000,000 or so much thereof as may be necessary for fiscal year 2014-2015 to improve the existing public housing stock and increase the supply of public housing units in the State, provided that its passage does not adversely impact priorities indicated in the Executive Supplemental Budget.

With these much needed funds, the HPHA will be able to address the extensive capital needs of the HPHA's aging housing stock. With approximately half billion (\$0.5 B) of needed capital improvements and an aging inventory, the HPHA needs this funding to repair our low-income housing properties quicker, and move more needy families into low-income public housing.

This measure will bring the HPHA one step closer to bringing its existing housing inventory up to current on its capital needs, and contribute to the 50,000 new units needed by the year 2016, that has been indicated in the 2011 Hawaii Housing Planning Study.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the agency's position regarding SB 2265, SD1, HD1. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support.



Community Alliance for Mental Health

March, 31, 2014

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To: House Committee on Finance
Re: SB 2265, SD 1, HD 1

Aloha Chair Luke and the members of the committee,

On behalf of the Community Alliance for Mental Health along with United Self Help we strongly support the passage of SB 2265, SD 1, HD 1.

The single greatest problem facing both the disabled and elderly populations of these islands is the lack of affordable housing. We know that the members of this body know this.

The only blessing in this situation is that the political necessity to address our ever increasing homeless problem has become the driving force that just might motivate the passage of SB 2265, SD 1, HD 1.

Year by year it is becoming more evident that far too many of our citizens have not adequately provided for themselves in their retirement. These citizens too will turn toward Public Housing hoping for a place they can live on their meager nest egg.

Like long term care this is a subject too few lawmakers are willing to address. The reason for that is simple, they can't find a solution. Fortunately the plight of our most vulnerable population is forcing us to face the problem head on.

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BIA-HAWAII

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TESTIMONY TO THE HOUSE COMMITTEE ON HOUSING

Monday, March 31, 2014

2:00 p.m.

State Capitol - Room 308

RE: S.B. 2265, S.D. 1, H.D. 1, RELATING TO HOUSING

Dear Chair Luke, Vice-Chairs Nishimoto and Johanson, and members of the Committee:

My name is Gladys Marrone, Government Relations Director for the Building Industry Association of Hawaii (BIA-Hawaii), the Voice of the Construction Industry. We promote our members through advocacy and education, and provide community outreach programs to enhance the quality of life for the people of Hawaii. BIA-Hawaii is a not-for-profit professional trade organization chartered in 1955 and affiliated with the National Association of Home Builders.

BIA-HAWAII **supports** S.B. 2265 S.D. 1, H.D. 1, which proposes to authorize the issuance of \$50,000,000 in general obligation bonds to improve the existing public housing stock and increase the supply of public housing units in the State.

Additionally, we recommend the Legislature consider other alternatives or non-traditional ways to fund affordable housing projects, such as allowing for revenue generating uses on portions of an affordable housing project. Section §201H-44 Hawaii Revised Statutes (HRS), currently provides for commercial, industrial, and other uses in connection with the development of any dwelling units. The Hawaii Housing Finance and Development Corporation (HHFDC) may also develop commercial, industrial, and other properties if it determines that the uses can be an integral part of the development. HHFDC may also designate any portions of the development for commercial, industrial, or other use and shall have all the powers granted under this chapter with respect thereto, including the power to bypass statutes, ordinances, charter provisions, and rules of any government agency pursuant to section Ch. 201H-38, HRS.

Bundling commercial or other revenue generating parcels in the 201H process allows for private developers to recoup funds that normally would have been provided by the traditional Low-Income Housing Tax Credit or HHFDC funds. The concept is to have the commercial or revenue properties generate lease rents that would allow private investors to recoup their investment in the affordable housing component of the project over time. It probably will not work in all situations and success will be dependent on the location and market conditions; however, it does provide another potential funding source to assist in the development of affordable housing projects in Hawaii. Chapter 201H, HRS, will probably need to be amended to clarify how the concept could be implemented in an appropriate project.

We appreciate the opportunity to share with you our views.