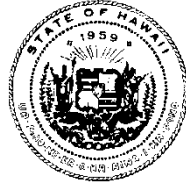


DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of

Hakim Ouansafi

Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

AND

HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES

Wednesday, February 7, 2018

9:45 AM - Room 329, Hawaii State Capitol

In consideration of

HB 1637

RELATING TO HOUSING

Honorable Chair Brower, Honorable Chair Mizuno, and Members of the House Committees on Housing, and Health & Human Services, thank you for the opportunity to provide testimony concerning House Bill (HB) 1637, relating to housing.

HB 1637 authorizes the issuance of general obligation bonds to fund construction of affordable housing development projects. Appropriates moneys for homeless mitigation and prevention efforts. The Hawaii Public Housing Authority (HPHA) **supports the intent** of this measure, so long as it does not adversely affect the Governor's supplemental budget, and offers the following comments.

The Rent Supplement Program is a State funded program that was originally set up to assist middle-income families, who were not threatened by poverty, but were not economically sound to afford the high cost of living in Hawaii. The program was originally designed to assist teachers, policemen, and firemen. The program was later extended to include the general public and has a maximum rental subsidy of \$500.

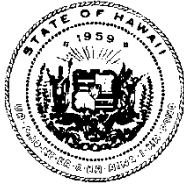
With the assistance of the Legislature in providing an additional RSP position during the 2016 legislative session, the HPHA has expanded the RSP program to currently serve 494 families, and is ready to assist more families if additional funding is provided.

If the intent is to use the funds appropriated under section 4 to specifically assist only homeless families, the HPHA would like to request additional funding for wrap around services for the homeless participants, and also request the addition of the following amendments:

- “The Hawaii public housing authority shall develop interim rules without regard to chapter 91, Hawaii Revised Statutes, for assisting participants with the housing support program pursuant to section 4 of this Act.”
- “The Hawaii public housing authority may procure case management and counseling services without regard to chapter 103D and 103F, Hawaii Revised Statutes, for assisting participants with the rent supplement program pursuant to section 4 of this Act.”

Furthermore, please know that the HPHA administers the rent supplement program, as well as the family and elderly housing program, and therefore, the sums appropriated in sections 4 and 7 of the bill should be expended by the HPHA.

The HPHA appreciates the opportunity to provide the House Committees on Housing, and Health and Human Services with the HPHA’s testimony regarding HB 1637. We thank you very much for your dedicated support.



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
HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES

February 7, 2018 at 9:45 a.m.
State Capitol, Room 329

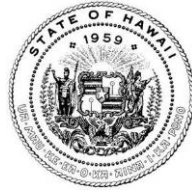
In consideration of
H.B. 1637
RELATING TO HOUSING.

The HHFDC **appreciates the intent of** Part I of H.B. 1637 provided that its passage does not replace or adversely impact priorities indicated in the Executive Supplemental Budget request. We defer to our sister agencies as to the remainder of this bill.

HHFDC appreciates the unspecified General Obligation Bond appropriation for the Rental Housing Revolving Fund (RHRF) and notes that the Executive Supplemental Budget request includes an appropriation of \$50,000,000 for the RHRF.

HHFDC has significant concerns with the proposed earmarking of the appropriated funds for projects or units at 30 percent, 50 percent, and 80 percent of the median family income. Currently, the RHRF primarily funds affordable rental housing project at or below 60 percent of the area median income, with a set-aside for households at 30 percent of the area median income. Further earmarking the use of RHRF funds by income level reduces the flexibility developers require to make affordable rental projects economically viable and may leave funds unspent if an insufficient number of units for a specific income group is not proposed for development. This is a disincentive to affordable rental housing development at a time when new production is sorely needed.

Thank you for the opportunity to testify.



EXECUTIVE CHAMBERS
HONOLULU

LATE

DAVID Y. IGE
GOVERNOR

February 7, 2017

LATE

TO: The Honorable Representative Tom Brower, Chair
House Committee on Housing

The Honorable Representative John M. Mizuno, Chair
House Committee on Health and Human Services

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 1637 – RELATING TO HOUSING**

Hearing: Wednesday, February 7, 2018, 9:45 a.m.
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports Part I of this measure to the extent that the appropriations in this measure do not replace or adversely impact priorities indicated in the Executive Budget.

The Coordinator appreciates the overall intent of the measure to increase resources to address homelessness, and offers comments as to Part II of the measure. The Coordinator defers to the Hawaii Housing Finance and Development Corporation (HHFDC) in regard to the issuance of general obligation bonds for affordable housing development; to the Department of Human Services (DHS) in regard to the contracting and implementation of homeless programs; and to the Hawaii Public Housing Authority (HPHA) in regard to the state family and elderly housing program.

