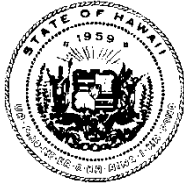


DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

LATE

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 OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS
February 13, 2018 at 10:10 a.m.
State Capitol, Room 423

In consideration of
H.B. 2473
RELATING TO HOUSING FOR NATIVE HAWAIIANS.

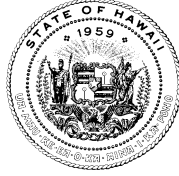
The HHFDC *offers the following comments* on H.B. 2473. HHFDC believes that micro housing could expand affordable housing opportunities. However, it is our understanding that the Department of Hawaiian Home Lands is authorized to construct housing and make loans for dwelling units, including micro housing units. HHFDC also notes that we are not the appropriate agency to administer funds for native Hawaiian programs because doing so may raise Fair Housing Act concerns.

Thank you for the opportunity to testify.

LATE LATE

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 COMMITTEES ON HOUSING AND
OCEAN, MARINE RESOURCES & HAWAIIAN AFFAIRS

HB 2473 RELATING TO HOUSING FOR NATIVE HAWAIIANS

February 13, 2018

Aloha Chairs Brower & Ing and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill that authorizes the construction and use of micro housing units on Hawaiian home lands managed by DHHL, notwithstanding zoning laws, permit provisions, and building codes and authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on Hawaiian home lands managed by DHHL and leased to beneficiaries.

This measure is unnecessary because section 214 of the HHCA includes broad authority for the department to make loans from revolving funds to beneficiaries for the “repair or maintenance or purchase or erection of dwellings on any tract.” Although the HHCA doesn’t specifically reference a micro housing unit, dwellings can encompass a micro housing unit. DHHL would also caution exempting a micro housing unit from permit or building code provisions because such exemptions may have unintended consequences such as affecting the ability to secure financing and insurance for micro housing units built on Hawaiian Home Lands.

Section 1 of this bill includes a number of inaccuracies that should be deleted from this measure and references section 101 of the Hawaiian Homes Commission Act (HHCA) that is still subject to consent of Congress. It is important to note that the mission of the department is to manage the Hawaiian Home Lands Trust effectively and to develop and deliver land to native Hawaiians. In calendar year 2017, a total of 185 lots were awarded or were converted from rentals to homeownership on Kauai, Maui, Oahu, and West Hawaii. An additional 295 lots (both residential and subsistence

agricultural lots) on Hawaii island, Kauai, Lanai, and Oahu are complete and scheduled to be awarded in calendar year 2018. DHHL is also currently finalizing negotiations with the developer selected to build a rent with option to purchase project in Laiopua, Kona. The final number of units, still under discussion, is likely to fall between 118 and 163 units. Further, in response to requests from our beneficiaries for more opportunities to build their own homes, DHHL is expanding the number of vacant lot offerings so that families build a home that meets their needs and budget. I have attached suggested changes to the measure if it is the desire of the committees to move this bill forward. At minimum, DHHL would recommend deleting certain language in sections 1 and 2, requiring that any micro housing unit be subject to approval by DHHL in section 2, and identify an expending agency in section 4.

The Department notes that this measure proposes funding from general revenues and appreciates any funding to support its initiatives as long as it doesn't affect the priorities identified in the Governor's Executive budget request.

Thank you for your consideration of our testimony.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2018**

LATE

ON THE FOLLOWING MEASURE:

H.B. NO. 2473, RELATING TO HOUSING FOR NATIVE HAWAIIANS.

BEFORE THE:

HOUSE COMMITTEES ON HOUSING AND ON
OCEAN, MARINE RESOURCES, AND HAWAIIAN AFFAIRS

LATE

DATE: Tuesday, February 13, 2018 **TIME:** 10:10 a.m.

LOCATION: State Capitol, Room 423

TESTIFIER(S): Russell A. Suzuki, Acting Attorney General, or
Matthew S. Dvonch, Deputy Attorney General

Chairs Brower and Ing and Members of the Committees:

The Department of the Attorney General offers the following comments on this bill.

