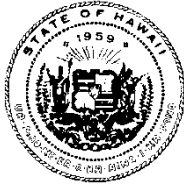


DAVID Y. IGE
GOVERNOR



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 FINANCE

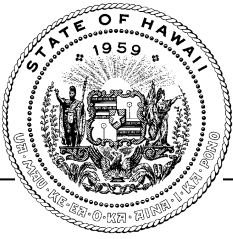
February 23, 2018 at 3:30 p.m.
State Capitol, Room 308

In consideration of
H.B. 2746, H.D. 1
RELATING TO RENTAL HOUSING.

HHFDC supports H.B. 2746, H.D. 1, provided that its passage does not replace or adversely impact priorities indicated in our Executive Supplemental Budget.

H.B. 2746, H.D. 1 adds new members to the Act 127 Special Action Team on Affordable Rental Housing, makes the HHFDC Executive Director a co-chair, and adds an additional focus on rental housing for extremely low-income families.

Thank you for the opportunity to testify.



OFFICE OF PLANNING STATE OF HAWAII

235 South Beretania Street, 6th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804

Telephone: (808) 587-2846
Fax: (808) 587-2824
Web: <http://planning.hawaii.gov/>

DAVID Y. IGE
GOVERNOR

LEO R. ASUNCION
DIRECTOR
OFFICE OF PLANNING

Statement of
LEO R. ASUNCION
Director, Office of Planning
before the
HOUSE COMMITTEE ON FINANCE
Friday, February 23, 2018
3:30 PM
State Capitol, Conference Room 308

in consideration of
HB 2746, HD1
RELATING TO RENTAL HOUSING.

Chair Luke, Vice Chair Cullen, and Members of the House Committee on Finance.

The Office of Planning (OP) supports HB 2746, HD1 and provides the following comments. HB 2746, HD1 amends Act 127, Session Laws of Hawaii 2016, to clarify the duties of the Special Action Team on Affordable Rental Housing (Special Action Team), adds additional members to the Special Action Team, and appropriates \$10,000.00 for fiscal year 2018-2019 for the administration and operation of the Special Action Team.

The OP agrees that the need for affordable housing is at or near critical levels and the task of developing housing for extremely low-income households poses a significant challenge which requires the concentrated attention of the Special Action Team and State government at the highest level. Therefore, we support and appreciate the overall concept of this bill as it includes initiatives supportive of our goals, objectives, and current efforts.

We also support and appreciate the proposed appropriation providing that it does not replace or adversely impact priorities indicated in the Executive Budget.

Thank you for the opportunity to testify on this matter.



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 2746 HD1: Relating to Housing

TO: Committee on Finance
FROM: Partners in Care (PIC)
HEARING: Friday, February 23, 2018 at 3:30 p.m., Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance:

Thank you for the opportunity to provide testimony on HB 2746 HD1 which clarifies the role of the special action team on housing created under Act 127, Session Laws of Hawai'i 2016 to ensure that the special action team focuses on the creation of rental housing for extremely low-income households for whom the demand for housing is greatest and the need most dire. HB 2746 HD1 also adds important stakeholders to the membership of the special action team. Partners in Care (PIC)—a coalition of more than 35 non-profit, homelessness providers—strongly supports the bill.

Hawaii has the most expensive housing in the USA, twice the national average. “Out of Reach” 2016 reports that a full time Hawaii worker would need to make \$34.22 per hour to afford a two-bedroom unit at fair market rent. An astounding three-quarters of Hawai'i residents living at or near the poverty line spend more than 50% of their incomes on rent. To solve homelessness in Hawaii, we must address the needs of our struggling families, seniors, etc. who live on incomes below 30% of the Area Median Income. The shortage of rental options for this population is dire:

- 85% of the households on the long waitlists for units at the Hawaii Public Housing Authority have incomes under 30% AMI.
- 15,511 units are need in Hawaii for those with incomes under 30% AMI.
- 54% percent of Hawaii's households are cost-burdened, meaning that they pay more than 30% of their income for housing costs.

