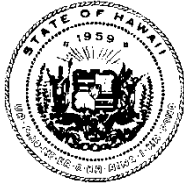


HB 2745, HD 1

Measure Title:	RELATING TO THE RENTAL ASSISTANCE PROGRAM.
Report Title:	Affordable Rental Housing; Rental Assistance Program; Appropriation (\$)
Description:	Expands the rental assistance program by increasing the minimum percentage of affordable units a rental housing project is required to maintain for eligible tenants from 20% to 30%. Appropriates funds to support new rental assistance program contracts. (HB2745 HD1)
Companion:	
Package:	None
Current Referral:	HOU, WAM
Introducer(s):	BROWER, AQUINO, BELATTI, CULLEN, GATES, ICHIIYAMA, JOHANSON, KEOHOKALOLE, KOBAYASHI, LEARMONT, C. LEE, LOPRESTI, LOWEN, MIZUNO, MORIKAWA, NAKAMURA, NAKASHIMA, NISHIMOTO, OHNO, ONISHI, QUINLAN, SAIKI, SAN BUENAVENTURA, TAKUMI, TODD, WOODSON, YAMANE, YAMASHITA, Fukumoto



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

March 13, 2018 at 2:45 p.m.
State Capitol, Room 225

In consideration of
H.B. 2745, H.D. 1
RELATING TO THE RENTAL ASSISTANCE PROGRAM.

HHFDC supports H.B. 2745, H.D. 1, provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget.

The Rental Assistance Program (RAP) provides qualified owners with monthly rental assistance subsidies to assist eligible tenants with incomes at or below 80 percent of the area median income who live in rental housing developments to make their rental payments. RAP payments generally range between \$175 to \$250 per month. Tenants must pay a minimum of 30 percent of their income towards the rent. As of June 30, 2017, ten RAP projects with a total of 1,204 units were assisted statewide.

An additional appropriation of funds to replenish the Rental Assistance Revolving Fund would allow HHFDC to enter into new RAP contracts with qualified owners to stimulate rental housing production for lower income households. HHFDC also concurs with the proposed amendment to increase the required percentage of units set aside for eligible RAP tenants from 20 percent to 30 percent.

Thank you for the opportunity to testify.



HB2745 HD1
RELATING TO THE RENTAL ASSISTANCE PROGRAM
Senate Committee on Housing

March 13, 2018

2:45 p.m.

Room 225

The Office of Hawaiian Affairs (OHA) offers the following **COMMENTS** on section 2 of HB2745 HD1, which increases the minimum percentage of affordable units that a rental housing project must maintain to remain eligible to receive rental assistance subsidies.

OHA appreciates efforts to produce affordable rental housing options that will assist Native Hawaiians and many of Hawai'i's residents who are struggling to afford their rent. Native Hawaiians, whose homeownership rate is significantly lower than the state average, must rely substantially on the rental housing market.¹ Native Hawaiian renters also have a particular need for affordable rental units, as more than half of Native Hawaiian renters, many of whom already live in overcrowded situations² to reduce costs, live in homes they are struggling to afford.³ Recent research has further shown that Native Hawaiian rental housing demand is almost entirely for units that are affordable, rather than for market-rate or other 'gap'-rate units: **63 percent of the Native Hawaiian demand for rental units is for those priced at 60% of the Area Median Income (AMI) and below.**⁴

Accordingly, increasing the percentage of rental units in a subsidized rental housing project that must be reserved for families at or below 80% AMI will help to provide much-needed affordable housing opportunities for Native Hawaiian families and other Hawai'i residents.

Mahalo for the opportunity to provide comments on this matter.

¹ The Native Hawaiian homeownership rate for non-DHHL properties is only 38.9%, 18.3 percentage points below the statewide rate of 57.2%. See Census Bureau. (2017). American Community Survey (ACS) 1-year Estimates: 2016; DHHL: Homestead Services Division. (01/24/17) Commission submittal.

