



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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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. 2409
RELATING TO HOMELESSNESS.

The HHFDC ***offers the following comments*** on H.B. 2409. This bill proposes to create a 5-year pilot project to be known as the Hale Kokua project which would provide construction grants and rental subsidies to property owners who provide housing to unsheltered homeless families and individuals. However, the bill does not provide funding for the project.

We note that a pilot project with as broad as scope as this one would require a significant allocation of time and resources to set up and administer. This bill requires HHFDC to take on numerous duties including screening, registering, monitoring, and reporting on homeless families and individuals; working with the Counties to develop incentives, such as property tax exemptions for participating property owners; assisting in developing employer-employee relationships between homeless tenants and participating property owners; and securing assistance from law enforcement and other government and private sector agencies. HHFDC does not have the capacity or expertise to handle a program of this nature.

Thank you for the opportunity to testify.

HB-2409

Submitted on: 2/6/2018 2:14:38 AM

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
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 2409, RELATING TO
HOMELESSNESS

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. 2409 regarding a 5-year Hale Kokua pilot project under the Hawaii Housing Finance and Development Corporation to reduce homelessness by incentivizing and assisting private homeowners who set aside existing dwelling units, or construct new or improve existing dwelling units, for rental by families and individuals classified as homeless.

The OCC Legislative Priorities Committee is in favor of House Bill No. 2409 and support its passage.

House Bill No.2409 is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it establishes a five-year homeless assistance pilot project, to be known as the "Hale Kokua project", to authorize the payment of a state grant and a monthly rent supplement to any interested property owner who sets aside any existing rental space or who undertakes the improvement or construction of any adjoining or separate dwelling unit for the purpose of renting the unit for a period of five years to any family or individual classified as homeless.

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, 2409 establishes a 5-year Hale Kokua pilot project to incentivize and assist private homeowners who set aside existing dwelling units, or construct new or improve existing dwelling units, for rental by families and individuals classified as homeless, 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

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DAVID Y. IGE
GOVERNOR

February 7, 2018

TO: The Honorable Representative Tom Brower
House Committee on Housing

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

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

SUBJECT: **HB 2409 – RELATING TO HOMELESSNESS**

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

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, and offers comments. The Coordinator defers to the Hawaii Housing Finance and Development Corporation (HHFDC) in regard to the administration of housing development and set aside incentive programs, such as the proposed Hale Kokua project.

PURPOSE: The purpose of the bill is to establish a 5-year Hale Kokua pilot project under HHFDC to reduce homelessness by incentivizing and assisting private homeowners who set aside existing dwelling units, or construct new or improve existing dwelling units, for rental by families and individuals classified as homeless under the project. The bill requires HHFDC to submit interim and final reports to the Legislature, and repeals the pilot on July 1, 2023.

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 or 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. In addition, the State has partnered to pair State land with County and other private sector resources to support projects, such as the Kahauiki Village opened in January 2018 and provides long-term rental housing for 30 homeless families. The coordinated efforts to implement the State’s framework to address homelessness have made progress in reducing 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 Coordinator notes that the Hale Kokua program, as described in the measure, requires three dedicated staff to administer the program, the development of a background check and screening process for property owners and qualified tenants, the administration of state grant payments for property renovations and improvements, and the payment of monthly state rent subsidy payments, among other requirements specified. However, the measure does not appropriate funds or establish positions to support both the implementation and ongoing operation of the pilot program.

Accordingly, the Coordinator is concerned about the potential impact on current levels of funding for housing and homeless services statewide, including the operation of emergency and transitional shelter programs, homeless outreach, Rapid Rehousing, and Housing First. Collectively, the 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 to transition at-risk and homeless individuals and families into stable housing, and is also designed to prevent homelessness by assisting formerly homeless individuals in maintaining housing over time.

Thank you for the opportunity to testify on this bill.