

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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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

February 7, 2017 at 9:00 a.m.
State Capitol, Room 423

In consideration of
H.B. 413
RELATING TO HOMELESSNESS.

The HHFDC *supports the intent* of Section 2 of H.B. 413. We defer to the Department of Human Services on the remainder of this bill.

However, with the exception of the Hawaii Public Housing Authority's (HPHA) projects, and the 8 affordable rental projects owned by HHFDC, the State of Hawaii does not own nor manage a great deal of housing that is not specifically designated for a certain population, such as teacher housing or University of Hawaii faculty housing. And the housing units owned by the HPHA and the HHFDC are already subject to significant wait lists for vacant units.

Thank you for the opportunity to testify.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 7, 2017

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

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

SUBJECT: HB 413 – RELATING TO HOMELESSNESS

Hearing: Tuesday, February 7, 2017, 9:00 a.m.
Conference Room 423, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this bill as it addresses concerns related to limited housing inventory for persons experiencing homelessness, and offers comments. The Coordinator is concerned about the cost implications generated by this proposal and potential adverse impact on priorities indicated in the Executive Budget. The Coordinator defers to the Hawaii Housing Finance and Development Corporation (HHFDC) in regard to the implementation of the survey described in Section 2.

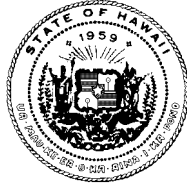
PURPOSE: The purpose of this bill is to require HHFDC to conduct a survey of available state property that would be used to provide affordable rental housing. The bill also requires DHS to convene a homeless summit, which shall gather experts from around the world to share and develop strategies to address homelessness.

The State has adopted a comprehensive framework to address homelessness, which includes a focus on three primary leverage points – affordable housing, health and human services, and public safety. All three of these leverage points must be addressed simultaneously to continue forward momentum in addressing the complex issue of homelessness. Accordingly, the Governor's Executive Budget request includes \$20.9 million for homeless services, as well as over \$150 million for the Rental Housing Revolving Fund, Dwelling Unit Revolving Fund, and HPHA. The Executive Budget specifically increases resources for

homeless outreach, mental health, and substance use treatment. Further, it addresses housing costs and homeless mitigation through programs such as Housing First, Rapid Re-Housing, and the State Rent Supplement. The Coordinator asks for the Legislature's support of the Executive Budget request.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



PANKAJ BHANOT
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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 7, 2017

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

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 413 – RELATING TO HOMELESSNESS**

Hearing: Tuesday, February 7, 2017, 9:00 a.m.
Conference Room 423, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to address the State's homeless crisis. The State's Continuum of Care already convenes homeless summits, and DHS has concerns with the planning required to convene a summit by December 1, 2017, fiscal implications and the impact it may have on the priorities established in the Governor's executive budget. DHS defers to the Hawaii Housing Finance and Development Corporation (HHFDC) on the section regarding the survey of vacant housing inventory.

PURPOSE: The purpose of the bill is to require HHFDC to conduct a survey of available state property that would be used to provide affordable rental housing; requires DHS to convene a homeless summit; and makes and appropriation.

Section 3 requires the DHS to convene a homeless summit with various experts from around the world to share and come up with strategies to address homelessness by December 1, 2017. The time frame required is not feasible, as planning for a summit as described, requires funding, human resources, and more lead time to plan such an event.

Additionally, homeless summits are already taking place in the community. Partners in Care (PIC), Oahu's Continuum of Care (CoC)¹, hosts an annual Homeless Awareness Conference. This past year, Jennifer Ho, Senior Advisor on Homelessness for the U.S. Department of Housing and Urban Development (HUD) presented at the PIC conference. Bridging the Gap (BTG), CoC for Kauai, Maui and Hawaii islands, hosted Iain De Jong, creator of the Vulnerability Index Service Prioritization Decision Assistance Tool (VI-SPDAT), the common assessment tool used to determine a household's level of need. Mr. De Jong provided training on systems work and coordinated entry for single individuals.

Mr. De Jong also collaborates with HousingASAP, a 3 year program of the Hawaii Community Foundation to improve homeless providers' capacity to achieve better outcomes. HousingASAP holds quarterly boot camps and trainings and service providers hold land lord summits to help find suitable housing.

Thank you for the opportunity to testify on this bill.

¹ HUD requires communities who receive its funds to have a Continuum of Care and defines CoC as "a community plan to organize and deliver housing and services to meet the specific needs of people who are homeless as they move to stable housing and maximize self-sufficiency."

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 9:41 PM
To: HSGtestimony
Cc: MikeGoodman72@Outlook.com
Subject: Submitted testimony for HB413 on Feb 7, 2017 09:00AM

HB413

Submitted on: 2/4/2017

Testimony for HSG on Feb 7, 2017 09:00AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Hawaii Kai Homeless Task Force	Support	Yes

Comments: There is a great deal of State land that could be used for affordable housing. For example, schools, which are on large parcels could be enlarged and improved by constructing them as the bottom floors of a residential development. This has been done in other jurisdictions.