This special action team is critical for the State to focus on how to crack the tough nut of creating housing for those at the low end of our economy. Too often those at 30% AMI and below are merged into a consideration of “Low-Income” housing solutions which are too expensive for them. This special action team would have the hard, but important job of developing recommendations for how to create sustainable housing solutions for the extremely low-income populations in our state.

Partners In Care strongly supports HB 2746 HD1. 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



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 2746, HD1: Relating to Rental Housing

TO: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen, Vice Chair, and Members, Committee on Finance
FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer
Hearing: **Friday, 2/23/18; 3:30 PM; CR 308**

Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide written testimony **in strong support of HB 2746**, which would clarify the duties of the Special Action Team and add members to focus on housing for our population with incomes below 30% AMI. 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 a special focus on how to house those who have extremely low incomes.

Rents in Hawai'i skyrocketed over 23% in 3 years (from 2012 to 2015), leaving many at the very low end of our economy with incomes below 30% AMI struggling to stay housed. 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, our kupuna, our young graduates, etc. who make under 30% AMI can afford.

However, too often those at most risk are merged in with higher income groups in the discussion of affordable housing. To really address homelessness, we **MUST** find housing solutions not only for those who are currently homeless but also long-term solutions to turn off the tap of thousands of families flowing into homelessness. Our state needs clear and creative strategies to address housing for our ohana who live on extremely low incomes.

The Special Action Team can play a critical role in developing strategies and recommendations to address this hard to house population. **We suggest one more additional member: a member from Urban and Regional Planning at the University of Hawaii.** A new faculty position focusing on affordable housing is being hired and will soon be on board. This new member could bring a national perspective and hopefully national research on how to address this hard to house population, those with incomes below 30% AMI. We feel this new member could add significantly to the planning effort. Together, we can find solutions.

We need to act now. We thank the Legislature for focusing on this great need. 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-2746-HD-1

Submitted on: 2/22/2018 2:45:48 PM

Testimony for FIN on 2/23/2018 3:30:00 PM

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

Comments:



EXECUTIVE CHAMBERS
HONOLULU

LATE

DAVID Y. IGE
GOVERNOR

February 23, 2018

TO: The Honorable Representative Sylvia J. Luke, Chair
House Committee on Finance

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

SUBJECT: **HB 2746 HD1– RELATING TO RENTAL HOUSING**

Hearing: Friday, February 23, 2018, 3:30 p.m.
Conference Room 308, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports this measure, and appreciates the Legislature's efforts to include a focus on the development of rental housing for extremely low-income households.

PURPOSE: The purpose of the bill is to amend Act 127, Session Laws of Hawaii 2016, to clarify the duties of the special action team on affordable rental housing, add additional members to the special action team, and make an appropriation of \$10,000 to the Office of Planning for the administration and operation of the special action team.

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 Coordinator notes that Hawaii is beginning to make progress in reducing the number of homeless individuals statewide. In 2017, the statewide Point in Time (PIT) count

found 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. Despite this progress, there remains a need to further expand affordable housing inventory, particularly for extremely low income households that are at or below 30% of the area median income.

In addition, the continued support of housing-focused programs, such as Housing First and Rapid Rehousing, which provide wraparound supportive services for the homeless population is also critical. Supportive services include case management and counseling support that assist formerly homeless individuals to maintain housing after placement. In particular, the State Housing First program has achieved a housing retention rate of 97% - meaning that 97% of the over-100 chronically homeless households placed in the program over the past four years remain housed and off the streets – which far exceeds the national average of 80%.

The Coordinator notes that this measure aligns with the State Framework to Address Homelessness adopted by the Hawaii Interagency Council on Homelessness in August 2016. In addition, the Coordinator notes this measure will ensure that the efforts of the special action team on affordable rental housing includes a specific focus on both expanding affordable housing inventory for extremely low-income households and providing the supportive services necessary to support housing retention.

Thank you for the opportunity to testify on this bill.