

SB2267

Measure Title: RELATING TO HOUSING.

Report Title: Hawaii Housing Finance and Development Corporation;
Appropriation; Micro Apartment Housing Units (\$)

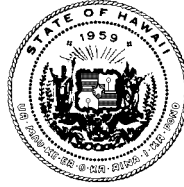
Description: Making an appropriation for the construction of micro apartment
housing units.

Companion:

Package: Housing and Homeless Legislative Package

Current Referral: HMS, WAM

Introducer(s): CHUN OAKLAND, IHARA, Ruderman



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

January 24, 2014

TO: The Honorable Senator Chun Oakland, Chair, and the Honorable Senator
Josh Green, Vice Chair, Senate Committee on Human Services

FROM: Colin Kippen, State Homelessness Coordinator and Chair of the Hawaii
Interagency Council on Homelessness

SUBJECT: SB 2267 Relating to Housing

Hearing: Saturday, January 25, 2014
Conference Room 229, State Capitol

POSITION OF WITNESS: IN SUPPORT.

I am the Homelessness Coordinator for the State, the Chair of the Hawaii Interagency Council on Homelessness, and I support this bill to the extent it does not conflict with the Administration's overall budget and policy requests to the Hawaii State legislature.

The bill would authorize an appropriation of funds to the rental housing trust fund to build affordable micro apartment units.

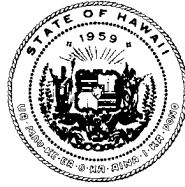
Given the substantial shortage of the supply of affordable housing in Hawaii, this proposal will help to address this shortfall and foster new and creative ideas to enable more affordable housing units to be built.

Over the last year, affordable housing advocates and I have been working with students at the graduate school of architecture at the University of Hawaii to design micro apartment units that would be functional, desirable, and less expensive to build. That work is a catalyst for future designs, and is a platform upon which architects, planners, developers, affordable housing developers, and government can collaborate to build and develop more affordable housing.

Micro-units are the rage in New York City, Seattle, and San Francisco and if built, these units would be an innovative approach to reducing construction costs and the rents required to pay the debt service and to maintain these buildings over time.

Thank you for allowing me to testify and for hearing and considering this testimony.

NEIL ABERCROMBIE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

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

SENATE COMMITTEE ON HUMAN SERVICES

January 25, 2014 at 10:00 a.m.
State Capitol, Room 229

In consideration of
S.B. 2267
RELATING TO HOUSING.

The HHFDC **supports** S.B. 2267, provided that its passage does not replace or adversely impact priorities indicated in the Executive Supplemental Budget. S.B. 2267 appropriates \$15.8 million in General Funds for the construction of micro apartment housing units.

We believe that micro apartments can address the permanent housing needs of very low income households at a more efficient cost. The average per unit construction cost for constructing a rental unit is currently \$300,000. Micro apartments are projected to cost \$150,000 per unit. Therefore, the proposed appropriation amount could support the development of 90 micro apartments.

Thank you for the opportunity to testify.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 2267: RELATING TO HOUSING

TO: Senator Suzanne Chun Oakland, Chair; Senator Josh Green, M.D., Vice Chair, and Members, Committee on Human Services

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

Hearing: Saturday, 1/25/14; 10:00 AM; CR 229

Chair Chun Oakland, Vice Chair Green, and Members, Committee on Human Services:

Thank you for the opportunity to testify on SB 2267, which appropriates \$15.8 million for the construction of micro apartment housing units. I am Betty Lou Larson, Legislative Liaison for Catholic Charities Hawaii. Catholic Charities Hawaii **strongly supports** this new concept to create very affordable rental units in Hawaii.

Seniors on SSI with incomes under \$800, young working people, single homeless and very low income small families cannot even afford the rents of \$600+ in “affordable housing projects”. They need rents from \$350 to \$400 or lower that are very difficult to find without waiting long years for public housing. Catholic Charities Hawaii sees hundreds of seniors each year who are facing homelessness and who need a very low cost rental. 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, dignity and in a small, well-designed unit. These units may range from 220 to about 300 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. 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.

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.



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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 2267
Relating to Housing
Scheduled for Hearing Saturday, January 25, 2014, 10:00 AM, Room 229

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.

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 the allocation of the proposed **\$15.8 million**, or a larger sum. 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.

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, as well as cities such as Portland, Oregon 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 appropriating state funds for the creation of micro-apartments.

TESTIMONY ON SB 2542 RELATING TO THE DISPOSITION OF THE CONVEYANCE TAX COLLECTIONS TO THE RENTAL HOUSING TRUST FUND, SB 2267 RELATING TO HOUSING, SB 2442 RELATING TO AFFORDABLE HOUSING, SB 2266 RELATING TO HOUSING, SB 2265 RELATING TO HOUSING, SB 2545 RELATING TO UNIVERSAL CHILDREN'S SAVING ACCOUNTS, SB 2544 RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY'S ADMINISTRATION OF THE FEDERAL HOUSING CHOICE VOUCHER PROGRAM, SB 2534 RELATING TO HOMELESSNESS, SB 2337 RELATING TO LOW-INCOME HOUSING, SB 2395 RELATING TO HOMELESS, AND SB 2286 RELATING TO HOMELESSNESS BEFORE THE SENATE COMMITTEE ON HUMAN SERVICES

January 25, 2014

10:00 AM

Conference Rm. 229

Aloha Chair Chun Oakland, Vice-Chair Green, and members of the Senate Committee on Human Services, **my name is Stephen Morse. I am the Executive Director of Blueprint for Change (BFC) and am here today to support Senate Bills 2542, 2267, 2442, 2266, 2265, 2545, 2544, 2534, 2337, 2395, and 2286, all of which are part of the Housing and Homeless Legislative Package.**

Members, for the record, BFC is the fiscal, technical, and administrative support entity for five Neighborhood Place centers statewide that provide support and strengthening services to families at risk of child abuse and neglect under a POS contract with the Department of Human Services. Our Neighborhood Place programs are unique among CAN prevention programs for two reasons: (1) they are community-based and are located in communities where families are at high risk of child abuse and neglect; and (2) they are the only programs where children and families at risk of child abuse and neglect can get services without a referral or appointment and by simply knocking on the door.

We find that one of the biggest risk factors for child neglect in the families we serve is that they are homeless, homeless-at-risk, or living in unstable, overcrowded living conditions. In many cases, these families are also mired in other socioeconomic problems, such as unemployment and low incomes, substance abuse, and chronic health problems, but studies show that the key to helping these families break the cycle of poverty starts with providing them stable housing. Without stable housing, these families live transient lifestyles that make it hard for them to focus on problem-solving. It also makes it extremely difficult for prevention/diversion programs such as our Neighborhood Places to help provide the sustained, support services these families need to break the cycle, because they are always on the move.

If we are going to break the cycle and prevent the generational neglect of children within these families, we need to support housing programs and the development of low-income and affordable housing such as those proposed in the Senate Bills that are before this Committee today.

Aloha and Mahalo for allowing us the opportunity to testify this afternoon.

SB2267

Submitted on: 1/22/2014

Testimony for HMS on Jan 25, 2014 10:00AM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No