

**HB 1354**

TESTIMONY BY WESLEY K. MACHIDA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON HOUSING  
ON  
HOUSE BILL NO. 1354

February 9, 2015  
8:30 A.M.

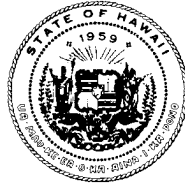
RELATING TO HOUSING

House Bill No. 1354 authorizes, among other things, the issuance of general obligation bonds and the appropriation of funds to 1) improve and increase the existing public housing stock, and 2) deposit into the Rental Housing Trust Fund and the Dwelling Unit Revolving Fund to finance 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 it appears that private entities will derive 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 addition, as funding for these projects/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.



**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**

February 9, 2015 at 8:30 a.m.  
State Capitol, Room 329

In consideration of  
**H.B. 1354**  
**RELATING TO HOUSING.**

HHFDC **supports** Parts III, IV, V, and VII of H.B. 1354, provided that its passage does not replace or adversely impact priorities set forth in the Executive Biennium budget. We defer to the appropriate department or agency on the remainder of this bill.

Part III of this bill appropriates an unspecified amount of General Obligation Bond funds in Fiscal Year 2015-2016 for deposit into the Rental Housing Trust Fund (RHTF). We also note that the Governor has submitted a request for \$100 million in General Obligation Bond funds in Fiscal Year 2015-2016 for deposit into the RHTF. An additional \$100 million for the RHTF would help to finance the development of approximately 800 permanent affordable workforce rental units and would provide an economic stimulus by creating 266 to 359 direct construction jobs and 670 to 714 indirect jobs, depending on the type of project being developed.

Part IV of this bill appropriates an unspecified amount of General Obligation Bond funds in Fiscal Year 2015-2016 for deposit into the Dwelling Unit Revolving Fund. DURF is primarily used for interim and permanent loans, and can be used to finance the development of off-site infrastructure for affordable housing projects. Additional funding for DURF would allow HHFDC to increase the amount of DURF loans.

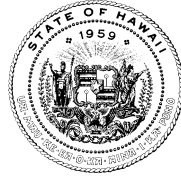
Part V of this bill appropriates an unspecified amount of General Funds to HHFDC in both FY 2015-2016 and Fiscal Year 2016-2017 for the construction of micro apartment housing units. These funds could be used to finance the development of a micro apartment project located in Kakaako at 630 Cooke Street.

Part VII of this bill appropriates an unspecified amount of General Funds to HHFDC to build affordable housing projects for veterans. HHFDC concurs that this population is in need of affordable housing, and has worked with our private sector partners to finance the development of projects such as Hale Uhiwai Nalu, which currently houses veterans in Kalaeloa as well as provides them with wrap-around services they need.

Thank you for the opportunity to testify.

DAVID Y. IGE  
GOVERNOR  
STATE OF HAWAII

SHAN S. TSUTSUI  
LT. GOVERNOR  
STATE OF HAWAII



JOBIE M. K. MASAGATANI  
CHAIRMAN  
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.  
DEPUTY TO THE CHAIRMAN

**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 HOUSE COMMITTEE ON HOUSING  
IN **SUPPORT** OF

**HB 1354, RELATING TO HOUSING**

February 9, 2015

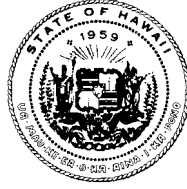
Chair Hashem, Vice-Chair Jordan, and Members of the Committee:

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.

DAVID Y. IGE  
GOVERNOR



RACHAEL WONG, DrPH  
DIRECTOR

PANKAJ BHANOT  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P.O. Box 339  
Honolulu, Hawaii 96809-0339

COLIN KIPPEN

- Chair of the Hawaii Interagency Council on Homelessness •
  - State Coordinator on Homelessness •
- Telephone 808 586-0974

February 8, 2015

**MEMORANDUM**

TO: The Honorable Mark J. Hashem, Chair  
House Committee on Housing

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

SUBJECT: **H.B. 1354 – RELATING TO HOUSING**

Hearing: Monday, February 9, 2015; 8:30 a.m.  
Conference Room 329; State Capitol

**PURPOSE:** H.B. 1354 authorizes the issuance of general obligation bonds and 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. Appropriates funds to build affordable housing projects for veterans.

**POSITION:** I **support** the intent with comments.

I am Colin Kippen and am the State Homeless Coordinator and Chair of the Hawaii Interagency Council on Homelessness.

I agree with the statement that we have a vital need for more affordable rental housing in Hawaii, and the implied statement that there is a nexus between the lack of affordable housing, the high cost of available rental housing, and homelessness. It goes without saying that high rental costs put many people at jeopardy for becoming homeless. If they are now homeless, high rental costs make it very difficult for them to find a place to rent and to have enough money to live.

