

HB 766 HD1

Measure Title:	RELATING TO HOUSING.
Report Title:	Hawaii Housing Finance and Development Corporation; Appropriation; Micro Apartment Housing Units (\$)
Description:	Makes an appropriation for the construction of micro apartment housing units. (HB766 HD1)
Companion:	SB155
Package:	None
Current Referral:	HSH, WAM
Introducer(s):	HASHEM

DAVID Y. IGE
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 HUMAN SERVICES AND HOUSING

March 17, 2015 at 1:20 p.m.
State Capitol, Room 016

In consideration of
H.B. 766, H.D. 1
RELATING TO HOUSING.

HHFDC supports H.B. 766, H.D. 1, provided that its passage does not replace or adversely impact priorities set forth in the Executive Biennium budget. H.B. 766, H.D. 1 appropriates an unspecified amount of General Funds to HHFDC in FY 2015-2016 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.

Thank you for the opportunity to testify.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 766, HD1: RELATING TO HOUSING

TO: Senator Suzanne Chun Oakland, Chair, Senator Josh Green, Vice-Chair; and Members, Senate Committee on Human Services and Housing

FROM: Trisha Kajimura, Social Policy Director, Catholic Charities Hawaii

Hearing: **Tuesday, March 17, 2015; 1:20 pm; Conference Room 016**

Chair Chun Oakland, Vice Chair Josh Green, and Members:

Thank you for the opportunity to provide testimony **in strong support** of HB 766, HD1, making an appropriation for the construction of micro apartment housing units

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii 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 Hawaii. Catholic Charities Hawaii has a long history of working on housing issues and solutions to homelessness.

Catholic Charities Hawaii supports both HB 766 and other similar Senate bills already heard (SB 120, SD2). Importantly, both of these bills provide the same definitions for micro units. The biggest difference is that HB 766 appropriates funds from general revenues, vs. SB 120's funding from GO bonds. SB 120 also includes micro units (as Part IV of the bill) along with a wide range of funding to create more affordable housing and to end homelessness. HB 766 only targets the construction of micro units.

We strongly support **\$15 million for micro units in both bills**. We urge that this bill be passed so that the Legislature can decide which funding source (GO bonds or General Fund) are most prudent. Micro units make sense since they can lower the per-unit cost of construction. They can target the 25% of Hawaii's households who are singles and challenge developers to design new models to house homeless singles, entry level or lower paid workers, seniors, small families and others who cannot afford market rentals.

The housing needs are well documented: The 2014 Housing Study, just released, finds that 27,224 rental units are needed by 2020 for people under 80% of the Area Median income (AMI). **The need for housing for those at 60% or less of the AMI rose dramatically between 2011 and the 2014 study. 50% more units are needed for these households than in 2011** (over 20,000 units vs 13,000 in the 2011 study). 78% of people living in poverty pay over fifty percent of their income for rent. We need to focus on new ideas such as micro units to create more housing.

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



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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 766 HD1 Relating to Housing
Senate Committee on Human Services and Housing
Scheduled for Hearing Tuesday, March 17, 2015, 1:20 PM, Room 016

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 House Bill 766, which would appropriate funds for the development of micro-apartments. Hawai'i Appleseed Center for Law and Economic Justice supports an allocation of at least **\$15 million**. 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.

The Committee has requested that testimony focus on the **differences between HB 766 and other similar bills** already heard. Senate Bill 155, which passed out of the Committee on Human Services and Housing but was not heard by the Committee on Ways and Means, is identical except for HB 766 HD1's blank appropriation. Part IV of another bill heard by the Committee, SB 120 SD2, contains an appropriation for micro-apartments, along with various other housing and homeless services funding. However, HB 766's appropriation is from the general fund, while SB 120 relies on GO bonds. The definition of micro-apartments is identical for all three bills.

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 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 small households, larger units will be freed up for bigger families, while those living in micro-apartments can be charged lower rents if the cost per unit is reduced. Again, thank you for the opportunity to testify in strong support HB 766 to fund the creation of micro-apartments.

