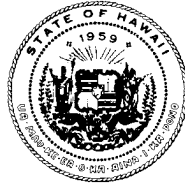


NEIL ABERCROMBIE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**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

**SENATE COMMITTEE ON WAYS AND MEANS**

February 5, 2014 at 10:30 a.m.  
State Capitol, Room 211

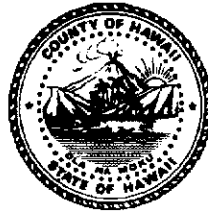
In consideration of  
**S.B. 2267**  
**RELATING TO HOUSING.**

The HHFDC **supports** S.B. 2267, provided that its passage does not replace or adversely impact priorities indicated in the Executive Supplemental Budget.

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.

Thank you for the opportunity to provide written comments in support of this bill.

William P. Kenoi  
Mayor



Stephen J. Arnett  
Housing Administrator

Susan K. Akiyama  
Assistant Housing Administrator

## County of Hawai'i

### Office of Housing and Community Development

50 Wailuku Drive • Hilo, Hawai'i 96720 • (808) 961-8379 • Fax (808) 961-8685  
KONA: 74-5044 Ane Keohokalole Highway • Kailua-Kona, Hawai'i 96740  
(808) 323-4305 • Fax (808) 323-4301

February 4, 2014

The Honorable Senator David Y. Ige, Chair  
The Honorable Michelle N. Kidani, Vice Chair  
and Committee Members  
Committee on Ways and Means

Twenty-Seventh Legislature  
Regular Session of 2014

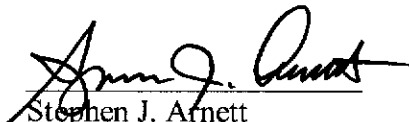
**SUBJECT: Senate Bill 2267**  
**Hearing Date: 02/05/2014**  
**Time: 10:30 AM**  
**Conference Room: 211**

The Office of Housing and Community Development (OHCD) **supports** Senate Bill 2267.

The OHCD supports the \$15,800,000 in funding to create micro apartments to create lower cost affordable units. Rent has increased by more than 45% since 2005 and Hawai'i rents exceed the national median by over 70%. Hawai'i needs 13,000 rental units by 2016 for households at 80% of Area Median Income (AMI) or below.

The OHCD urges the Legislature to realize the need for such strategies to support the availability of affordable housing and programs for the homeless. The OHCD supports the \$15,800,000 in proposed funding in Senate Bill 2267 to address the increasing need of affordable housing.

The OHCD asks that you support affordable housing and support Senate Bill 2267. Thank you for your careful consideration of the positive impacts of this bill.

  
Stephen J. Arnett  
Housing Administrator



## CATHOLIC CHARITIES HAWAII

### COMMENTS -- IN SUPPORT OF SB 2267: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair; Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

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

**Hearing: Wednesday, 2/5/14; 10:30 AM; Room 211**

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Mean:

Thank you for the opportunity to comment 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.

81% of homeless are single individuals. Almost 25% of Hawaii's population are households of one person. Many seniors (especially those on SSI with incomes under \$800), 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. 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  
Senate Committee on Ways and Means  
Scheduled for decision-making Wednesday, February 5, 2014, 10:30 AM, Room 211

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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 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.



**PARTNERS IN CARE**  
**Oahu's Coalition of Homeless Providers**

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*Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together to end homelessness. We believe that partnerships and collaboration are essential.*

**COMMENTS IN SUPPORT OF SB 2267: RELATING TO HOUSING**

**TO:** Senator David Y. Ige, Chair; Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

**FROM:** Peter K. Mattoon, Partners in Care, Co-Chair of Advocacy Committee

**Hearing:** **Wednesday, 2/5/14; 10:30 AM; Room 211**

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Mean:

Thank you for the opportunity to comment on SB 2267, which appropriates \$15.8 million for the construction of micro apartment housing units. I am Peter Mattoon, Partners In Care Advocacy Committee Co-Chair. Partners In Care **strongly supports this bill and the creation of lower cost micro rental units.**

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.

81% of homeless are single persons. Almost 25% 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. 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.

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.

Contact PIC Advocacy Co-Chairs: Jenny Lee, [jenny@hiappleseed.org](mailto:jenny@hiappleseed.org), 587-7605; Peter Mattoon, [peter.mattoon@catholiccharitieshawaii.org](mailto:peter.mattoon@catholiccharitieshawaii.org), 527-4745; or Betty Lou Larson, [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org); 585-6983/ 373-0356.

PARTNERS IN CARE c/o Aloha United Way  
200 North Vineyard • Suite 700 • Honolulu, Hawaii 96817

Contact PIC Advocacy Co-Chairs: Jenny Lee, [jenny@hiappleseed.org](mailto:jenny@hiappleseed.org), 587-7605; Peter Mattoon, [peter.mattoon@catholiccharitieshawaii](mailto:peter.mattoon@catholiccharitieshawaii), 527-4745; or Betty Lou Larson, [bettylou.larson@catholiccharitieshawaii](mailto:bettylou.larson@catholiccharitieshawaii); 585-6983/ 373-0356.