To the extent not inconsistent with the budget proffered by the Administration, I **support** the call for increased funding to build more affordable housing.

I recommend that the committee consider including criteria that will require publicly funded housing to maintain an inventory of units that will be available for those with incomes at or below 30 % of area median income, maintain a similar inventory of units for those who are homeless, and include a priority preference to individuals or families who are homeless.

If we are to end homelessness, we must have places that people with this level of resources can afford to live and we must make it a priority for them to be housed.

I thank you for the opportunity to testify.

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**Testimony to the House Committee on Housing**  
**Monday, February 9, 2015**  
**8:30 a.m.**

**State Capitol - Conference Room 329**

**RE: HOUSE BILL NO. 1354 RELATING TO HOUSING**

Dear Chair Hashem, Vice-Chair Jordan, and members of the Committee:

My name is Gladys Marrone, Chief Executive Officer 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** the intent of H.B. 1354, which proposes to:

1. Appropriate funds to improve the existing public housing stock and increase the supply of public housing units in the State;
2. Authorize the issuance of general obligation bonds and appropriate the funds for deposit into the rental housing trust fund to finance affordable rental housing development;
3. Authorize the issuance of general obligation bonds and appropriate the funds for deposit into the dwelling unit revolving fund for the development of infrastructure and improvements of on-site and off-site development;
4. Appropriate funds for the construction of micro apartment housing units;
5. Appropriate funds for the construction of housing for native Hawaiian beneficiaries;
6. Appropriate funds for the construction of affordable housing projects for veterans; and

BIA-Hawaii strongly **supports** the need to provide government assistance to develop housing units for the 80% AMI and below income group. The economics associated with developing these units require some type of government assistance. Due to the cost of land and development, the private sector is unable meet these price points without government assistance.

BIA-Hawaii also suggests that the Legislature expand its efforts by creating "incentives" for development of more units at all price points above the 80% and below AMI. Incentives could include some of the following:

- Up-zoning or density bonuses for existing urbanized properties;
- Improving the land use entitlement process to encourage development of housing units for certain targeted price points (i.e. 80% to 140% of AMI);
- Invest in regional infrastructure capacity building in areas identified for growth, and allow for small and medium size developers to enter the market to increase competition.

Addressing only one segment of the housing market is not the answer. A healthy housing market allows for people to "step up" into units that better accommodate their families and as their income improves. Without more inventory at all price points, there will be nothing for people to "step up" to.



Honorable Mark J. Hashem, Chair  
House Committee on Housing  
February 9, 2015  
H.B. 1354  
Testimony of BIA-Hawaii

Allowing families to “step up” will also allow other first time home buyers to purchase that entry level unit.

Thank you for the opportunity to express our views on this matter.



**Testimony to the House Committee on Housing  
Monday, February 9, 2015 at 8:30 A.M.  
Conference Room 329, State Capitol**

**RE: HOUSE BILL 1354 RELATING TO HOUSING**

Chair Hashem, Vice Chair Jordan, and Members of the Committee:

The Chamber **supports** the intent of HB 1354, which authorizes the issuance of general obligation bonds and appropriates funds to improve and increase the existing public housing stock in the State. Further 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. Also appropriates funds for the construction of micro apartment housing units and appropriates funds to build housing for beneficiaries on homestead land and appropriates funds to build affordable housing projects for veterans.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state’s economic climate and to foster positive action on issues of common concern.

The Chamber strongly **supports** the need to provide government assistance to develop housing units for the 80% AMI and below income group. The economics associated with developing units for people in this income group and below require some type of government assistance. The private sector is unable to provide units at these price points without government assistance.

The Chamber also suggests that the Legislature expand its efforts by creating “incentives” for development of more units at all price points above the 80% and below AMI. Incentives could include some of the following:

- Up-zoning or density bonuses for existing urbanized properties;
- Improving the land use entitlement process to encourage development of housing units for certain targeted price points (i.e. 80% to 140% of AMI);
- Invest in regional infrastructure capacity building in areas identified for growth, and allow for small and medium size developers to enter the market to increase competition.

Addressing only one segment of the housing market is not the answer. A healthy housing market allows for people to “Step Up” into other units as their family and economic situation improves. Without increasing the overall supply of housing at all price points, people will be



# Chamber *of* Commerce HAWAII

*The Voice of Business*

unable to “step up” into other housing units. Allowing families to “step up” into other units will also allow other first time home buyers to purchase the sellers entry level unit.

Thank you for the opportunity to express our views on this matter.



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

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TO: Representative Mark J. Hashem, Chair  
Representative Jo Jordan, Vice Chair  
Members, Committee on Housing

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: House Committee on Housing  
**Monday, February 9, 2015 at 8:30 a.m. in Conf. Rm. 329**

**Testimony in Support of HB1354, Relating to Housing**

Thank you for the opportunity to provide testimony in **strong support** of HB1354, which appropriates funding for a range of critical programs to address Hawaii's affordable housing crisis. PHOCUSED is a nonprofit membership and advocacy organization that works together with community stakeholders to impact program and policy change for the most vulnerable in our community, such as the homeless.

Since March 2014, PHOCUSED has surveyed 2,200+ homeless individuals and families across Oahu to assess their level of need and determine appropriate interventions. Based on our survey data, **over a quarter (26%, or 570 homeless households) indicate a need simply for affordable housing** – meaning that they do not require case management or intensive social services, but would be able to successfully transition to stable housing if affordable rental options were available. HB1354 includes a number of components that will strengthen Hawaii's ability to develop truly affordable housing for the most vulnerable and low-income in our community.

In particular, PHOCUSED **supports** the following components of this measure:

- Part III: General Obligation Bonds for the Rental Housing Trust Fund (RHTF)  
The RHTF has a proven record of creating new affordable rental units in Hawaii, and is the only financing mechanism that mandates units for households at 30% of Area Median Income (AMI). PHOCUSED **supports** the issuance of \$60 million in general obligation bonds for the RHTF.
- Part V: Appropriation for the constriction of micro-units  
Micro units are a cost-efficient new option for housing development. The estimated construction cost for a micro unit is roughly half that for a traditional unit – an estimated \$150,000 per unit vs. \$300,000 per unit. Micro units could be utilized by a wide range of renters, including very low income singles, seniors, and small families. PHOCUSED **supports** the appropriation of \$15 million for the construction of micro-units.

Once again, PHOCUSED strongly urges your **support** of this bill. 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).



# PARTNERS IN CARE

## Oahu Continuum of Care

*Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.*

### TESTIMONY IN **SUPPORT** OF HB 1354: RELATING TO HOUSING

TO: Rep. Mark J. Hashem, Chair; Rep. Jo Jordan, Vice Chair; and members of the Committee on Housing  
FROM: Betty Lou Larson, Advocacy Committee, Partners in Care  
Hearing: **Monday, 2/9/15; 8:30 am; Conference Room 329**

Dear Chair Hashem, Vice Chair Jordan, and members of the committee:

Thank you for the opportunity to provide testimony **in support** of HB 1354, appropriating funding for a variety of housing programs. I am Betty Lou Larson from the Advocacy Committee of Partners in Care.

**Part III: Partners in Care strongly supports 60 million to the Rental Housing Trust Fund** to provide the affordable rentals needed to prevent more people from falling into homelessness. Our housing crisis is NOW. Hawaii has the highest rate of homelessness among the US states. 78% of extremely low income households living in poverty pay more than half their income for rent.

**Part IV: PIC also strongly supports \$15 million for micro units.** About 25% of Hawaii's households are singles. 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, but at half the cost of a regular "affordable" rental unit. Funding would challenge developers to design new prototypes that could be used for very low-income singles, seniors and small families.

Last year PIC asked people to sign a petition to **support** funding for affordable rental housing. Many people wrote comments, sending their hopes and concerns to the Legislature. Their comments show the depth of feeling and **support** throughout Hawaii for affordable housing:

*"I have lived in Hawaii all my life, and I will never be able to even rent a decent housing unit; this makes me sad." Another said, "I work a full-time job at \$10 an hour. My rent is \$1275. If I had to pay my rent by myself I would not be able to afford it along with my utilities. Please help us here in Hawaii." And another, "My grandchildren had to move to the Mainland because Section 8 closed due to a 5 year waitlist. I am so sad and not sure when I'll ever see them again." One reflected: "When I see a person without a home I think: Where's the Aloha Hawaii? Where is the empathy? How can we allow children to live on beaches and on the streets? How can we allow our Veterans to be Homeless? I know some folks need mental health services so let's get them help. I couldn't imagine being forced to live my life out in the public, can you? So I vote Yes! Please do all you can to End homelessness in Hawaii and hopefully every state will follow us."*  
And lastly:

***"Malama our Island Ohana! Support the cause, and put a roof over homelessness."***

The People of Hawaii are speaking to you today. Thank you for hearing their testimony. Please contact me at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.



February 6, 2015

Hearing: HB 1354  
Date: Monday, February 9, 2015  
Time: 8:30 A.M.  
Room No. 329

House Committee on Housing  
Representative Mark Hashem, Chair  
Representative Jo Jordan, Vice Chair

TESTIMONY IN **SUPPORT** of HB 1354

Chair Hashem, Vice Chair Jordan and members of the committee:

Thank you for this opportunity to submit testimony in Strong **Support** of HB 1354 which authorizes the issuance of general obligation bonds and appropriates funding for a variety of funding sources used in the development of affordable rental housing.

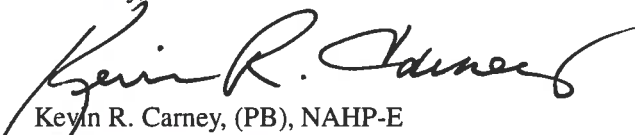
I am Kevin Carney, Vice President of EAH Housing. EAH is a 48 year old non-profit public benefit corporation whose mission is to develop, manage and promote affordable rental housing. We are one of the largest non-profit affordable rental housing developers in the western United States. We have developed over 90 properties, we manage over 100 properties and we serve over 20,000 residents in communities in Northern California and Hawaii. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI).

The primary source of equity funding for the projects we acquire and rehabilitate and for projects we develop is the federal and state low-income housing tax credit (LIHTC). A secondary source, but equally important is the State's Rental Housing Trust Fund (RHTF). The RHTF is funded with 50% of the proceeds from the State's Conveyance Tax or approximately \$5,000,000 per year. Additional supplements to this funding source are sought every year because of the demand placed on the fund by developers like EAH.

In addition to our strong **support** for additional funding of the RHTF we also **support** additional funding for the Dwelling Unit Revolving Fund (DURF) and for the development of micro apartment housing. In the interest of disclosure, EAH is currently competing to construct micro apartment housing at 60% of AMI and below in response to a Request for Proposals from the Hawaii Community Development Authority.

In summary, we know from our 18 years of experience in serving Hawaii residents on Kauai, Maui and Oahu that the demand for affordable rental housing at 60% of the area median income and below is huge. We have the waiting lists to our properties to prove it. A one-time increase in funding will help but a reliable and sustained source is needed if we hope to ever come close to catching up with demand.

Sincerely,



Kevin R. Carney, (PB), NAHP-E  
Vice President, Hawaii

16-105 'Ōpūkaha'ia St.  
Kea'au, HI 96749



Telephone: (808) 965-5550  
Fax: (808) 965-5109  
info@neighborhoodplace.org

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## TESTIMONY IN **SUPPORT** OF HB 1354: RELATING TO HOUSING

**TO:** Representative Mark Hashem, Chair; Representative Jo Jordan, Vice Chair; and members of the House Committee on Housing  
**FROM:** Sarah Figueroa, Community Development Specialist, Neighborhood Place of Puna  
**Hearing:** **Monday, February 9, 2015, 8:30 am, Room 329**

Dear Chair Hashem, Vice Chair Jordan, and members of the committee:

Thank you for the opportunity to provide testimony **in strong support** of HB 1354, appropriating funding for a variety of critical programs targeted at addressing the affordable housing crisis and ending homelessness. I am Sarah Figueroa from Neighborhood Place of Puna.

Neighborhood Place of Puna strongly **supports \$60 million to the Rental Housing Trust Fund** to provide the affordable rentals needed to prevent more people from falling into homelessness. Our housing crisis is NOW. Hawaii has the highest rate of homelessness among the US states. Almost 75% of extremely low income households pay more than half their income for rent.

Neighborhood Place of Puna also strongly **supports \$15 million for micro units**. About 25% of Hawaii's households are singles. 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, but at half the cost of a regular "affordable" rental unit. This funding would challenge developers to design new prototypes that could be used for very low-income singles, seniors and small families.

The People of Hawaii are speaking to you today. Please contact me at (808) 965-5550 or [sarah@neighborhoodplace.org](mailto:sarah@neighborhoodplace.org) if you have any questions.



## CATHOLIC CHARITIES HAWAII

### TESTIMONY IN **SUPPORT** OF HB 1354: RELATING TO HOUSING

TO: Rep. Mark J. Hashem, Chair; Rep. Jo Jordan, Vice Chair; and members of the Committee on Housing  
FROM: Trisha Kajimura, Social Policy Director

**Hearing: Monday, 2/9/15; 8:30 am; Conference Room 329**

Thank you for the opportunity to testify in **support** of HB 1354, appropriating funding for a variety of housing programs. In HB 1354, Catholic Charities Hawaii **supports** Part III and Part V.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy to the most vulnerable of the people in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

**Part III: CCH strongly supports 60 million to the Rental Housing Trust Fund** to provide the affordable rentals needed to prevent more people from falling into homelessness. Our housing crisis is NOW. Hawaii has the highest rate of homelessness among the US states. 78% of extremely low income households living in poverty pay more than half their income for rent.