This bill authorizes the construction and use of micro housing on Hawaiian home lands. County zoning codes, permitting provisions, and building codes would not apply to such micro housing units. The bill also authorizes the use of the Department of Hawaiian Home Lands' (DHHL) Hawaiian home loan fund and Hawaiian home general fund to assist homesteaders in constructing micro housing units on their homesteads. Finally, the bill makes appropriations to the Hawaii Housing Finance and Development Corporation (HHFDC) for construction of micro housing units on Hawaiian home lands and to build the organizational capacity of native Hawaiian-controlled nonprofit housing developers.

With respect to the appropriations in sections 4 and 5 of the bill, we note that HHFDC cannot administer race-based housing programs. Under the Equal Protection clauses of article I, section 5, of the Hawaii Constitution and the Fourteenth Amendment to the United States Constitution, HHFDC may not restrict its programs to members of a particular race. In addition, sections 201H-5 and 515-5, Hawaii Revised Statutes, prohibit HHFDC from engaging in racial discrimination through its affordable housing programs, including the financing of housing unit construction.

In order to remedy these constitutional and statutory concerns, we suggest amending the bill to make DHHL the recipient of the appropriations in sections 4 and 5. DHHL may lawfully restrict the use of its funds to native Hawaiians and native Hawaiian-controlled entities to accomplish the purposes of this bill.

Thank you for the opportunity to provide these comments.



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai‘i Appleseed Center for Law and Economic Justice
Supporting HB 2473 -- Relating to Housing for Native Hawaiians
House Committees on Housing and on Ocean, Marine Resources, & Hawaiian Affairs
Scheduled for Hearing on Tuesday, February 13, 2018, 10:10 AM, Conference Room 423

Dear Chairs Brower and Ing, Vice Chairs Nakamura and DeCoite, and members of the Committees:

Thank you for the opportunity to testify in SUPPORT of **HB 2473**. This bill presents a unique opportunity to utilize the Hawaiian Trust Lands for affordable housing.

HB 2473 would establish a public-private partnership to leverage \$5 million in state funding to create a \$20 million revolving loan fund for the development of affordable micro housing units on Hawaiian Home Lands. The micro housing unit loan fund would support the building of 10,000 micro housing units on Hawaiian Home Lands by 2026. These homes would be required to be priced at or below \$125,000. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

Hawai‘i Appleseed has been involved in the authorization and construction of accessory dwelling units on O‘ahu for the past several years, as a way to increase the supply of affordable housing on the island. Through our research and outreach work, we have come to see Hawaiian Home Lands as an especially promising area for the development of such units.

There are far too many native Hawaiians and their non-native Hawaiian family members residing on the beach, in cars, and over-crowded housing. This bill would help address this issue as part of the state’s comprehensive approach toward solving our homeless and affordable housing crises.

We appreciate your consideration of this testimony.

Hawai‘i Appleseed Center for Law and Economic Justice Hawaii Appleseed is committed to a more socially just Hawai‘i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

Center for Hawaiian Sovereignty Studies
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Kane'ohe, HI 96744
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Kenneth R. Conklin, Ph.D. Executive Director
e-mail Ken_Conklin@yahoo.com
Unity, Equality, Aloha for all



To: HOUSE COMMITTEE ON HOUSING; AND HOUSE COMMITTEE ON
OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS

For hearing Tuesday, February 13, 2018

Re: HB 2473 RELATING TO HOUSING FOR NATIVE HAWAIIANS.
Authorizes the construction and use of micro housing units on
Hawaiian home lands managed by DHHL, notwithstanding zoning laws,
permit provisions, and building codes. Authorizes the use of the
Hawaiian home loan fund and Hawaiian home general fund for
assistance in purchasing or renting micro housing units for use on
Hawaiian home lands managed by DHHL and leased to beneficiaries.
Makes an appropriation to the Hawaii housing finance and development
corporation for construction of micro housing units, subject to certain
conditions, and to build general organizational capacity of native
Hawaiian-controlled nonprofit housing developers.