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TESTIMONY FOR HOUSE BILL 413, RELATING TO HOMELESSNESS

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

**Tuesday, February 7, 2017, 9:00 AM
State Capitol, Conference Room 423**

Honorable Chair Brower and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in support of House Bill 413, relating to homelessness.

According to the 2016 statewide *Point In Time Count* (PITC) report, 7,921 houseless persons were counted on a single night in January last year, up 4 percent from 2015. More than half of these persons were unsheltered. O’ahu accounted for 62 percent of the total (4,940 people), up 1 percent from the previous year. Kaua’i saw a 30 percent increase in the homeless population living on its shores (442 people), while the Big Island saw an increase of 12 percent (1,394 people). Overall, our state saw a 12 percent increase in the number of unsheltered homeless individuals and families and, concurrently, a 4.5 percent decrease in the number of sheltered individuals and families. Notably, the size of the houseless population on O’ahu is up 25 percent from 2009, when 3,638 homeless people were counted. Additionally, Department of Education officials said, last January, that 3,576 public school students are homeless. Last year's PITC captured just over half of them. We know, then, that our state’s homeless population is not only larger than the statistics show, but growing.

Over 30 percent of juvenile arrests in Hawai’i are for running away from home, the highest proportion in the nation. Nationally, one in seven young people between the ages of 10 and 18 will run away. Approximately 75 percent of runaways are female, while 46 percent of runaway and homeless youth report being physically abused, 38 percent report being emotionally abused, and 17 percent report being forced into unwanted sexual activity by a family or household member, according to the National Conference of State Legislatures. Roughly 30 percent runaway children will be approached for commercial sexual exploitation within 48 hours of being on the run, with over 80 percent being approached for the sex trade during the course of their time on streets. A federal study found that an estimated 38,600 runaway youth have been

sexually assaulted, in the company of someone known to be sexually abusive, or engaged in sexual activity in exchange for money, food, or shelter. Runaways are perceived as easy targets for sex traffickers because they lack stable shelter, a supportive environment, and financial resources, placing them at greater risk of forced prostitution and sexual servitude.

Traffickers exploit our limited number of available shelter beds to lure young people into exploitation. As the homeless childcare provider Covenant House observes, traffickers tell homeless youth that shelters are full and ask, “Where are you going to go? Why don’t you come with me? I’ll take care of you.” Coupled with threats of and enacted physical and sexual violence against the victims or their families, these coercive techniques compel runaway youth to remain enslaved. LGBTQ youth, who comprise an estimated 40 percent of the runaway and homeless youth population in the United States, are exponentially more likely to fall prey to human traffickers because of discrimination, family and community trauma, and a longing for comfort and acceptance (an estimated 26 percent of LGBTQ adolescents are rejected by their families and put out of their homes simply for being open and honest about who they are). In providing care for victims of human trafficking, IMUAlliance has heard their stories hundreds of times.

We must fund homeless services, especially efforts to provide human services and affordable housing to our state’s unsheltered population, many of whom are gainfully employed and contributing our economy. Moreover, we must find a balance between rampant real estate speculation and meeting the needs of our state’s most economically vulnerable residents. Just as our homeless population has soared over the past few years, so, too, has our state’s cost of housing. The median price of condominiums on O’ahu increased 8.3 percent in 2016 to \$390,000, while the median price for single-family homes increased by 6.5 percent to \$735,000, according to the Honolulu Board of Realtors. Average rent for a 900-square foot apartment in Honolulu now exceeds \$2,200, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 44 percent of residences in Hawai’i are owner unoccupied, according to the University of Hawai’i Economic Research Organization, meaning that nearly 50 percent—and by some estimates over half—of Hawai’i’s homes are investment properties.

Many of those properties, in turn, are owned by mainland and foreign buyers, whose real estate market speculation is a prime driver of Hawai’i’s highest-in-the-nation cost of housing. According to a study released in May of 2016 by the Hawai’i Department of Business, Economic Development, and Tourism, there are “clear distinctions” between the average price of homes bought by local residents, mainlanders, and foreigners. Analyzing purchases made between 2008 and 2015, DBEDT found: “The average sale price was highest among foreign buyers. The average sale price of the total of 5,775 homes sold to foreign buyers from 2008 to 2015 was \$786,186, 28.3 percent higher than the average sale price to the mainlanders (\$612,770) and 64.7 percent higher than the average sale price to local buyers (\$477,460).”

Researchers who authored the National Low Income Housing Coalition’s *Out of Reach 2016* report found that a full-time worker would need to earn \$34.22/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 \$2,100 in 2015, with average rent for a 900-square-foot exceeding \$2,200 in 2016. In the past three years alone, Honolulu rent has increased 23.5 percent. While 47 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 \$14.49/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. Put simply, 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, while funding the services necessary to show aloha for our economically disadvantaged neighbors. Identifying unused state property that may be used for affordable housing and convening a homelessness summit to discuss best practices and strategies to help the houseless is a good start, but only a start.

When you fund services for the homeless, you are helping to end slavery in Hawai'i. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance