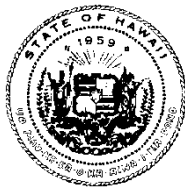


NEIL ABERCROMBIE
GOVERNOR



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

February 19, 2014 9:10 A.M.
Room 211, Hawaii State Capitol

In consideration of

Senate Bill 2533
Relating to Affordable Housing

Honorable Chair Ige, and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) 2533, relating to affordable housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which would appropriate out of the general revenues of the State of Hawaii 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 to 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 Senate Committee on Ways and Means with the agency's position regarding S.B. 2533. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support.



**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

P. O. BOX 1879
HONOLULU, HAWAII 96805

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

SB 2533, RELATING TO AFFORDABLE HOUSING

February 19, 2014

Chair Ige, Vice-Chair Kidani, and Members of the Committees:

The Department of Hawaiian Home Lands (DHHL) supports the general intent of this bill which aims to address Hawaii's shortage of affordable housing, and specifically supports Part VI which appropriates general funds to construct housing for beneficiaries on homestead lands.

DHHL welcomes this source of revenue to support the department's efforts to place native Hawaiian families on the home lands. In consideration of the limited general funds appropriated to the department, the conclusion of the Act 14 settlement payments, and the uncertainty of continued federal funds, the passage of this measure with an appropriation for DHHL will help expedite the construction of homes for native Hawaiian families.

Thank you for your consideration of our testimony.

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2533

February 19, 2014

RELATING TO AFFORDABLE HOUSING

Senate Bill No. 2533 authorizes, among other things, the issuance of \$220,000,000 of general obligation bonds, and the appropriation of \$100,000,000 to be deposited into the rental housing trust fund and \$120,000,000 to be deposited into the dwelling unit revolving fund, for the purposes of financing affordable rental housing development and infrastructure development.

The Department has technical comments on this bill. Federal tax law requires, among other things, that tax-exempt general obligation bond proceeds be used to finance projects/programs that serve public purposes. As private entities will derive the benefit from this legislation, tax-exempt general obligation bonds cannot be used for this purpose. The State would need to issue taxable general obligation bonds at a higher cost in order to fund the rental housing trust fund and dwelling unit revolving fund.

In addition, as funding for these programs is not in the proposed Executive Budget, should this bill proceed or pass the Legislature, an amount for the corresponding annual debt service will need to be included in the Legislature's version of the budget.

Thank you for the opportunity to provide our testimony on this bill.



CATHOLIC CHARITIES HAWAII

COMMENTS IN SUPPORT OF SB 2533: RELATING TO AFFORDABLE 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, 2/19/14; 9:10 AM; CR 211

Chair Ige, Vice Chair Kidani, and Members, Ways and Means Committee:

Thank you for the opportunity to strongly support SB 2533, which appropriates funds to increase the existing public housing stock in the State. I am Betty Lou Larson, Legislative Liaison for Catholic Charities Hawaii. **Catholic Charities Hawaii strongly supports:**

Part III: \$100 million to the Rental Housing Trust Fund (RHTF): The Trust Fund is a critical tool in the State's efforts to promote the creation of new affordable rental housing inventory. As of June 30, 2013, **4,567 affordable rental units statewide** have been created with the assistance of the RHTF and other leveraged funding. This is an effective system to create housing with the capacity to utilize \$100 million. In fact, in 2013, \$70.4 million in project requests were received by the RHTF. Through its competitive process it can assist affordable rental projects on all islands. Housing is also an economic driver; the \$20.7 million awarded to 4 projects in FY 12, will leverage \$70,352,124 in overall development costs, creating 213 direct construction jobs and 500 indirect jobs. \$100 million to the Trust Fund will create about **600 affordable units**.

Part V: \$15.8 million for the construction of micro apartment 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. The market is not building affordable rentals. With a growing and improving economy, we must focus on how to create rental housing. Very low rents are needed by seniors on SSI with incomes under \$800, young working people, single homeless, small families, etc. 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. Units may range from 220 to about 300 square feet. They minimally include a small bathroom, kitchen sink, refrigeration and cooking appliance, and some storage space. The estimated cost of a micro unit is half of what it costs to construct a regular "affordable" rental unit.

We urge your support of this bill to provide a legacy of housing for generations to come, and to fund this economic driver to help keep the State's economy improving.



**Board of Directors**

Sherry Broder, Esq.
David Derauf, M.D.
Naomi C. Fujimoto, Esq.
Patrick Gardner, Esq.
John H. Johnson
Nathan Nelson, Esq.
David J. Reber, Esq.

Executive Director

Victor Geminiani, Esq.