TESTIMONY IN OPPOSITION

Here are six points which need to be made.

1. Some clever politicians are trying to send millions of extra dollars to enrich DHHL by giving the public and the legislature the false impression that the purpose is to provide truly tiny houses to help poor and downtrodden people. Shame!

It is a form of bait-and-switch to use a currently popular term as the name for a proposal which is actually very different. This bill proposes to allow up to 800 sq ft. of floor space for a house or apartment to be branded as a "micro housing unit." That would be two or three times the size of the genuine "tiny homes" and "microunit apartments" that are the current fad in Honolulu for solving the twin problems of homelessness and housing shortage. My own 2-bedroom condo apartment is 723 sq ft and is definitely not "micro." Units of the same size in my building have families of 4 or 5 people living in them comfortably. Renters in my building pay around \$2,000 per month for apartments identical to mine, and the assessed valuation is currently \$ 351,700. Micro schmikro!

2. Don't reach into the pockets of Hawaii taxpayers to grab our money to make up for the malfeasance of DHHL leadership. The first sentence in this bill says "The legislature finds that the department of Hawaiian home lands produced no new housing units during the fiscal year ending June 30, 2017, and closed out the year with \$30,000,000 in unspent federal housing funds." For that much money they could have bought 85 of my 2-bedroom apartments at current assessed valuation, to provide housing for 300-400 people. Or if we use the estimated construction cost of \$125,000 mentioned in this bill, that \$30 Million could have yielded 240 housing capable of sheltering 900-1200 people. DHHL leadership is clearly lazy or incompetent, and responsible for protracting the misery of hundreds of people whose well-being it is responsible for.

3. It appears that this bill would actually be discriminating against native Hawaiians. Census data indicate that "Native Hawaiians" have significantly larger family size and household size than the general population of Hawaii. Yet this bill proposes to cram those larger families into smaller "micro housing units" anticipated to be in violation of zoning laws and building codes. That's pretty nasty, isn't it?

4. Section 2 of this bill proposes to override "any county zoning laws, permit provisions, or building code provisions to the contrary to allow micro housing units" on DHHL lands. But those zoning laws and building codes exist for good reasons (or don't they?). Some DHHL residential homelands lie immediately adjacent to normal residential neighborhoods; for example, the one in Waimanalo (which I canvassed for Census 2000). Does the legislature really want to be responsible for the development of overcrowded slum housing ("micro housing units" in violation of zoning laws and building codes) right across the street from middle class suburban homes?

5. I remind the legislature that a class-action lawsuit by 3,000 native Hawaiians on the waiting list for DHHL leases has resulted in a court decision resulting in negotiations for a settlement that could force taxpayers to fork over Billions of dollars not only to individual plaintiffs but also to DHHL. Now comes before you this bill to begin a brand new DHHL project and to pay for it with two startup grants of one million and five million dollars, expected to result in permanent programs for huge megabucks in the future. It would be foolish to give DHHL new money on top of whatever will come out of those negotiations. If DHHL wants to develop a project for micro housing units, let DHHL fund that program, or include it in its demands for a negotiated settlement of the class action lawsuit.

6. OHA already has over \$600,000,000. And, according to its bill in both Senate and House, OHA wants to grab an additional \$119,000,000 in ceded lands "back rent" plus \$35,000,000 per year, in lieu of ceded lands revenue, going forward. Wow!

The legislature has the authority to raid OHA's treasury the same as the legislature raids any of the special funds for hurricane relief or highways. Make OHA pay for DHHL projects.

In this case the "raid" would merely be forcing OHA to spend money it was supposed to be spending all along, and to spend it for the exact purpose for which OHA was created.

Section 5(f) of the statehood Admissions Act says one of the 5 purposes for the use of ceded land revenues: is "... for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920." HHCA defines "native Hawaiians" as people who have at least 50% native blood quantum -- exactly the same requirement for someone to be granted a lease on DHHL land.