PARTNERS IN CARE c/o Aloha United Way  
200 North Vineyard • Suite 700 • Honolulu, Hawaii 96817

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WAM Testimony](#)  
**Cc:** [KehaulaniLum@Ameritech.net](mailto:KehaulaniLum@Ameritech.net)  
**Subject:** Submitted testimony for SB2267 on Feb 5, 2014 10:30AM  
**Date:** Tuesday, February 04, 2014 9:32:33 AM

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**SB2267**

Submitted on: 2/4/2014

Testimony for WAM on Feb 5, 2014 10:30AM in Conference Room 211

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Kehaulani	Individual	Support	No

Comments: Aloha and Mahalo nui loa for your concern for this vital issue. SB 2267 is not only sound policy, it is also the practice of Aloha. Please approve this measure so that we may ensure the well-being of all of the residents of Hawai'i Nei. Mahalo, Kehaulani Lum

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.

Do not reply to this email. This inbox is not monitored. For assistance please email [webmaster@capitol.hawaii.gov](mailto:webmaster@capitol.hawaii.gov)



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

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**TO:** Senator David Y. Ige, Chair  
Senator Michelle N. Kidani, Vice Chair  
Members, Committee on Human Services

**FROM:** Scott Morishige, Executive Director, PHOCUSED

**HEARING:** Senate Committee on Ways & Means  
**Wednesday, February 5, 2014 at 10:30 a.m. in Conf. Rm. 211**

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

Thank you for the opportunity to provide testimony in support of SB2267, which makes 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 purposes described in this bill.

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).



# Community Alliance for Mental Health

February, 5, 2014

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Gina Hungerford

To: Senate Ways & Means Committee  
Re: SB 2267

To: Senator Ige and the members of the committee,

Aloha,

On behalf of the Community Alliance for Mental Health along with United Self Help we strongly support the passage of SB 2267.

The passage of SB 2267 appears to be the most cost efficient method of addressing not only our homeless problem in general but it will prove to be an intricate part in our states health care transformation.

When considering our habitual homeless we must consider the fact that up to %85 of those suffer from either addiction, mental illness, or they are co-occurring disorders.

These folks bounce from the hospital ward to jail and when they get sick they inevitably use the Emergency Room for their primary care. For the taxpayer this is the single most inefficient way anyone can live their life.

For them though there is no other way. They are homeless. It's hard to honestly complain though. It is a proven fact that one cannot begin recovery from the street. You need a bed, alarm clock, telephone and an answering machine. You need a shower and laundry facilities.

You need all those things to get to a day treatment program, school, or a job interview. Without these things first you simply cannot accomplish any of the latter.

It is vastly important that this be understood. Up until now we as a people have been behaving penny wise and pound foolish. For any of our most vulnerable population to accomplish the goals that they desire and society expects housing hast to come first and after long investigation micro-units are the cheapest, fastest, and most humane option we have yet seen.

Scott Wall  
VP/Legislative Advocate  
Community Alliance for Mental Health

**LATE**



## Testimony in Support of SB 2267: Relating To Housing

**TO:** Senator David Y. Ige, Chair; Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

**FROM:** Bruce Keaulani, Kahu/Chief Executive Officer, Living Life Source Foundation

**Hearing:** **Wednesday, 2/5/14; 10:30 AM; Room 211**

Aloha Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Mean:

Mahalo nui loa for your vision and for this opportunity to present my testimony in strong support of SB 2267, which appropriates \$15.8 million for the construction of micro apartment housing units. I am Bruce Keaulani, Kahu and CEO of Living Life Source Foundation. Living Life Source Foundation strongly supports this innovative concept to create affordable rental units in Hawai`i Nei.

As a Native Hawaiian traditional practitioner, I believe that a safe, loving and decent home, or the lack thereof, is intimately and directly connected to one's health and well-being. With a practice centered on the traditional spirit of Aloha, in all of its manifestations, Living Life Source Foundation is a 501(c)(3) which seeks to restore a system of living which creates a life of greater meaning, purpose, and freedom, with reverence for each other and our natural environments. We educate people of Hawai`i, as well as visitors, to become self-reliant and sustainable, through traditional Hawaiian healing practices, such as ho`oponopono, lomilomi, la`au lapa`au, la`au kahea, as well as Western and Eastern peace-based methodologies. We are a modern Hawaiian pu`uhonua (safe place), where keiki to kūpuna come for education, wellness and healing through the practice and perpetuation of Aloha. Each year, we touch over 1,000 people from all sectors of society, many of whom are either homeless or members of a community that is severely at-risk of becoming so. The challenges of offering lasting and meaningful kokua to those in need are extremely heightened by the daily instability caused by access to affordable housing.

Families and individuals who lack safe and decent places to live are our most vulnerable group. We are particularly concerned with ensuring that kupuna, keiki and `ohana are protected, and that through holistic and intentional purpose, their needs, struggles and brilliant possibilities are supported.

There is no question that we are in a housing crisis. But, as a result, we are also in a health crisis. This measure funds \$15.8 million for the construction of micro units and will stimulate creative designs for urban, rural and agricultural living. Moreover, the mindful compassion inherent in its vision will reverberate across the islands and demonstrate to the world that we

are, indeed, the Islands of Aloha. Please support this bill and the healing remedy that it provides. Mahalo nui loa.



**From:** [marypat](#)  
**To:** [WAM Testimony](#)  
**Subject:** SB 2267  
**Date:** Tuesday, February 04, 2014 5:58:38 PM

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Mental Health America of Hawaii is in strong support of building micro-units for the homeless who are often mentally ill. Affordable housing is in such short supply in Hawaii and this model could have such an impact for the homeless.

Sent from my iPad