

HB 766

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

HOUSE COMMITTEE ON HOUSING

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

In consideration of
H.B. 766
RELATING TO HOUSING.

HHFDC **supports** H.B. 766, provided that its passage does not replace or adversely impact priorities set forth in the Executive Biennium budget. H.B. 766 appropriates \$15 million in 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.

Thank you for the opportunity to testify.

BIA-HAWAII

BUILDING INDUSTRY ASSOCIATION

THE VOICE OF THE CONSTRUCTION INDUSTRY

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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. 766 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. 766, which proposes to:

1. Appropriate \$15,000,000.00 for the construction of micro apartment housing units; and
2. Provides language to define micro apartment dwelling unit;

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, it is difficult to 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. Allowing families this opportunity will open up entry level units to other first time home buyers.

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 HB766, Relating to Housing

Thank you for the opportunity to provide testimony in **strong support** of HB766, 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.

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 you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at 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 766: 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 **strong support** of HB766, 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 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 possibly half the cost of a regular "affordable" rental unit. This funding would challenge developers to design new prototypes that could be used for homeless singles, very low income singles, entry level workers, seniors or small families.

The housing needs are well documented: 13,000 housing units are needed by 2016. 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 models targeting those who cannot afford even a traditional "affordable unit".

Last year PIC sent out a petition on affordable rental housing. 320 people responded from across all the Hawaiian Islands. Many people wrote comments, which show the depth of feeling and **support** for affordable housing:

*"Please help give Hawaii residents a chance to live with dignity and wellness." And, "Let's create a solution." And, "I dream of the day when there will be no more homelessness for individuals and families, no children without a safe and loving home to go to, no more ignoring the mentally ill who are homeless, no more the term "throw aways". This effort for housing everyone has also to deal with deeper issues that keep people on the streets – lack of suitable services, jobs and essential human needs. Working together, we can do it, Hawaii!" And finally, "**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 if you have any questions.



HPCCA

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 766
Relating to Housing
Submitted by Robert Hirokawa, Chief Executive Officer
February 9, 2015, 8:30 am, Room 329

The Hawaii Primary Care Association (HPCCA), 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 HPCCA 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.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN **SUPPORT** OF HB 766: 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 **strong support** of HB 766, making an appropriation for the construction of micro units.

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 on housing issues and solutions to homelessness. We strive to help people live in dignified circumstances and reach their full potential.

Catholic Charities Hawaii strongly **supports \$15 million for the construction of micro units**. We see the need for these smaller, lower cost units every day. Many of the elders who seek help from our Housing Assistance Program for cannot afford even the "affordable" housing rent of \$700. The same holds true for singles and small families who come to our Housing and Referral Programs. About 25% of Hawaii's households are singles. They are particularly vulnerable and at-risk for homelessness because there is less assistance available to them than there is for families with children. 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 possibly half the cost of a regular "affordable" rental unit. This funding would challenge developers to design new prototypes that could be used for homeless singles, very low income singles, entry level workers, seniors, or small families.

Our housing crisis is NOW. Hawaii's housing needs are well documented: 13,000 housing units are needed by 2016. 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. The **\$15 million for construction of micro units** would result in new models being developed. These could then be replicated in other areas for small households.

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



February 9, 2015

The Honorable Mark J. Hashem, Chair

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

RE: H.B. 766, 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, submitting testimony 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, which makes an appropriation for the construction of micro apartment housing units.

According to the Department of Business Economic Development and Tourism, Hawaii would need about 5,200 new housing units to be built each year until 2020 to adequately accommodate the state's projected population growth. Furthermore, without a supply of rental or for sale units being built, these households are being squeezed into existing restricted supply of housing; increasing being confronted with high rental rates and sales prices; or sometimes forced 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 submit testimony.

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 766 Relating to Housing
 House Committee on Housing
 Scheduled for Hearing Monday, February 9, 2015, 8:30 am, Room 329

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.

Micro-units are smaller than traditional apartments but have all the necessities a tenant would need inside the unit. They can be built in smaller buildings with greater density and easily replicable floor plans and construction methods. Out of the state's general population, almost one out of four households are composed of one. Micro-units work for a wide variety of populations: elders, students, youth transitioning out of foster care, young professionals starting their careers, and people experiencing homelessness. They are also effective as mixed-income housing, particularly when built in desirable locations. These small apartments have been used around the country and world, in other high-cost cities such as New York, San Francisco, and Boston which seek to prevent sprawl and create livable urban cores.

Micro-apartments would present many opportunities to house individuals experiencing homelessness and should be a major tool in our efforts to end homelessness. Hawai'i has the highest rate of homelessness among the states, and 81 percent of households experiencing homelessness are single individuals. Micro-apartments are also popular for Housing First programs, which is an evidence-based best practice that provides permanent housing and **supportive** services to people who have been chronically homeless.

The state should play a role not only in subsidizing and helping develop affordable housing, but also to spur innovation in the market. In cities such as Seattle, private developers of micro-apartments have actually been able to charge lower rents than other units targeted at single individuals because of higher density. In Hawai'i, a subsidized micro-unit building will let developers, financiers, and builders determine the feasibility of this kind of housing.

We must also reimagine housing that meets the needs of our most vulnerable individuals and the growing number of single-occupant households. By increasing housing stock for these single individuals, larger units will be freed up for bigger households, while those living in micro-apartments can be charged lower rents if the cost per unit is reduced. We strongly encourage you to **support** HB 766 to fund the creation of micro-apartments.

jordan3-Kevin

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 10:23 AM
To: HSGtestimony
Cc: asuka.mitani@catholiccharitieshawaii.org
Subject: *Submitted testimony for HB766 on Feb 9, 2015 08:30AM*

HB766

Submitted on: 2/6/2015

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

Submitted By	Organization	Testifier Position	Present at Hearing
Asuka Mitani	Individual	Support	No

Comments:

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jordan3-Kevin

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2015 9:58 PM
To: HSGtestimony
Cc: rushmarmil@gmail.com
Subject: Submitted testimony for HB766 on Feb 9, 2015 08:30AM

HB766

Submitted on: 2/6/2015

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

Submitted By	Organization	Testifier Position	Present at Hearing
martha miller	Individual	Comments Only	No

Comments: I support the building of micro units as part of the solution to low income housing.

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jordan3-Kevin

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2015 8:36 AM
To: HSGtestimony
Cc: carl.campagna@kamakagreen.com
Subject: Submitted testimony for HB766 on Feb 9, 2015 08:30AM

LATE

HB766

Submitted on: 2/9/2015

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

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

Comments: Mahalo Legislators for your time and consideration. I support this bill. Utilizing micro-housing we can better serve the houseless population at a lower cost than the current services. There are other states, such as Utah, that have similar and very successful programs.

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