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 2533 Relating to Housing
Senate Committee on Ways and Means
Hearing Scheduled for Wednesday, February 19, 2014, 9:10 AM, Room 211

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 2533, which would fund the Rental Housing Trust Fund and Dwelling Unit Revolving Fund, as well as micro-apartments, housing for beneficiaries of homestead lands, and veterans housing. While all of the sections in this bill are important ways to address our affordable housing crisis, Hawai'i Appleseed would like to emphasize its strong support for **\$100 million** in funding for the **Rental Housing Trust Fund**, and **\$15.8 million** for **micro-apartments**, which can serve a variety of populations in critical need. Because modern micro-apartments are an innovative model, subsidies for their development are particularly important to demonstrate outcomes, especially potential cost reduction.

Hawai'i's severe affordable housing shortage places an immense strain on lower-income households. Our cost of shelter is the highest in the nation, and about 75 percent of extremely low-income households spend more than half their income on housing. The consequences of this shortage are clear: Hawai'i has the highest rate of homelessness among the states, and without adequate affordable housing, this crisis will only continue to worsen.

We strongly support increased funding for the Rental Housing Trust Fund, which is a major tool for the development of affordable housing and has created 4,567 rental units that would otherwise not be financially viable. It is the only fund that mandates units at rents affordable to those earning 30 percent or less of median income—the population at greatest risk of homelessness—and creates public-private partnerships that function as economic drivers. However, the Trust Fund is not able to fund many qualified projects due to lack of funds.

Micro-apartments are one way to potentially help its dollars stretch farther. These 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, easily replicable floor plans, and simpler construction methods. They also meet the needs of groups who are underserved by current affordable housing efforts. Out of the state's general population, almost one out of four households are composed of one occupant, and 81 percent of people experiencing homelessness are single. Micro-apartments work for a wide variety of populations: elders, students, youth transitioning out of foster care, young professionals starting their careers, and people experiencing homelessness, 81 percent of whom are single individuals. Micro-units 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.

Hawai'i's lack of affordable housing and resulting rates of homelessness form a social crisis that the state must address. Meanwhile, the shortfall is only worsening. An allocation of \$100 million toward the Rental Housing Trust Fund will create hundreds of new affordable rental units, and micro-apartments have the potential to bring the cost per unit down. Again, thank you for the opportunity to testify in strong support of SB 2533.

February 19, 2014

The Honorable David Y. Ige, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: S.B. 2533, Relating to Affordable Housing

HEARING: Wednesday, February 19, 2014, at 9:00 a.m.

Aloha Chair Ige, Vice Chair Kidani, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, offering **comments** on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 8,300 members. HAR **supports** S.B. 2533, which appropriates funds to improve and increase the existing public housing stock in the State, authorizes the issuance of general obligation bonds and the appropriation of funds for deposit into the rental housing trust fund and the dwelling unit revolving fund to finance affordable rental housing development and infrastructure development, appropriates funds for the construction of micro apartment housing units, appropriates funds to build housing for beneficiaries on homestead land, and appropriates funds to build affordable housing projects for veterans.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Trust Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

HAR believe this program can help expand the much needed housing opportunities for Hawaii's families struggling to make ends meet. HAR believes these efforts should continue to address the States unique challenges related to affordable housing and rentals.

Mahalo for the opportunity to offer comments.



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

Board of Directors

Howard Garval, Chair
Nanci Kreidman, Vice Chair
Joanne Lundstrom, Vice Chair
Jerry Rauckhorst, Treasurer
Liz Chun, Secretary
Susan Chandler
Jan Dill
Victor Geminiani
Auli'i George
Marya Grambs
John McComas
Robert Naniole
Ruthann Quitiquit
Darcie Scharfenstein
Alan Shinn
Laura Smith

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

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: Senate Committee on Ways & Means
Wednesday, February 19, 2014 at 9:10 a.m. in Conf. Rm. 211

Testimony in Support of SB2533, Relating to Affordable Housing.

Thank you for the opportunity to provide testimony in regards to **SB2533**, which appropriates funds to support the development of affordable housing in Hawaii. 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. In particular, we **strongly support** Parts III and V of this bill respectively.

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 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.

Part III of this bill would appropriate \$100 million to the Rental Housing Trust Fund (RHTF). The RHTF has a proven record of creating new affordable rental units in Hawaii. As of June 30, 2013, **4,567 rental units** had been created with the assistance of the RHTF and other leveraged funding. An appropriation of \$100 million to the RHTF would create an estimated **600 new affordable units** for Hawaii renters.

Part V of this bill would appropriate **\$15.8 million for the construction of micro apartment units**. Micro units may range 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.

Once again, PHOCUSED strongly urges your support of SB2533 and the appropriations detailed in Parts III and V of this bill. We appreciate the opportunity to provide testimony.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB2533 on Feb 19, 2014 09:10AM*
Date: Sunday, February 16, 2014 9:39:36 AM

SB2533

Submitted on: 2/16/2014

Testimony for WAM on Feb 19, 2014 09:10AM in Conference Room 211

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

Comments:

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