**Part V: CCH also strongly supports \$15 million for micro units.** About 25% of Hawaii's households are singles. 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, but at half the cost of a regular "affordable" rental unit. Funding would challenge developers to design new prototypes that could be used for very low-income singles, seniors and small families.

Our housing crisis is NOW. Hawaii has the highest rate of homelessness in the USA. 78% of extremely low income households living in poverty pay more than half their income for rent. We **support** new creative ways to house Hawaii's people, such as micro units. The **\$15 million for micro units** would result in new models being costed out and built. These could then be replicated in other areas for small households. **\$60 million to the Rental Housing Trust Fund** is critical to address the growing shortfall in affordable housing units for Hawaii, now surpassing 13,000 units needed in one year (2016).

Thank you for the opportunity to testify. Please contact me at (808) 527-4810 or [trisha.kajimura@catholiccharitieshawaii.org](mailto:trisha.kajimura@catholiccharitieshawaii.org) if you have any questions.







**HPCA**

HAWAII PRIMARY CARE ASSOCIATION

**House Committee on Housing**  
The Hon. Mark J. Hashem, Chair  
The Hon. Jo Jordan, Vice Chair

**Testimony in Support of House Bill 1354**  
**Relating to Housing**  
**Submitted by Robert Hirokawa, Chief Executive Officer**  
**February 9, 2015, 8:30 am, Room 329**

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 1354, authorizing the issuance of general bonds to improve and increase the public housing stock in the state.

The HPCA is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. These conditions serve as risk factors endemic to a person's living and working environment, rather than their behavioral or genetic histories. Factors such as income, education, access to recreation and healthy foods, housing, and employment, can and do have measurable impacts on a person and a community, both in health and financial outcomes.

House Bill 1354 speaks to one of these major determinants directly by seeking to alleviate the growing pressure on affordable housing in Hawaii. For this reason, we strongly support this measure and thank you for the opportunity to testify.



The Public Policy Voice for the Roman Catholic Church in the State of Hawaii

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**HEARING:** House Committee(s) on HSG, hearing on February 9, 2015 @ 8:30 a.m. #329

**SUBMITTED:** February 6, 2015

**TO:** House Committee on Housing  
Rep. Mark Hashem, Chair  
Rep. Jo Jordan, Vice Chair

**FROM:** Walter Yoshimitsu, Executive Director

**RE:** **Support** for HB 1354 Relating to Housing

Honorable Chairs and members of the House Committee on Housing, I am Walter Yoshimitsu, **representing the Hawaii Catholic Conference**. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in the State of Hawaii, which under the leadership of Bishop Larry Silva, represents Roman Catholics in Hawaii.

We **support** HB 1354 because homelessness and lack of affordable housing continues to be one of the State's most significant and challenging social problems. The Diocese of Honolulu **supports** any strategic plan that makes homelessness and affordable housing one of its primary areas of focus. For many households in Hawaii at risk of becoming homeless, high housing costs mean skimping on food and medical care, moving frequently to find lower rents—which can interrupt a child's education—creating periods of homelessness. As people of faith, we simply cannot sit back and watch while families fall apart.

#### **SUPPORT FOR THE RENTAL HOUSING TRUST FUND**

We **support** this bill because it appropriates much needed funding for deposit into the Rental Housing Trust Fund (RHTF) to finance affordable rental housing development. We strongly believe that the funding used by the RHTF has consistently produced much-needed housing. Recent statistics show that over four-thousand homes have been created utilizing this fund. That is a great accomplishment in this dire economy but it is simply not enough. We know we have much more work to do!

#### **SUPPORT FOR MICRO-HOUSING**

Another key component for the conference in **supporting** this bill is that we appreciate the appropriation of funding for the construction of micro apartment housing units. This creative approach could have many positive effects on the economy including;

- **creating jobs** in the construction industry, growth and improvement in other industries like retail, professional services, health, and education, as these sectors grow to accommodate the increased number of residents,
- **increasing consumer spending** as decreased housing and utilities costs, renters and homeowners will have more disposable income to spend, which gives a positive boost to the economy,
- **assisting families and individuals at risk of homelessness** and allowing them to become self-sufficient.

All of these things, in turn, will ultimately help Hawaii save money on programs aimed at helping the homeless, and will reduce the burden on charities and religious organizations. We do understand that many services are vying for funding at this critical time and we appreciate your ongoing **support** for the RHTF and the development of micro apartment housing units.

Mahalo for the opportunity to testify.