² The average Native Hawaiian household size was 3.63, notably larger than the 2.62 average for non-Native Hawaiian households. See SMS, HAWAII HOUSING PLANNING STUDY, at 70 (2016), available at https://dbedt.hawaii.gov/hhfdc/files/2017/03/State_HHPS2016_Report_031317_final.pdf.

³ 24.8 percent of Native Hawaiian households, compared to 9.6 percent of state households, contain more than two generations or unrelated individuals. 14.1 percent of Native Hawaiian households, compared to 4.2 percent of state households, have a hidden homeless family member. See *id.*, at 70.

⁴ 77 percent of the Native Hawaiian demand for rental units is for units affordable to those at 80% AMI. See SMS, HAWAII HOUSING PLANNING STUDY (2016), Table 49 at 72 available at https://dbedt.hawaii.gov/hhfdc/files/2017/03/State_HHPS2016_Report_031317_final.pdf.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 2745, HD1: RELATING TO THE RENTAL ASSISTANCE PROGRAM

TO: Senator Will Espero, Chair, Senator Breene Harimoto, Vice Chair, and Members, Committee on Housing
FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer
Hearing: **Tuesday, 3/13/18; 2:45 PM; CR 225**

Chair Espero, Vice Chair Harimoto, and Members, Committee on Housing:

Thank you for the opportunity to provide written testimony **in strong support** of **HB 2745 HD1**, which expands the rental assistance program's minimum percentage of affordable units for projects, and appropriates funds to support new rental assistance program contracts.. I am Terry Walsh, with Catholic Charities Hawai'i. We are also a member of Partners in Care. We feel this is a very important bill.

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. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Our top priority is to end homelessness. To achieve this goal, we must put significant resources into housing for those with incomes below 30% AMI.

Suggested Amendment: We urge that the NEW monies appropriated to the Rental Assistance Revolving Fund be targeted **to subsidize rents only for individuals or families whose income does not exceed thirty per cent of the area median income.**

We support allocating additional funds to the Rental Assistance Revolving Fund to enable projects to offer units that include a subsidy for those at 30% AMI or below. It is extremely difficult to build new units for this population and keep these projects sustainable. This solution would enable the State to significantly increase the creation of units for this hard to house population. Currently, projects funded through another major State resource, the Rental Housing Revolving Fund only provide 5% of units at rents affordable to this extremely low income group. With rents skyrocketing, and Hawai'i being #1 among US states in per capita homelessness, our situation is dire. This bill would provide a solution to create rental units that are affordable to struggling families, our kupuna, our young graduates, and others who make under 30% AMI.

To end homelessness, we must create a pathway into permanent housing for our citizens with extremely low incomes. Many families fall into homelessness simply due to the lack of affordable rentals. Affordable units created under this bill can prevent homelessness.

We thank the Legislature for focusing on the needs of low-income people and seeking long-term solutions. This bill would be a strong step in the right direction.

Please contact our Legislative Liaison, Betty Lou Larson, at 373-0356 or bettylou.larson@catholiccharitieshawaii.org, if you have any questions.



HB-2745-HD-1

Submitted on: 3/12/2018 2:34:24 PM

Testimony for HOU on 3/13/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

HB-2745-HD-1

Submitted on: 3/11/2018 10:20:16 PM

Testimony for HOU on 3/13/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Malina Kaulukukui	Individual	Support	No

Comments:

HB-2745-HD-1

Submitted on: 3/11/2018 11:30:30 PM

Testimony for HOU on 3/13/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Raelyn Reyno Yeomans	Individual	Support	No

Comments:

HB-2745-HD-1

Submitted on: 3/12/2018 8:34:22 AM

Testimony for HOU on 3/13/2018 2:45:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Paul Topalian	Individual	Support	Yes

Comments:

Fully supportive of HB2745 and legislative efforts of Rep Cynthia Thielen tied to it.