Act 273 (1980) says "twenty per cent of all funds derived from the public land trust ... shall be expended by the office of Hawaiian affairs ... for the purposes of this chapter." Act 273 does not say the funds may be invested in an investment portfolio, it says the funds SHALL BE EXPENDED to provide services. Yet OHA seems to think it can grab tens of millions of dollars every year which it then invests or uses for political purposes such as lobbying for the Akaka bill or building a racial registry for "nationbuilding", but OHA fails to provide more than sporadic and inadequate funding for purposes which OHA should be supporting.

OHA currently has over \$600 Million in assets. No other agency of the state government is allowed to squirrel away huge amounts of wealth as a permanent cash stash.

Make OHA spend its vast wealth for the needs of DHHL -- i.e., for the betterment of native Hawaiians as defined in HHCA. If DHHL decides to use some of the money for "micro housing units" it can do so. DHHL can build slums for low-income native Hawaiians, to the consternation of middle-class suburban homeowners (including native Hawaiians) living right across the street.



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February 10, 2018

Joint Committee on Housing and Ocean, Marine Resources, & Hawaiian Affairs
Tuesday, February 13, 2018, 10:10am
Conference Room 423

HB2473 – Relating to Housing for Native Hawaiians

Aloha Chairs Brower and Ing, Vice-Chairs Nakamura and DeCoite, and Committee Members:

I am submitting testimony on behalf of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency, to **STRONGLY SUPPORT HB2473.**

HB2473 would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of 10,000 tiny homes on Hawaiian Home Lands' lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

Need for Affordable Housing

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

Power to Leverage the State's Investment

The bill would provide State funds to a native community development financial institution (CDFI) that would administer the revolving tiny home loan fund. CDFIs are nonprofit intermediaries that are helping communities build affordable housing across the United States by pooling together public and private capital for deployment to underserved populations through loans and grants. The Carsey Institute cites that CDFIs are leveraging Federal investments at a rate of up to 8:1¹. This bill would take advantage of the power of CDFIs and their ability to leverage investments from foundations, banks, and government entities to increase affordable housing for native Hawaiian and their non-native Hawaiian family members on Hawaiian Home Lands.

¹ CDFI Industry Analysis: Summary Report. Carsey Institute, Spring 2012.
<https://www.cdfifund.gov/Documents/Carsey%20Report%20PR%20042512.pdf>

Nonprofit Developers are a National Best Practice for Addressing Affordable Housing

In October 2017, Vice President of the Local Initiative Support Corporation's rural initiative, Suzanne Anarde, announced at the Annual Native Hawaiian Convention that "nonprofit developers are a national best practice for addressing affordable housing in our communities". Nonprofit developers have dual social and financial missions and are experts at utilizing both public and private funds to build affordable housing units for low- and moderate-income households, defined by the Department of Housing and Urban Development as those earning at or below 100% the area median income. HB2473 would assist Hawaii in building the capacity of native Hawaiian nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands. Most importantly, this will allow native Hawaiian families who are currently unable to qualify for turnkey single family homes being developed on Hawaiian Home Lands and priced at \$250,000 and above.

Funds Appropriated to Hawaii Housing Finance and Development Corporation

The bill would appropriate funds to HHFDC as the State's premier housing finance and development agency with a mission to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools, and resources to facilitate housing development. Housing finance and development agencies across the nation, including such agencies in Arizona and California, have tribal set-aside programs to provide leadership, tools, and resources to facilitate housing development specifically on native trust lands as a strategy to address the high need for affordable housing among their native peoples. HHFDC's long track record of managing State funds in an efficient and effective manner, making the agency the appropriate vehicle for administering the appropriation for the tiny home loan fund and nonprofit developer capacity building program.

At a time when we are facing dual homeless and affordable housing crises, we cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these opportunities to its beneficiaries that support economic self-sufficiency and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. **PASS HB2473.**

Sincerely



Jeff Gilbreath
Executive Director

HB-2473

Submitted on: 2/9/2018 4:01:29 PM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Hawaiian Civic Club of Honolulu	Support	No

Comments:



Aloha Chair Brower, Chair Ing, and members of the House committees on Housing and Ocean, Marine Resources & Hawaiian Affairs,

On behalf of the nearly 600 registered members of the Young Progressives Demanding Action – Hawai‘i, I would like to express **strong support** for HB2473.

According to the Department of Housing and Urban Development, some 22,000 native Hawaiians are currently on a waitlist for a home on Hawaiian Home Lands (HHL). Since the HHL Trust was established in 1920, approximately 8,000 residential leases have been awarded, while many thousands of families have waited decades for their turn, all the while struggling to survive in their own land. These families live on our beaches, in overcrowded public housing, or in high-priced rentals that absorb the bulk of their income, making it impossible to save for a future, send their kids to college or invest back into the socioeconomic system. At a time when Hawai‘i reports the highest homeless rate per capita of any state in the nation, and 42 percent of all homeless persons here identify as Native Hawaiian or Pacific Islander, HB2473 gives us the unique opportunity to address both our homeless and affordable housing crises and the overrepresentation of Hawaiians living below the poverty line by supporting the development of affordable, tiny homes priced below \$125,000 on HHL.

The establishment of a public-private partnership (PPP) to leverage state funding and to create a \$20 million loan fund for the development of affordable tiny homes on HHL is an exemplary use of the PPP model, which allows for rapid and bold development. When this development is in the interest of providing desperately-needed housing for low-income families that have endured cultural erasure and disenfranchisement from their own land, the PPP model is truly at its best. This loan fund would support the building of 10,000 tiny homes on HHL lots with existing infrastructure by 2026, by which time the population of Hawai‘i will have increased to more than 1.5 million. Additionally, this legislation would build the capacity of nonprofit developers to increase the affordable housing stock on HHL into the future, helping us to handle this projected population increase.

We can no longer wait for affordable housing in Hawai‘i. The HHL Trust was established to provide these types of opportunities to its beneficiaries. Our membership believes that supporting the well-being of Hawaiians supports the well-being of all of Hawai‘i and its residents. We need to invest in affordable housing for Hawaiians, as well as for non-native Hawaiians, residing on HHL now. We urge you to pass HB2473.

Mahalo,

Will Caron
Social Justice Action Committee Chair
Young Progressives Demanding Action – Hawai‘i



P.O. Box 37158, Honolulu, Hawai`i 96837-0158
Phone: 927-0709 henry.lifeoftheland@gmail.com

COMMITTEE ON HOUSING

Rep. Tom Brower, Chair
Rep. Nadine K. Nakamura, Vice Chair

COMMITTEE ON OCEAN, MARINE RESOURCES, & HAWAIIAN AFFAIRS

Rep. Kaniela Ing, Chair
Rep. Lynn DeCoite, Vice Chair

Tuesday, February 13, 2018

10:10 am

Conference Room 423

HB 2473 RELATING TO HOUSING FOR NATIVE HAWAIIANS. SUPPORT

Aloha Chairs Brower and Ing, Vice Chairs Nakamura and DeCoite, and Members of the Committees

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 47 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Life of the Land strongly supports the bill which would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands.

The language, "*Hawaiian home lands managed by the department of Hawaiian home lands and leased to native Hawaiian beneficiaries shall be allowed*" is meant to imply that the units would be built where there is existing infrastructure, and often, another home. It would allow a family

to house their family members, so they don't have to live on the beach, in their cars, or dilapidated housing.

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands.

Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals.

At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, the bill gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide this type of opportunities to its beneficiaries and for the well-being of all of Hawaii.

Mahalo,

Henry Curtis
Executive Director

HB-2473

Submitted on: 2/12/2018 8:16:32 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

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

Comments:



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

LATE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 2473: **Establishes a revolving Small Home Loan Fund and Nonprofit Developer Capacity Program to increase development of affordable housing on Hawaiian Home Lands.**
Senate Committees HSG/OMH
Scheduled for Hearing on February 13, 2018, 10:10 AM in Conference Room 423

Hawai'i Appleseed Center for Law and Economic Justice Hawai'i Appleseed is committed to a more socially just Hawai'i, where everyone has genuine opportunities to achieve economic security and fulfill their potential. We change systems that perpetuate inequality and injustice through policy development, advocacy, and coalition building.

Hawaii Appleseed Center for Law and Economic Justice strongly supports passage of HB2473 which would establish a revolving fund to increase the realistic and timely development of affordable housing on Hawaiian Home Lands. The funding would be directed at establishing up to 10,000 small homes by 2026. Hawaiian families remain overcrowded and represent the highest group represented within the homeless population

There is an overwhelming need for housing for Hawaiians with 22,000 native Hawaiians currently on a waitlist for a home on Hawaiian Home Lands while less than 8000 residential; leases have been awarded since the trust was established almost 100 years ago. SB 2424 presents an opportunity to dramatically reverse this trend with a realistic plans and design that will make an immediate and practical difference in the lives of thousands of Hawaiians without current options for appropriate housing. SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

According to the U.S. Census Bureau, the 2014 American Community Survey estimated over 50% of homeowners in Hawai'i are cost-burdened (spending 30% or more of household income on housing), while over 57% of renters are cost-burdened. In contrast, the national averages respectively are approximately 45% and 52%. Hawai'i remains one of the worst states with regards to affordable housing, and there continues to be a dire need to address this.

Accessary Dwelling Units (ADUs) or tiny homes are an important tool to tackle our affordable housing crisis, offering many benefits to current Hawaiian prospective homeowners, and the community at large. ADUs have been successfully used as an affordable housing strategy in other high-cost jurisdictions. Relative to current government subsidies for affordable housing, ADUs are an extremely cost-efficient option by allowing capital investment to come from homeowners who are in the best position to know the feasibility of the additional housing rather than government subsidized developments.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these type of opportunities to its beneficiaries and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. We urge you to **PASS HB 2473**.

Aloha,
Victor Geminiani
Co-Executive Director



LATE
LATE

HB2473
RELATING TO HOUSING FOR NATIVE HAWAIIANS
House Committee on Housing
House Committee on Ocean, Marine Resources, & Hawaiian Affairs

February 13, 2018

10:10 a.m.

Room 423

The Office of Hawaiian Affairs (OHA) appreciates the opportunity to provide **COMMENTS** on HB2473, which seeks to advance housing options and opportunities for Department of Hawaiian Home Lands (DHHL) beneficiaries and their families.

OHA is the constitutionally-established body responsible for protecting and promoting the rights of Native Hawaiians, and serves as the principle agency responsible for the performance, development, and coordination of programs and activities relating to Native Hawaiians; assessing the policies and practices of other agencies impacting Native Hawaiians; and conducting advocacy efforts for Native Hawaiians.¹ In furtherance of its constitutional mission, OHA has adopted strategic priorities of **Ho'okahua Waiwai**, which focuses on improving Native Hawaiians' economic self-sufficiency through improved home ownership and rental standards. **Between FY11 – FY16, OHA accordingly provided approximately \$28 million in support of housing and housing stability programs, including foregone rent, sponsorships, programs and services (contracts and grants), and \$3 million annually for DHHL housing development program activities.**

OHA is therefore appreciative of the intent behind this measure, to provide DHHL and its lessees with greater flexibility in the development of housing on DHHL lands. **OHA does note that Section 4 of this measure, beginning on page 9, line 13, does not specify an expending agency for the appropriation provided for therein.** Accordingly, based on the preamble and other provisions of the bill, OHA respectfully suggests that Section 4 be clarified to expressly name the Hawai'i Housing Finance and Development Corporation as the expending agency for the subject appropriation.

Mahalo nui for the opportunity to testify on this measure.

¹ HAW. CONST. ART. XII SEC. 5; Haw. Rev. Stat. § 10-3.



COUNCIL FOR NATIVE HAWAIIAN ADVANCEMENT

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LATE

LATE

Testimony providing SUPPORT on **HB2473**
Relating to Housing for Native Hawaiians

JOINT COMMITTEE ON HOUSING & OCEAN, MARINE RESOURCES & HAWAIIAN
AFFAIRS

Tuesday, February 13, 2018

Chairs Brower and Ing, Vice Chairs Nakamura and DeCoite and members of the Joint Committee, on behalf of the Council for Native Hawaiian Advancement (CNHA) and our Policy Center, I offer **strong support on HB2473** which makes an appropriation to the Hawaii Housing Finance and Development Corporation (HHFDC) for construction of micro housing units on Hawaiian Home Lands and to build general organizational capacity of native Hawaiian-controlled nonprofit housing developers.

Founded in 2001, CNHA is a Native Hawaiian non-profit membership organization with 132 voting members. Our mission is to enhance the well being of Hawaii through the cultural, political, community and economic development of Native Hawaiians. At our 16th Annual Native Hawaiian Convention held in October 2017, we compiled the priorities from eight policy caucuses and adopted a priority to pursue an investment by the State to support the construction of tiny homes.

HB2473 has strong support from members of both our housing and homestead policy caucuses. The measure would appropriate \$5 million to HHFDC for the construction of micro housing units on Hawaiian Home Lands. With a current wait list of over 22,000 native Hawaiians and the well-known struggle among beneficiaries in qualifying for DHHL's turnkey developments, HB2473 offers a needed solution to increase affordable inventory on Hawaiian Home Lands.

CNHA knows first hand, as a Native CDFI and a HUD Housing Counseling agency, the need for access to capital to assist beneficiaries in securing affordable housing options. We are keenly aware of the housing crises that exist on homesteads where overcrowded, multi-generational households are doing what they can to make ends meet. We see the needs of our kupuna who want to age in place surrounded by ohana. And, we understand the struggle among young couples, unable to leave home due to unaffordable rent costs. HB2473 puts an additional option on the table for families to consider micro homes as one solution to the multiple housing needs that exist in the homesteads.

Finally, HB2473 would invest in growing the organizational capacity of native Hawaiian controlled nonprofit housing developers. CNHA is a strong supporter of investing in nonprofit CDC's over relying on for profit developers to solve our affordable housing shortage.

We ask the joint committee to pass HB2473 today. Mahalo for the opportunity to provide testimony!

Michelle Kauhane
President & CEO

LATE
LATE

HB-2473

Submitted on: 2/12/2018 10:22:50 PM
Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

We STRONGLY SUPPORT this bill. Housing is desperately needed on Hawaiian Homestead Lands. Mahalo.

HB-2473

Submitted on: 2/11/2018 10:27:36 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Ching		Support	No

Comments:

Chairs Brower and Ing, Vice Chairs Nakamura and DeCoite and members of the committees,

I support HB2473. Hawaiians need housing, especially those currently on DHHL lands without a home. By building tiny houses, many families will be able to afford a house and a place to stay. I urge you to pass this bill -- many Hawaiian families have been waiting a LONG time for a roof over their heads.

Thank you for the opportunity to testify.

Randy Ching / Honolulu / makikirandy@yahoo.com

HB-2473

Submitted on: 2/10/2018 9:14:52 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
carol lee kamekona		Support	No

Comments:

HB-2473

Submitted on: 2/12/2018 9:00:19 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
scott mahoney		Support	No

Comments:

realizing that the majority of the homeless in hawaii are native hawaiians the passage of HB2473 would help alleviate the problems of cost and space by allowing many of us beneficiaries to reach out and build or help them build housing on our awards. PLEASE pass this important legislature. it will also help us in helping family or friends the opportunity to avoid being homeless and having a solid start in life. every man needs a home or a place to feel safe and wanted. that feeling can only help them try to contribute to society instead of otherwise.

mahalo

scott mahoney

waimea, hawaii

HB-2473

Submitted on: 2/12/2018 9:14:19 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Godbey Carson		Support	No

Comments:

I am a volunteer board member for IHS, and a supporter of FACE Housing Now! We desperately need more affordable housing in our state. Please pass this bill to appropriate funds for construction of more housing units on DHH lands. This bill:

- 1) Helps to expand inventory of needed housing for many who need it.
- 2) Addresses target population of native Hawaiians, the most prevalent ethnic group of homeless individuals served according to the 2016 Homeless Services Utilization Report
- 3) Uses existing land resources which are the most expensive aspect of developing affordable housing.

Thank you.

HB-2473

Submitted on: 2/12/2018 9:22:03 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Garris	Self	Support	No

Comments:

HB-2473

Submitted on: 2/12/2018 11:05:33 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Carrie Pung		Support	No

Comments:

I believe that this will establish a revolving Small Home Loan Fund and non profit developer capacity program to increase development of affordable housing on Hawaiian Home Lands.

I do believe that investing in such a program will not only help with affordable housing on Hawaiian Home Lands but it will sustain generations to come.

HB-2473

Submitted on: 2/12/2018 11:08:02 AM

Testimony for HSG on 2/13/2018 10:10:00 AM



Submitted By	Organization	Testifier Position	Present at Hearing
Annie AuHoon		Support	No

Comments:

I STRONGLY SUPPORT HB2473, which would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of 10,000 tiny homes on Hawaiian Home Lands lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, HB 2473 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these type of opportunities to its beneficiaries and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. We urge you to PASS HB2473

Respectfully Submitted,

Annie K. Au Hoon

LATE

HB-2473

Submitted on: 2/12/2018 11:24:04 AM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sammie Pung	Individual	Support	No

Comments:

I support HB2473, which will establish a revolving small home loan fund and nonprofit developer capacity program to increase development of affordable housing on Hawaiian Home Lands.

I believe that this will assist the Hawaiians and non-Hawaiians in affordable housing.

HB-2473

Submitted on: 2/12/2018 3:34:40 PM

Testimony for HSG on 2/13/2018 10:10:00 AM

LATE

LATE

Submitted By	Organization	Testifier Position	Present at Hearing
Lahela Williams	Individual	Support	No

Comments:

I **STRONGLY SUPPORT HB2473**, which would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of 10,000 tiny homes on Hawaiian Home Lands lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, HB2473 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these type of opportunities to its beneficiaries and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. We need you to **PASS HB2473**.

Mahalo for your time and consideration.

LATE LATE

HB2473 – Relating to Housing for Native Hawaiians. Establishes a revolving Small Home Loan Fund and Nonprofit Developer Capacity Program to increase development of affordable housing on Hawaiian Home Lands.

Status: Bill scheduled to be heard by HSG/OMH on Tuesday, 02-13-18 10:10AM in House conference room 423.

I **STRONGLY SUPPORT HB2473**, which would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of 10,000 tiny homes on Hawaiian Home Lands lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these type of opportunities to its beneficiaries and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. We need you to **PASS HB2473**.

LATE

LATE

HB-2473

Submitted on: 2/12/2018 10:07:17 PM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Williams	Individual	Support	No

Comments:

Passing HB2473 is a must and NEEDS to happen NOW!! We can no longer standby and watch lives and opportunities be wasted because of a housing issue. We have too many resources available to us and too many lives and ohana at stake for this not to pass. PASSING IS PONO

LATE

LATE

HB-2473

Submitted on: 2/12/2018 11:13:25 PM

Testimony for HSG on 2/13/2018 10:10:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Don Aweau	Individual	Support	No

Comments:

In support of measure as it pertains to alleviating Native Hawaiian housing needs. The opportunity for micro housing units will afford Native Hawaiians a better chance to live upon homestead lands that are currently being administered under the Department of Hawaiian Home Lands. Urge consideration from Committee members to provide for funding relief to assist in this longstanding issue. Mahalo nui loa.