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February 9, 2015

**The Honorable Mark J. Hashem, Chair**

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

**RE: H.B. 1354, Relating to Housing**

**HEARING: Monday, February 9, 2015, at 8:30 a.m.**

Aloha Chair Hashem, Vice Chair Jordan, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its 8,400 members. HAR **supports the intent** of H.B. 1354, which authorizes the issuance of general obligation bonds and 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 (RHTF) 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 also **supported** the Dwelling Unit Revolving Funds (DURF) which may be used for the acquisition of real property; development and construction of residential, commercial and industrial properties; interim and permanent loans to developers; and any and all things necessary to carry out the purposes of the Housing Development Program.

Lastly, as these programs help to increase the availability of rental and affordable housing for persons who face obstacles in moving from homelessness to housing and persons with lower incomes who need to find affordable rental housing, HAR believes these efforts should continue to help address the homelessness issue in our State.

Mahalo for the opportunity to testify.

**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.  
Mike Webb

**Executive Director**

Victor Geminiani, Esq.

Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
Supporting HB 1354 Relating to Housing  
House Committee on Housing  
Scheduled for Hearing Monday, February 9, 2015, 8:30 am, Room 329

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*Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit law firm created to advocate on behalf of low income individuals and families in Hawai'i on issues of statewide importance. Our core mission is to help our clients access to the resources, services, and fair treatment 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 House Bill 1354, which would appropriate funds for various affordable housing programs. We encourage the committee to make appropriations of **\$60 million toward the Rental Housing Trust Fund** to create affordable rental housing; **\$15 million for micro-apartments**, which can serve a variety of populations in critical need. We also **support** the appropriation of funds to help meet the housing needs of Native Hawaiians and veterans. Our affordable housing crisis has reached a tipping point, and both significant infusions of funding and new approaches are critical to begin reversing this devastating trend.

**Rental Housing Trust Fund:** Appleseed **supports** an appropriation of **\$60 million** in general obligation bonds for the Rental Housing Trust Fund (RHTF). Affordable rentals, the state's biggest housing need, are not being developed by the private market. The RHTF is a major tool to create these units and has resulted in the development of thousands of affordable units that otherwise would not have been financially viable. The RHTF also creates public-private partnerships that function as economic drivers. Moreover, the RHTF helps extremely low-income residents: 5 percent of units in RHTF-subsidized developments must be affordable to households earning less than 30 percent of the area median income. We greatly appreciate the Legislature's decision this past session to increase the percent of the conveyance tax going to the Rental Housing Trust Fund, but we know that we still need far more rental housing inventory than is currently being created.

**Micro-apartments:** Appleseed **supports** an appropriation of **\$15 million** to fund the creation of micro-apartment units. Micro-apartments are a promising opportunity to create more affordable units in a single development and bring down the per-unit cost. They 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. Because modern micro-units are an innovative model, subsidies for their development are particularly important to demonstrate their financial viability in Hawai'i.

As a community, we must make a commitment to housing our working families and vulnerable populations. Thank you for your concern about these critical issues, and we strongly encourage you to **support** HB 1354's appropriations for affordable housing.

**jordan3-Kevin**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 06, 2015 10:22 AM  
**To:** HSGtestimony  
**Cc:** asuka.mitani@catholiccharitieshawaii.org  
**Subject:** \*Submitted testimony for HB1354 on Feb 9, 2015 08:30AM\*

**HB1354**

Submitted on: 2/6/2015

Testimony for HSG on Feb 9, 2015 08:30AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Asuka Mitani	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.

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*Cynthia K.L. Rezendes*

*Email: [Rezendesc@aol.com](mailto:Rezendesc@aol.com)*

February 9, 2015

**TESTIMONY IN SUPPORT OF SB 120: RELATING TO AFFORDABLE HOUSING**

**TO:** Representative Mark Hashem, Chair; Representative Jo Jordan, Vice Chair; and members of the House Committee on Housing  
**Hearing:** **Monday, February 9, 2015, 8:30 am, Room 329**

Dear Chair Hashem, Vice Chair Jordan, and members of the committee:

Thank you for the opportunity to provide testimony in **strong support** of HB1354, recognizing and appropriating funding to address our critical housing shortage which is placing extreme hardships on many families in Hawai'i, including those who are working but still without a home.

As many in the business of attempting to help those who are homeless or at the risk of homelessness have been saying for many years, more housing inventory is required to address the high cost of either renting or owning a home.

This bill definitely goes towards attempting to start addressing that major issue. The \$60 million, **supported** by Partners in Care, to increase the Rental Housing Trust Fund, providing additional funding for developers to assist in building low-income or affordable housing, has the potential to provide more economical housing to help those extremely low income households reduce the amount of their income being allocated to stay housed from greater than 50% to a lesser amount thereby allowing monies to be spent on other requirements, i.e. food, water, electricity, etc.

The option to have alternative housing, like micro units, also has the potential to address those households composed of only one to two individuals. Current statistics show that about 25% of household are singles. The micro units discussed in this bill, provides an option for those not requiring larger dwellings, thereby making it more affordable for these individuals to have their own household and leaving larger dwellings for those that truly need them. This also provides the historical concept of starting with a smaller dwelling and then up-grading or down-grading as time and requirements change. There have been discussions to start this program with a \$15 million dollar fund to start this development.

Any funding at all would help to strengthen the opportunities to have developers providing more housing for those who can least afford to handle today's "affordable" housing costs. This is critical to all of us being able to see a light at the end of the tunnel to our challenges to accommodate those who are low-income or moderate-income families be able to realize the "American Dream" of either owning or comfortably renting their homes.

Thank you for accepting my testimony.

Sincerely,

Cynthia K.L. Rezendes  
Wai'anae Resident

**jordan3-Kevin**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Friday, February 06, 2015 9:57 PM  
**To:** HSGtestimony  
**Cc:** rushmarmil@gmail.com  
**Subject:** Submitted testimony for HB1354 on Feb 9, 2015 08:30AM

**HB1354**

Submitted on: 2/6/2015

Testimony for HSG on Feb 9, 2015 08:30AM in Conference Room 329

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
martha miller	Individual	Comments Only	No

Comments: I have lived and worked in Hawaii for 45 years. Low income housing is essential. Our taxes should provide fairly for all who live here. I support this bill.

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1065 Ahua Street  
Honolulu, HI 96819  
Phone: 808-833-1681 FAX: 839-4167  
Email: [info@gcawhawaii.org](mailto:info@gcawhawaii.org)  
Website: [www.gcawhawaii.org](http://www.gcawhawaii.org)



# GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

**RECEIVED**  
**Date & Time**  
Feb 09, 2015, 6:15 am

Uploaded via Capitol Website

February 9, 2015

TO: HONORABLE MARK HASHEM, CHAIR, HONORABLE JO JORDAN, VICE CHAIR  
AND MEMBERS OF THE HOUSE COMMITTEE ON HOUSING

SUBJECT: **SUPPORT OF H.B. 1354. RELATING TO HOUSING.** Authorizes the issuance of general obligation bonds and 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. Appropriates funds to build affordable housing projects for veterans.

Hearing

DATE: Monday, February 9, 2015  
TIME: 8:30 a.m.  
PLACE: Conference Room 329

Dear Chair Hashem, Vice Chair Jordan and Members of the Committee,

The General Contractors Association of Hawaii (GCA) is an organization comprised of over six hundred general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is the largest construction association in the State of Hawaii. The GCA's mission is to represent its members in all matters related to the construction industry, while improving the quality of construction and protecting the public interest.

The GCA is **in support** of H.B. 1354 which proposes to allow the issuance of general obligation bonds and appropriations to improve the public housing stock. This measure provides an incentive to improve the housing availability for Hawaii's families, especially those that are in dire need of shelter and basic needs and working families.

In 2009, the legislature passed Senate Concurrent Resolution No. 132, S.D.1 which established the Construction Industry Task Force. The Task Force was tasked to develop and propose state actions, for the purpose of preserving and creating new jobs in the local construction industry. One of the main areas of concern was expediting the delivery of workforce housing, this bill proposes to provide a solution to the delivery of such.

GCA **supports** H.B. 1354 and respectfully requests that your Committee pass this measure.



DAVID Y. IGE  
GOVERNOR



**LATE TESTIMONY**  
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

**HOUSE COMMITTEE ON HOUSING**

February 9, 2015 8:30 A.M.  
Room 329, Hawaii State Capitol

In consideration of

**House Bill 1354**

**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 House Bill (H.B.) 1354, relating to housing.

The Hawaii Public Housing Authority (HPHA) strongly supports the enactment of this measure, which would authorize funds to improve and increase the existing public housing stock in the State.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most vulnerable populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly.

Due to the age of our housing inventory, these crucial funds will provide the agency with the ability to tackle its capital needs backlog of approximately three quarter of a billion (\$0.75) in capital needs, and your assistance is very important. The agency has properties that have been built over 50 plus years ago, and the issues at these properties needs to be addressed.

Some of the situations that need to be addressed are straight forward site and building improvements such as new roofing needs at Kalihi Valley Homes on Oahu, to unforeseen

issues such as remediating arsenic from the soil at Lanakila Homes on Hawaii Island, and to federally mandated Americans with Disabilities Act improvements at all HPHA properties.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the agency's position regarding H.B. 1354. We respectfully request the Committee to pass this measure favorably, and we thank you very much for your dedicated support to address the affordable housing crisis facing Hawaii.

**jordan3-Kevin**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, February 09, 2015 8:31 AM  
**To:** HSGtestimony  
**Cc:** carl.campagna@kamakagreen.com  
**Subject:** Submitted testimony for HB1354 on Feb 9, 2015 08:30AM

**LATE**

**HB1354**

Submitted on: 2/9/2015

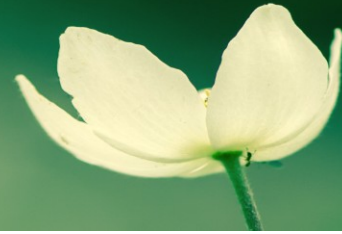
Testimony for HSG on Feb 9, 2015 08:30AM in Conference Room 329

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

Comments: Mahalo Legislators for your time and consideration. I support this bill. It can cost less to provide housing for the houseless than to provide the services for those remaining houseless. By providing more affordable housing, we could save the state money. I also believe that we should examine what affordable means in our State so that we can better serve the population. The Cost of Living in Hawaii is high and wages are average to low for many. We could do a study to analyze the income tiers compared to the percentage of population within each tier so that we can more accurately assess affordability.

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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## TESTIMONY IN SUPPORT OF HB 1354: RELATING TO HOUSING

TO: Representative Mark Hashem, Chair; Representative Jo Jordan, Vice Chair; and members of the House Committee on Housing

FROM: Brandee Menino, Chief Executive Officer  
Hope Services Hawaii, Inc.

**LATE**

Hearing: **Monday, February 9, 2015, 8:30 am, Room 329**

Dear Chair Hashem, Vice Chair Jordan, and members of the committee:

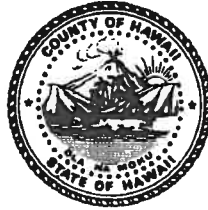
Thank you for the opportunity to provide testimony **in strong support** of HB 1354, appropriating funding for a variety of critical programs targeted at addressing the affordable housing crisis and ending homelessness. I am Brandee Menino, CEO of Hope Services Hawaii a non-profit organization based on Hawaii Island and lead provider agency addressing homelessness through a continuum of programs including Homeless Outreach, Emergency Shelter, Transitional Housing and Affordable Housing for low income families with over a 600 bed capacity at any given night at 10 facilities. I am also a member of the Mayor's Taskforce to ending homelessness, Community Alliance Partners - Hawaii County's Continuum of Care group.

Hope Services Hawaii strongly supports **\$60 million to the Rental Housing Trust Fund** to provide the affordable rentals needed to prevent more people from falling into homelessness. Our housing crisis is NOW. Hawaii has the highest rate of homelessness among the US states. In Hawaii County, new clients of State Homeless Outreach and Shelter programs represented the majority (60%) of homeless clients served.

Hope Services Hawaii also strongly supports **\$15 million for micro units**. About 48% of Hawaii Island's households experiencing homelessness are single individuals. 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, but at half the cost of a regular "affordable" rental unit. This funding would challenge developers to design new prototypes that could be used for very low-income singles, seniors and small families.

Please contact me at (808) 933-6013 or [bmenino@hopeserviceshawaii.org](mailto:bmenino@hopeserviceshawaii.org) if you have any questions.

William P. Kenoi  
Mayor



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 6, 2015

**LATE**

The Honorable Mark Hashem, Chair  
The Honorable Jo Jordan, Vice Chair  
and Committee Members  
Committee on Housing

Twenty-Eighth Legislature  
Regular Session of 2015

**SUBJECT: House Bill 1354**  
**Hearing Date: 02/09/2015**  
**Time: 08:30 AM**  
**Conference Room: 329**

The Office of Housing and Community Development (OHCD) **supports** House Bill 1354.

The County, in collaboration with its provider base and other county and State partners, collaborates to create strategies that will effectively and efficiently address affordable housing and homelessness in Hawai'i. However, with such high need, other sources that are typically accessed for assisting the homeless population have become more challenging to obtain. In addition, as the federal government evaluates the need and use of its limited resources, the future availability of such fund sources is questionable.

The OHCD supports \$60 million to the Rental Housing Trust Fund to provide the affordable rentals needed to prevent more people from falling into homelessness. Hawaii has the highest rate of homelessness among the US states. It is estimated 75% of extremely low income households pay more than half their income for rent.

The OHCD supports \$15 million for micro units. About 25% of Hawaii's households are singles. 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, but at half the cost of a regular "affordable" rental unit. This funding would challenge developers to design new prototypes that could be used for very low-income singles, seniors and small families.

The OHCD asks that you support affordable housing and support House Bill 1354. Thank you for your careful consideration of the positive impacts of this bill.

  
Susan K. Akiyama  
Housing Administrator