PURPOSE: The purpose of the bill is to authorize the issuance of general obligation bonds to fund construction of affordable housing development projects. In addition, the bill appropriates funds to the Department of Human Services (DHS) for the state rent supplement program, Housing First, Rapid Rehousing, and the family and elderly housing program.

Homelessness remains one of the most pressing challenges facing Hawaii, and the State has adopted a comprehensive framework to address homelessness that focuses on three primary leverage points – affordable housing, health and human services, and public safety. In particular, the State has worked together with the Legislature and other stakeholders to increase resources for permanent housing programs, such as Housing First and Rapid Rehousing. Between 2015 and 2017, the number of permanent housing beds for homeless individuals statewide increased by 1,986 – an increase of 146%, more than doubling the supply of permanent beds. The coordinated efforts to implement the State’s framework to address homelessness are working to reduce the number of homeless individuals statewide. In 2017, the statewide Point in Time (PIT) count found that the number of homeless people in Hawaii had *decreased* for the first time in eight years – a decrease of 701 people between 2016 and 2017.

The Governor’s supplemental budget request includes over \$15 million for homeless services, such as Housing First, Rapid Rehousing, and the state rent supplement program. The Executive Budget request also includes over \$100 million to the Rental Housing Revolving Fund, Dwelling Unit Revolving Fund, and to HPHA for affordable rental housing development, infrastructure costs, and statewide public housing improvements and renovations. Accordingly, the Coordinator respectfully requests the Legislature’s support for the Governor’s budget request. Collectively, the housing and homeless programs administered by DHS and other State agencies represent an array of financial resources designed to provide one-time crisis assistance, as well as medium term (3-24 months) and longer term support. This mix of short-, medium- and long-term assistance is designed not only to transition at-risk and homeless individuals and families into stable housing, but also designed to prevent homelessness by assisting formerly homeless individuals in maintaining housing over time.

The Coordinator notes that the state rent supplement program described in section 4 and the family and elderly housing program described in section 7 are administered by HPHA. If this measure moves forward, the Coordinator suggests the measure be amended to clarify that sums appropriated for the state rent supplement and family and elderly housing programs will be expended by HPHA.

The Coordinator further notes that DHS administers the Housing First program described in section 5 primarily through contracts with nonprofit organizations that directly provide the service. If this measure moves forward, the Coordinator suggests the measure be amended to clarify whether the two full-time positions described are intended to directly deliver Housing First services or to assist with administration of contracts for the Housing First program.

Thank you for the opportunity to testify on this bill.

HB-1637

Submitted on: 2/5/2018 10:59:26 AM

Testimony for HSG on 2/7/2018 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Catherine Susan Graham	FACE/Housing Now Coalition	Support	No

Comments:

Aloha Chair Mizuno and Chair Brower,

I represent The Housing Now Coalition of FACE Hawaii and we are in favor of this bill because it will raise much needed funds to help increase our affordable housing inventory. If we don't do this now, then when? We are already losing many of our local people because they can no longer find affordable housing. We are already seeing an increase of our local population living on the streets. Auwe! Shame on us. This is the time to be bold and say YES to Affordable Housing for the people of Hawaii.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 1637: Relating to Housing

TO: Representative Tom Brower, Chair, Representative John Mizuno, Chair, and Members, Committees on Housing and Health & Human Services
FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer
Hearing: **Wednesday, 2/7/18; 9:45 AM; Conference Room 329**

Chair Brower, Chair Mizuno, and Members, Committees on Housing and Health & Human Services:

Thank you for the opportunity to provide written testimony **in support of HB 1637**, which would provide GO bond funding to the Rental Housing Revolving Fund as well as funding to mitigate homelessness. I am Terry Walsh, with Catholic Charities Hawaii. We are also a member of Partners in Care. This bill brings together two key initiatives: critical funding to develop affordable rental units and funds to mitigate homeless while we create new units.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 60 years. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. To end homelessness we must create significantly more affordable housing on an ongoing basis. This is a top priority for 2018.

The Star Advertiser (1/10/18) reported on a study by Aloha United Way, which found that nearly half of isle households do not earn enough to cover basic needs, much less save anything for an emergency. Any crisis can put these families at great risk for long-term problems like loss of housing. The situation is dire and demands a great investment to create rental units that struggling families can afford. It also demands rental subsidies to move homeless into housing and help struggling families to remain in housing.

The Rental Housing Revolving Fund (RHRF) provides crucial gap financing to build affordable rental projects. However, the new federal Tax Cut law is cutting into the ability of the RHRF to create new rentals. Due to this new law, it is estimated that the federal Low Income Housing Tax Credits will suffer a loss of 14% in value. Current projects, already “100% funded” now face short-falls of millions of dollars. This added demand on the resources of the RHRF will result in fewer overall units, unless action is taken this year! **We urge you to provide a minimum of \$75 million to the RHRF.**

The rental assistance proposed in this bill would also help struggling families to remain housed or to find permanent housing in Hawaii's expensive rental market. Funding for Housing First is critical to bring the chronically homeless into housing, saving the state millions in public costs. Rapid Rehousing is effective to help secure homes for working people. Over 25% of households fall into homelessness simply because they cannot pay the rent. Many families need a financial shot in the arm—usually a one-time payment—to get back on their feet and into housing

We urge your support for this bill. Please contact our Legislative Liaison, Betty Lou Larson, at 373-0356 or bettylou.larson@catholiccharitieshawaii.org, if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Hopeline: (808) 524-4673 • www.CatholicCharitiesHawaii.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 1637: Relating to Housing

TO: Committees on Housing and Health & Human Services
FROM: Partners in Care (PIC)
HEARING: Wednesday, February 7, 2018 at 9:45 am, Conference Room 329

Dear Chair Brower, Chair Mizuno, and members of the committee on Housing and Health & Human Services:

Thank you for the opportunity to provide testimony on HB 2743, which authorizes GO bond funding to the Rental Housing Revolving Fund funding to mitigate homelessness. Partners in Care (PIC)—a coalition of more than 35 non-profit, homelessness providers—supports the intent of this bill to make a large investment in the creation of affordable rental housing as well as to mitigate homelessness.

The 2016 Hawaii Housing Planning Study found that of the 64,693 overall housing units needed for all income groups in the state of Hawaii, more than half of the need – 53 percent – is for households under 60% of AMI. Even more telling, nearly a quarter of the total demand – 24% -- is for households under 30% AMI. The legislature has established a goal of creating over 22,000 rental units in our state. This goal demands a significant increase in resources. The situation is dire and demands a great investment to create rental units that struggling families can afford.

The Rental Housing Revolving Fund (RHRF) provides crucial gap financing to build affordable rental projects. Under the new federal Tax Cut law, however, the federal Low Income Housing Tax Credits will suffer a loss of at least 14% in value. This is 14% that projects must now find from other resources like the RHRF, in order to make their housing projects pencil out. Current projects, already “100% funded” now need millions of dollars to make them whole. **We urge you to allocate a minimum of \$75 million in GO bonds to make up expected short-falls and increase the pace of construction of affordable rental units.**

Rental subsidies are needed now to keep working families, our seniors, chronically homeless, etc. in housing or rapidly move them out of homelessness. Our state is first among US states in homelessness per capita. We have the most expensive rental market in the US. Rental assistance can effectively keep our people in housing via rent supplements, Housing First services or Rapid Rehousing. More than 25% of Hawaii's homeless households have fallen into homelessness simply because they cannot pay the rent. Many families need a financial shot in the arm—usually a one-time payment—to get back on their feet and into housing

Partners In Care strongly supports this bill, **and urges you to allocate a minimum of \$75 million to the Rental Housing Revolving Fund.** Thank you for your consideration of this very important bill.

Contact for (PIC) Advocacy Committee: Chair: Gavin Thornton, 808-369-2510, picadvocacychair@gmail.com

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

HB-1637

Submitted on: 2/5/2018 10:54:07 PM

Testimony for HSG on 2/7/2018 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	OCC Legislative Priorities	Support	No

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAII
TO THE COMMITTEE ON HOUSING
AND
TO THE COMMITTEE ON HEALTH & HUMAN SERVICES
HOUSE OF REPRESENTATIVES
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
Wednesday, February 7, 2018
9:45 a.m.**

Hawaii State Capitol, Conference Room 329

RE: Testimony in Support of HB 1637, RELATING TO HOUSING

To the Honorable Tom Brower, Chair; the Honorable Nadine K. Nakamura, Vice-Chair, and Members of the Committee on Housing:

To the Honorable John M. Mizuno, Chair; the Honorable Bertrand Kobayashi, Vice-Chair, and Members of the Committee on Health & Human Services:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of

Hawaii. Thank you for the opportunity to provide written testimony on House Bill No. 1637, regarding affordable housing development projects,

The OCC Legislative Priorities Committee is in favor of House Bill No. 1637 and support its passage.