March 17, 2015

The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services and Housing
State Capitol, Room 016
Honolulu, Hawaii 96813

RE: H.B. 766, H.D.1, Relating to Housing

HEARING: Tuesday, March 17, 2015, at 1:20 p.m.

Aloha Chair Chun Oakland, Vice Chair Green, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to 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. 766, H.D.1 which makes an appropriation for the construction of micro apartment housing units.

According to the Department of Business Economic Development and Tourism, Hawai'i would need about 5,200 new housing units to be built each year until 2020 to adequately accommodate the state's projected population growth. The report further added that without a supply of rental or for sale units being built, households are being squeezed into an existing restricted supply of housing. As such, this leads to an increase in rental rates, sales price, or causes individuals to move out of State.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing. HAR believes this is a creative solution to increase the availability of affordable rental housing, which is much needed in the State.

Mahalo for the opportunity to testify.



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

HEARING: Senate Committee on Human Services & Housing (Hearing: March 17, 2015 @ 1:20 p.m. #308)

SUBMITTED: March 14, 2015

TO: Senate Committee on Human Services & Housing
Sen. Suzanne Chun Oakland, Chair
Sen. Josh Green, Vice Chair

FROM: Walter Yoshimitsu, Executive Director

RE: Support for HB 766 HD1 Relating to Housing

Honorable Chairs and members of the Senate Committee on Human Services & 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 766 HD1 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.

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.



HPCOA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Human Services and Housing

The Hon. Suzanne Chun Oakland, Chair

The Hon. Josh Green, Vice-Chair

Testimony in Support of House Bill 766 HD 1

Relating to Housing

Submitted by Nani Medeiros, Public Affairs and Policy Director

March 17, 2015, 1:20 pm, Room 016

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 766, which makes an appropriation for the construction of micro housing units.

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 766 speaks to one of these major determinants by seeking to alleviate the growing affordable housing crisis in Hawaii. For that reason, we strongly support this measure and thank you for the opportunity to testify.

From: mailinglist@capitol.hawaii.gov
To: [HSH Testimony](#)
Cc: darakawa@lurf.org
Subject: Submitted testimony for HB766 on Mar 17, 2015 13:20PM
Date: Wednesday, March 11, 2015 8:50:10 PM

HB766

Submitted on: 3/11/2015

Testimony for HSH on Mar 17, 2015 13:20PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
David Z. Arakawa	Land Use Research Foundation of Hawaii	Support	No

Comments: The Land Use Research Foundation of Hawaii SUPPORTS HB 766, HD1, relating to Housing, which appropriates an unspecified amount of General Funds to Hawaii Housing Finance and Development Corporation in FY 2015-2016 for the construction of micro apartment housing units. LURF understands that these funds could possibly be used to finance the development of a micro apartment project located in Kakaako. (HB 766, HD1)

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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49 South Hotel Street, Room 314 | Honolulu, HI 96813

www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON HUMAN SERVICES AND HOUSING

Tuesday, March 17, 2015, 1:20 p.m., Conference Room 016

HB766 HD1 RELATING TO HOUSING
and
HB 1354 HD1 RELATING TO HOUSING

TESTIMONY

Ann Sack Shaver, Ph.D., President, League of Women Voters of Hawaii

Chair Chun Oakland, Vice Chair Green and Committee Members:

The League of Women Voters of Hawaii supports HB 766 and HB 1354. It is widely recognized that Hawaii needs a wide variety of affordable housing available to citizens of all ages, all family sizes and in all physical and mental health statuses. We strongly support the issuance of general obligation bonds to meet these various needs as proposed in HB 1354, HD1. We particularly applaud Part V, Section 7 of this bill, authorizing funds specifically for micro-housing.

Micro-units, more specifically addressed in HB766, have proven elsewhere to be a cost-effective way to increase housing stock for low-income and homeless people. These small dwellings can accommodate the needs of singles and small families, including families with school-age children. Thus they address and can prevent homelessness.

Homelessness has far-reaching consequences. It is especially harmful to children who fail to thrive and become productive members of the community. Providing stable housing is an important first step toward protecting the health and well-being of children, enabling their parents to find jobs, and keeping families together. These small residences are also appropriate for older people who are particularly vulnerable to crime and the illnesses associated with living on the streets. Moreover, micro-units are especially appropriate for our densely populated island. Such housing can make it possible for relatively large number of people to live near schools, employment, transportation and health and social services. They are a cost-effective way to address and prevent many existing problems.

We urge you to pass these bills. Thank you for the opportunity to submit testimony.

TESTIMONY IN SUPPORT OF HB 766, HD1: RELATING TO HOUSING

TO: Senator Suzanne Chun Oakland, Chair, Senator Josh Green, Vice-Chair; and Members, Senate Committee on Human Services and Housing

FROM: Fr. Robert Stark, Catholic Diocese for Office for Social Ministry

Hearing: Tuesday, March 17, 2015; 1:20 pm; Conference Room 016

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

Thank you for the opportunity to provide testimony **in strong support** of HB 766, HD1, making an appropriation for the construction of micro apartment housing units. I am Fr. Robert Stark. Director of the Catholic Diocese of Honolulu Office for Social Ministry. The Office for Social Ministry strongly supports the creation of affordable housing units to prevent and end homelessness.

The Committee has requested that we focus on the differences between HB 766 and other similar Senate bills already heard (SB 120, SD2). Two big differences are: HB 766 focuses only on Micro units, and appropriates funds from general revenues, vs. SB 120's funding from GO bonds. SB 120 includes micro units (as Part IV of the bill) along with a wide range of funding to create more affordable housing and to end homelessness. Both bills have an allocation (blank amount) for micro units, and use the same definitions for micro apartment housing units.

The Office for Social Ministry supports **\$15 million for micro units**. We support both the House and Senate bills. Micro units make sense since they can lower the per unit cost of construction. They can target the 25% of Hawaii's households who are singles. New creative ideas are required to solve their housing needs. This funding would challenge developers to design new models that could be used for homeless singles, entry level or lower paid workers, seniors, small families and others who cannot afford market rentals.

The housing needs are well documented: The 2014 Housing Study, just released, finds that 27,224 rental units are needed by 2020 for people under 80% of the Area Median income (AMI). **The need for housing for those at 60% or less of the AMI rose dramatically between 2011 and the 2014 study. 50% more units are needed for these households than in 2011** (over 20,000 units vs 13,000 in the 2011 study). 78% of people living in poverty pay over fifty percent of their income for rent. We need to focus on new ideas such as micro units to create more housing.

Thank you for hearing this bill. We urge your support to create more tools to create the thousands of affordable housing units needed. Mahalo nui loa.



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 766, HD1: RELATING TO HOUSING

TO: Senator Suzanne Chun Oakland, Chair, Senator Josh Green, Vice-Chair;
and Members, Senate Committee on Human Services and Housing

FROM: Betty Lou Larson, Advocacy Committee, Partners in Care

Hearing: Tuesday, March 17, 2015; 1:20 pm; Conference Room 016

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

Thank you for the opportunity to provide testimony **in strong support** of HB 766, HD1, making an appropriation for the construction of micro apartment housing units. I am Betty Lou Larson from the Advocacy Committee of Partners in Care (PIC). PIC strongly supports the creation of affordable housing units to prevent and end homelessness.

The Committee has requested that we focus on the differences between HB 766 and other similar Senate bills already heard (SB 120, SD2). Two big differences are: HB 766 focuses only on Micro units, and appropriates funds from general revenues, vs. SB 120's funding from GO bonds. SB 120 includes micro units (as Part IV of the bill) along with a wide range of funding to create more affordable housing and to end homelessness. Both bills have an allocation (blank amount) for micro units, and use the same definitions for micro apartment housing units.

Partners in Care strongly supports **\$15 million for micro units**. We support both the House and Senate bills. Micro units make sense since they can lower the per unit cost of construction. They can target the 25% of Hawaii's households who are singles. New creative ideas are required to solve their housing needs. This funding would challenge developers to design new models that could be used for homeless singles, entry level or lower paid workers, seniors, small families and others who cannot afford market rentals.

The housing needs are well documented: The 2014 Housing Study, just released, finds that 27,224 rental units are needed by 2020 for people under 80% of the Area Median income (AMI). **The need for housing for those at 60% or less of the AMI rose dramatically between 2011 and the 2014 study. 50% more units are needed for these households than in 2011** (over 20,000 units vs 13,000 in the 2011 study). 78% of people living in poverty pay over fifty percent of their income for rent. We need to focus on new ideas such as micro units to create more housing.

Thank you for hearing this bill. We urge your support to create more tools to create the thousands of affordable housing units needed. Please contact me at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



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

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TO: Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair
Members, Senate Committee on Human Services & Housing

FROM: Scott Morishige, MSW
Executive Director, PHOCUSEDi

HEARING: **Tuesday, March 17, 2015 at 1:20 p.m. in Conf. Rm. 016**

Testimony in Support of HB766 HD1, Relating to Housing

Thank you for the opportunity to provide testimony in **strong support** of HB766 HD1, which appropriates funds for the construction of micro units. 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. **We note that this bill is similar in nature to SB155, except that the appropriation amounts in this bill have been blanked out.**

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. Micro units are one strategy to create truly affordable housing for these individuals.

Micro units typically range in size from 220 to about 300 square feet. These units are an innovative new option for housing development, which also enables cost savings through increased efficiency. 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. Micro units could be utilized by a wide range of renters, not just homeless individuals, including low income singles, seniors, and small families.

Once again, PHOCUSED strongly urges your support of this bill and funding for construction of micro units in Hawaii. If this bill moves forward, we respectfully request this bill be amended to include an appropriation of \$15 million. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.

From: mailinglist@capitol.hawaii.gov
To: [HSH Testimony](#)
Cc: carl.campagna@kamakagreen.com
Subject: Submitted testimony for HB766 on Mar 17, 2015 13:20PM
Date: Wednesday, March 11, 2015 3:59:05 PM

HB766

Submitted on: 3/11/2015

Testimony for HSH on Mar 17, 2015 13:20PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Carl Campagna	Individual	Support	No

Comments: Aloha and Mahalo for your consideration and for the opportunity to offer testimony. I am in strong support of this measure. I believe that the best way to get houseless people off the street is to help them get into housing. These micro apartment units can be a huge stepping stone for individuals and families.

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To: [HSH Testimony](#)
Cc: dkk@hawaiiantel.net
Subject: Submitted testimony for HB766 on Mar 17, 2015 13:20PM
Date: Sunday, March 15, 2015 3:01:38 PM

HB766

Submitted on: 3/15/2015

Testimony for HSH on Mar 17, 2015 13:20PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Deborah Kimball	Individual	Support	No

Comments: As a Section 8 tenant who has been threatened with homelessness twice, I can attest that micro-housing would be far better than no housing. Housing is an essential human need.

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From: mailinglist@capitol.hawaii.gov
To: [HSH Testimony](#)
Cc: jamesjtz@aol.com
Subject: Submitted testimony for HB766 on Mar 17, 2015 13:20PM
Date: Sunday, March 15, 2015 10:56:41 PM

HB766

Submitted on: 3/15/2015

Testimony for HSH on Mar 17, 2015 13:20PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
James Gauer	Individual	Support	No

Comments: Where would 50,000 housing units be built and how affordable? Of all the expensive, high-rise condominiums going up in and around Kakaako and Ala Moana, this legislation seems to be going in the opposite direction of private and out-of-state developers!

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From: mailinglist@capitol.hawaii.gov
To: [HSH Testimony](#)
Cc: anthony_orozco@yahoo.com
Subject: Submitted testimony for HB766 on Mar 17, 2015 13:20PM
Date: Thursday, March 12, 2015 10:50:55 AM

HB766

Submitted on: 3/12/2015

Testimony for HSH on Mar 17, 2015 13:20PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony Orozco	Individual	Oppose	No

Comments: When I was going to UH I couldn't afford my own place. I solved the problem by having roommates share the rent expensive. This bill is an unneeded waste of money.

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