House Bill No.1637 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it authorizes the issuance of general obligation bonds to fund the construction of affordable housing development projects, House Bill No.1637 appropriates money for homelessness mitigation and prevention efforts,

Specifically, the DPH Platform provides that we "believe in the concept of "Housing First" to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

We support dedicated social services and housing opportunities for Hawaii's homeless population to get them off the streets and reintegrated into society, with specific devoted services for disenfranchised groups including but not limited to, the Hawaiian community, aged-out foster kids, youth, returning veterans, the aged, and lesbian, gay, bisexual and transgender homeless." (Platform of the DPH, P. 7, Lines 352-358 (2016)).

Given that House Bill No.1637 provides for affordable housing development projects, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Tel.: (808) 258-8889



49 South Hotel Street, Room 314 | Honolulu, HI 96813
www.lwv-hawaii.com | 808.531.7448 | voters@lwv-hawaii.com

COMMITTEE ON HOUSING
COMMITTEE ON HEALTH & HUMAN SERVICES

Wednesday, February 7, 2018, 9:45 AM, room 329

HB 1637, RELATING TO HOUSING

TESTIMONY

Nina Eejima, Legislative Committee, League of Women Voters of Hawaii

Chair Brower, Committee on Housing; Chair Mizuno, Committee on Health & Human Services; and
Committee Members:

The League of Women Voters of Hawaii strongly supports HB 1637 that authorizes the issuance of general obligation bonds to fund construction of affordable housing development projects and appropriates moneys for homelessness mitigation and prevention efforts.

Hawaii has a desperate need to develop, preserve, or rehabilitate affordable rental housing projects. This is a daunting challenge. We need to create a stable housing environment in the context of financing gaps. The proposed bond issuance will assist in increasing the inventory of affordable rental housing as the revenues from the bond issuance will be deposited into the rental housing revolving fund.

Thank you for the opportunity to submit testimony.

LATE

LATE



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR HOUSE BILL 1637, RELATING TO HOUSING

House Committee on Housing
Hon. Tom Brower, Chair
Hon. Nadine K. Nakamura, Vice Chair

House Committee on Health and Human Services
Hon. John M. Mizuno, Chair
Hon. Bertrand Kobayashi, Vice Chair

Wednesday, February 7, 2018, 9:45 AM
State Capitol, Conference Room 329

Honorable Chair Brower, Chair Mizuno, and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in support of House Bill 1637, relating to housing.

Hawai'i residents face the highest housing costs in the nation, at more than twice the national average. Researchers who authored the National Low Income Housing Coalition's *Out of Reach 2017* report found that a full-time worker would need to earn \$35.20/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needing to log 116 hours per week to afford a modest one-bedroom apartment at fair market value and 139 hours per week to afford a two-bedroom—a number that is equivalent to working 20 hours a day with no days off year-round. In the past three years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai'i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$15.64/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai'i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai'i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households. Homelessness is directly tied to our state's exorbitant cost of living and penchant for catering to people who use the islands as their own

private Monopoly board. We beseech you to seek innovative ways of making Hawai'i more affordable for our economically disadvantaged neighbors.

Our state's cost of housing has skyrocketed over the last decade, leaving many families searching for affordable alternatives, in shelters, or on the streets. For context, the median price of condominiums on O'ahu increased 6 percent in the summer of 2017 to a record \$425,000, while the median price for single-family homes increased by 3 percent to \$795,000, according to the Honolulu Board of Realtors, a number that they expect to increase by at least another 5 percent in 2018. Average fair market rent for two-bedroom apartments in *outlying* communities in the City and County of Honolulu now exceeds \$2,000, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 43 percent of residences in Hawai'i are owner unoccupied, according to the National Low-Income Housing Coalition, meaning that nearly 50 percent—and by some estimates over half—of Hawai'i's homes are likely investment properties.

The time for deliberation is over. It's time to act. Experts at DBEDT now estimate that Hawai'i needs 66,000 new housing units by the year 2025 to keep up with demand, more than 80 percent of which is needed to meet the demand of people who qualify for affordable housing. Yet, for every 100 extremely low-income renters on O'ahu, there exist only 40 affordable rentals, according to the Urban Institute, of which only 11 are “naturally affordable,” meaning they are affordable without federal subsidies. Though our state is committed to a goal of building 22,500 affordable rental housing units in the next 10 years, figures from the Hawai'i Housing Finance and Development Corporation show that in 2015 and 2016, we added only approximately 1,000 affordable rental units to our state's inventory, with further plans finalized for a mere 3,240 more affordable rentals by 2022. Analysts believe that boosting the overall housing supply will lower home prices—and, in turn, rent—for all residents, an ancillary benefit that cannot be overstated in our undersaturated, luxury-driven, “investor first” housing market.

We need housing now. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance