

HB488 HD2

Measure Title: RELATING TO HOUSING.

Report Title: Affordable Housing; Public Housing; Multi-Use Juvenile Services and Shelter Center; Hawaii Housing Finance and Development Corporation; Hawaii Public Housing Authority (\$)

Description: Authorizes the issuance of general obligation bonds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing. Appropriates funds for public housing security improvements, renovation, and repairs. (HB488 HD2)

Companion: SB1142

Package: None

Current Referral: HOU/HMS, WAM

Introducer(s): BROWER, CULLEN, HASHEM, HOLT, KEOHOKALO, KONG, MCKELVEY, NAKAMURA, NISHIMOTO, QUINLAN, San Buenaventura

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

**SENATE COMMITTEE ON HUMAN SERVICES
SENATE COMMITTEE ON HOUSING**

March 17, 2017 at 2:45 p.m.
State Capitol, Room 016

In consideration of
**H.B. 488, H.D. 2
RELATING TO HOUSING.**

The HHFDC supports H.B. 488, H.D. 2, to the extent that it is consistent with priorities requested in the Executive Budget. In particular, HHFDC supports Parts II and III of the bill, which include General Obligation Bond appropriations for infusion into the Rental Housing Revolving Fund, and for a mixed-use affordable rental housing and multi-use juvenile services and shelter center at project located at 902 Alder Street, Honolulu, Hawaii.

The infusion into the Rental Housing Revolving Fund will help finance the development, or the acquisition and rehabilitation, of rental housing. The Rental Housing Revolving Fund provides loans to projects that set aside rental units affordable to extreme and very low-income families. The loans fill the financing gap to develop an affordable rental housing project. Since its inception, Rental Housing Revolving Fund awards have been made to 78 affordable rental projects comprising a total of 6,232 units statewide.

HHFDC intends to use the appropriation for 902 Alder Street to finance Phase 1 of the juvenile shelter/services component of this mixed-use residential project located at the site of the old Detention Home. HHFDC's financing resources are able to finance the residential component of the mixed-use project. However, Capital Improvement Project appropriations for the non-housing component of the project are needed in order for the entire project to be able to proceed.

The stated purpose of Part III is "to provide funding to expand and preserve rental housing opportunities and construct a juvenile services and shelter center for runaway and homeless youths." We would like to clarify that the juvenile shelter is intended to serve young status offenders and low end law violators who are wards of the court and unable to reside with their families in the short term because of safety and other concerns. The services center will be provided through probation and partnering with social services agencies.

Thank you for the opportunity to testify.



The Judiciary, State of Hawai'i

Testimony to the Senate Committee on Human Services
Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair

And

The Senate Committee on Housing
Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair

Friday, March 17, 2017, 2:45 PM
State Capitol, Conference Room 016

By

Rodney A. Maile
Administrative Director of the Courts

Written Testimony Only

Bill No. and Title: House Bill No. 488, House Draft 1 Relating to Housing

Purpose: Provides general obligation funds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing.

Judiciary's Position:

The Judiciary supports the need for both affordable rental housing and the juvenile services and shelter center. The majority of youth that would be served by the juvenile services and shelter center would be status offenders and low level law violators. Many of these offenders are youth that are constantly running away and become part of our homeless population. The shelter will not only provide short term housing for these youth but will also provide services to address issues such as anger, substance abuse and mental health that impact the youth and family relationship. Left unaddressed at this early stage these issues often escalate and may result in the youth moving from status offenses to law violations and situations that require detention. These

Testimony for House Bill No. 488, House Draft 1, Relating to Housing
Senate Committee on Human Services
Senate Committee on Housing
Friday, March 17, 2017 2:45 PM
Page 2

types of issues may also impact social and educational development which can impact long term social costs upon society in the form of higher use of government services such as welfare.

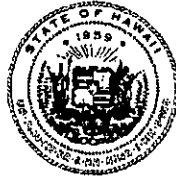
Many of these youth are from families where the cost of housing is a constant strain on the family and contributes to the stresses that result in acting out behaviors that contribute to the youth coming to the attention of the court.

A juvenile service center such as the one envisioned in this bill is a promising approach used across the nation. Nationally, these centers help decrease the number of youth and families that continue to have interaction with the courts while enhancing public safety. Effective utilization of a center allows police to return to patrol duty instead of sitting with a youth until a parent is able to take custody of the youth. The center will provide services and supports to assist youth and their family that focus on preventing the youth from going deeper in the juvenile justice system. Youth will be diverted to appropriate community-based services based on their needs and risk to public safety.

The need to provide affordable rental housing, as well as the need to provide services to help youth and families that have become part of the juvenile justice system, is extremely important and the Judiciary welcomes the opportunity to be a partner in the accommodation of both of these community needs.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

**SENATE COMMITTEE ON HUMAN SERVICES
AND
SENATE COMMITTEE ON HOUSING**

**Friday, March 17, 2017
2:45 PM
Room 016, Hawaii State Capitol**

In consideration of
**HB 488, HD2
RELATING TO HOUSING**

Honorable Chair Green, Honorable Chair Espero, and Members of the Committee on Human Services and Committee on Housing, thank you for the opportunity to provide testimony concerning House Bill 488, HD2, relating to housing.

The Hawaii Public Housing Authority (HPHA) supports HB 488, HD2, PART IV and defers on Part II and Part III to our sister agency, the Hawaii Housing Finance and Development Corporation. Part IV of HB 488, HD2, authorizes the issuance of general obligation bonds for the HPHA for development, improvements and renovations of our public housing units, as well as for public housing security improvements, renovation, and repairs for vacant units.

With most HPHA buildings exceeding fifty years in age, these much needed funds are a great start in assisting the HPHA to address the agency's aging stock, and improve the quality of life for our residents by revitalizing and improving the agency's existing properties. The funds will also enable a more comprehensive security system at the various projects across the State and allow the HPHA to address vacant units in need of major capital repairs.

The HPHA would like to note the administrative appropriations of \$50M and \$9M, respectively, for sections 7 and 8. The HPHA respectfully requests your consideration for a lump sum amount, which would provide the agency the flexibility to manage and expend capital funds in an expeditious manner and provide the agency with critical cost elements in tackling the

backlog of capital needs and unexpected repairs, unforeseen conditions, or by the occasional act of nature.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the HPHA's comments regarding HB 488, HD2. We thank you very much for your dedicated support.



March 15, 2017

Hawaii State Capitol
Committee on Human Services
Attn: Senator Josh Green, Chair & Senator Stanley Chang, Vice Chair
Committee on Housing
Attn: Senator Will Espero, Chair & Senator Breene Harimoto, Vice Chair
415 South Beretania Street
Honolulu, Hawaii 96813

Hearing: Friday, March 17, 2017
Time: 2:45 PM Room 016
Subject: **HB 488 HD2 Relating to Issuance of General Obligation Bonds**

TESTIMONY IN SUPPORT

Chair Green, Vice Chair Chang and members of the Committee on Human Services
Chair Espero, Vice Chair Harimoto and members of the Committee on Housing:

Thank you for this opportunity to submit testimony in **STRONG SUPPORT** of the proposed issuance of general obligation bonds to fund the State's Rental Housing Revolving Fund (RHRF) in support of affordable rental housing as noted in Part II Sections 2 and 3 of HB 488 HD 2.

I am Kevin Carney, Vice President of EAH Housing. EAH is a 49 year old non-profit public benefit corporation whose mission is to develop, manage and promote affordable rental housing. EAH has developed over 95 affordable rental properties, we manage 110 rental properties and we serve over 20,000 residents in communities in Northern California and on the islands of Kauai, Maui and Oahu. The people we serve are primarily those with incomes at or below 60% of the area median income (AMI).

As noted in the bill the greatest need for housing is at or below the 80% level of AMI. At that level of income we are typically referring to rental housing although there are a few non-profits that produce for-sale housing at the 80% level but not on a large scale. In order to make our 60% AMI rental projects financially feasible we need free land and large subsidies. Our rents are fixed by the Department of Housing and Urban Development (HUD). Our largest source of equity is the Low Income Housing Tax Credit Program which is detailed in IRS Code 42. This equity source is typically supplemented by the (RHRF), HOME Program Funds, Community Development Block Grant Funds (proposed to be eliminated by the current administration) and other non-recourse funds that may be available at the county level.

Since the general election in November 2016 states and local municipalities across the country have seen an increased demand from our industry for more subsidy funding. The Trump administration's proposal to reduce the 35% corporate income tax rate immediately resulted in lower tax credit appetites from potential investors across the nation. Prices for low income housing tax credits have dropped from a high of over \$1.00/credit to around \$.85/credit all based on speculation. This, in turn, means that developers like EAH who depend on the value of the tax credits must now depend more on sources such as the RHRF to make up for the decrease in tax credit value. Many projects across the country have already been negatively impacted as a result of the reduction in tax credit value. Here locally EAH has already had to request additional RHRF monies to keep one project moving forward and we are currently evaluating the impact on another of our properties.

We cannot overstate the importance of the RHRF to the development of rental housing, particularly at the 60% AMI level and below. We also cannot overstate the importance of knowing that the funding will be available well before we are ready to submit an application. The amount of funds drawn upon

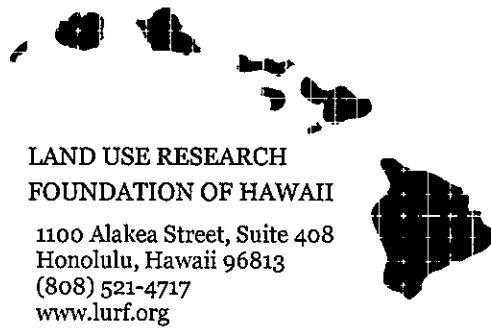
from the RHRF varies depending on the project location, size and construction challenges. It is not unusual to see awards in excess of \$10,000,000 for projects varying in size from 60 to 100 units. A few projects have received awards in excess of \$20,000,000. Please consider this when determining the amount to be entered in Section 3 of the bill. That amount should be very substantial if we are ever going to be able to make any kind of impact on our housing crisis.

We thank you for taking a positive step towards meeting the needs of our low income community.

Sincerely,

A handwritten signature in black ink, appearing to read "Kevin R. Carney". The signature is fluid and cursive, with a long horizontal stroke at the end.

Kevin R. Carney, RB-16444
(PB), NAHP-E
Vice President, Hawaii
EAH Housing, RB-16985



LAND USE RESEARCH
FOUNDATION OF HAWAII

1100 Alakea Street, Suite 408
Honolulu, Hawaii 96813
(808) 521-4717
www.lurf.org

March 16, 2017

Senator Will Espero, Chair,
Senator Breene Harimoto, Vice Chair
House Committee on Housing

Senator Josh Green, Chair,
Senator Stanley Chang, Vice Chair
House Committee on Human Services

Support of HB 488, HD2 Relating to Housing (Authorizes the issuance of general obligation funds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing. Appropriates funds for public housing security improvements, renovation, and repairs.)

HOU/HMS Hrg: Friday, March 17, 2017, 2:45 p.m., in Conf. Rm. 016

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers and a utility company. LURF's mission is to advocate for reasonable, rational and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF **supports** **HB 488, HD2**, which would address Hawaii's Housing shortage by:

- Providing funding for the Rental Housing Revolving Fund (RHRF), which the Hawaii Housing Finance & Development Corporation (HHFDC) will use to finance various capital improvement projects which will create needed housing;
- Providing funding to expand and preserve rental housing opportunities and construct a juvenile services and shelter center intended to serve young status offenders and low end law violators who are wards of the court and unable to reside with their families in the short term because of safety and other concerns. The services center will be provided through probation and partnering with social services agencies; and
- Providing funding to Hawaii Public Housing Authority (HPHA) improve the quality of existing State public housing, by modernizing, repairing and maintaining the State's public housing units.

LURF's Position. There is a critical shortage of affordable housing in the State and this measure will provide monies for a comprehensive range of projects to improve existing public housing and create more affordable housing units for Hawaii residents at various income levels.

LURF understands that **Part II** of this measure includes General Obligation Bond appropriations for infusion into the RHRF, which will help finance the development, or the acquisition and rehabilitation, of rental housing, through among other things, loans to projects that set aside rental units affordable to extreme and very low-income families; and those RHRF loans will fill the "financing gap" to develop an affordable rental housing project. According to HHFDC, RHRF awards have been made to 78 affordable rental projects comprising a total of 6,232 units statewide.

The appropriation in **Part III** of this measure is for a mixed-use affordable rental housing and multi-use juvenile services and shelter center at project located at 902 Alder Street, in Honolulu, Hawaii. As explained in HHFDC's testimony in support of this bill, it intends to use this appropriation to finance Phase 1 of the juvenile shelter/services component of this mixed-use residential project located at the site of the old Detention Home. LURF understands that while HHFDC is able to finance the residential component of the mixed-use project, the Capital Improvement Project appropriations for the non-housing component of the project are needed in order for the entire project to be able to proceed.

According to the testimony of HPHA, **Part IV** of this measure would provide much needed funds to address HPHA's aging housing stock, with most HPHA buildings exceeding fifty years in age, and to improve the quality of life of its residents by revitalizing and improving the agency's existing properties. LURF also understands that the funds will also enable a more comprehensive security system at the various HPHA housing projects across the State and would allow the HPHA to address vacant units in need of major capital repairs.

For the above reasons, LURF **strongly supports HB 488, HD2** and respectfully urges your favorable consideration.

Thank you for the opportunity to present testimony regarding this matter.

HACBED

Community Voice, Collective Action

Hawai'i Alliance for Community-Based Economic Development
1575 South Beretania Street, Suite 211 Honolulu, HI 96826
Ph. 808.550.2661
Email info@hacbed.org www.hacbed.org

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HACBED Staff

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Executive Director

Keoki Noji
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Program Coordinator

Will Simmons
AmeriCorps VISTA

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Bookkeeping Intern

Foley Pfalzgraf
AmeriCorps VISTA

Date: March 15, 2017

To: Senator Will Espero, Chair; Senator Breene Harimoto, Vice-Chair; and Members of the Senate Committee on Housing; and Senator Josh Green, Chair; Senator Stanley Chang, Vice Chair; and Members of the Senate Committee on Human Services

From: Brent Kakesako, Hawai'i Alliance for Community-Based Economic Development (HACBED)

Re: Strong Support for HB488 HD2

Aloha Chairs Espero and Green, Vice-Chairs Harimoto and Chang, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports HB488 HD2, which would provide funding for affordable rental housing to Hawai'i residents, as well as support a multi-use juvenile services and shelter center and public housing.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development and asset building strategies. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED's work primarily supports asset- and capacity-building in Native, underrepresented, and vulnerable populations throughout the State. This work is accomplished through initiatives such as the Ho'owaiwai Network on Hawai'i Island, Kōkua Kalihi Valley's Youth Savings Initiative, work with various grassroots organizations and 'āina-based practitioners, and the statewide Sustainable Community Food Center Network. As such, HACBED strongly supports this proposed bill that would support the creation of needed housing across our State.

The Family Economic Self-Sufficiency Standard (FESS) depicts the obstacles that Hawai'i families are facing. The FESS measures the amount of money that individuals and families require to meet their basic needs without government and/or other subsidies, and the following data specify the percentage of families who fall below the self-sufficiency standard statewide:

- 45.5% of families with two adults and two children;
- 45.3% of single-adult families with children.

As a result, according to data from Aloha United Way, 1 in 4 households in Hawai'i report they are "doubling up" (effectively homeless, staying with series of friends and/or extended family members) or three paychecks away from homelessness. This is a staggering statistic, but one can see why this is

the case when considering that Hawai'i possesses the highest housing costs in the U.S. Our State's residents pay more than twice the national average for their housing, according to *Out of Reach 2016*, a report published by the National Low Income Housing Coalition. Moreover, rental rates have soared nearly 25% in three years, with the *average* rent for a two-bedroom house in Hawai'i over \$2,100.

The Springs Rescue Mission, a Colorado-based homelessness advocacy and action organization, states that the fastest-growing segment of the U.S. homeless population is families with young children, precisely the population impacted by such high housing costs. Most of these families are often just a few paychecks away from homelessness, with only a relatively small short-term trauma—such as an unexpected medical or childcare expense—between them and eviction. The passage of HB488 HD2 would continue needed support of such families at-risk for, or already afflicted with, homelessness by providing them with needed affordable housing and auxiliary services. Moreover, interest rates are at an all-time low while construction costs are on the rise. If immediate action is taken, we can build the most units for the least amount of money and efficiently utilize State funding.

In sum, the passage of HB488 HD2 would increase the resilience of Hawai'i's individuals, families, and youth, whether homeless or at-risk thereof. Affordable housing and related auxiliary services are a crucial step to securing long-term wellbeing, choice, and control for everyone in Hawai'i.

Mahalo for this opportunity to testify,

Brent N. Kakesako
Executive Director
Hawai'i Alliance for Community-Based Economic Development



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 488 Relating to Housing
Joint Senate Human Services and Housing Committees
Scheduled for Hearing Friday, March 17 at 2:45pm, Conference Room 016

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.

Dear Chair Green, Chair Espero, and members of the committees on Human Services and Housing:

Thank you for the opportunity to testify in support of HB 488, which would make appropriations for the following programs:

- The Rental Housing Revolving Fund (RHRF) to create affordable rental units (requesting \$75m)
- Construction of a juvenile service center/shelter at 902 Alder Street (along with a 180 unit affordable family housing project utilizing other funding) (requesting \$15m)
- Public housing development, improvements and renovations (requesting \$75m)
- Public housing security improvements, and renovations/repairs for vacant public housing units (requesting \$9m)

We recognize that funding is tight and that there are many important programs for which the legislature must appropriate funding. We are requesting appropriations at these levels because they are so sorely needed to address Hawai'i's Affordable Housing and Homelessness Crisis. Hawai'i's housing needs are well documented: 27,224 rental units are needed by 2020 for people under 80% of the Area Median income (AMI). Furthermore, Hawaii has the highest homelessness rate in the nation, and the problem continues to worsen.

To address the current housing and homelessness crisis, we need to be devoting all available resources toward creation of affordable housing. Without affordable, stable, and decent housing, low-income individuals and families will continue to face insurmountable barriers to their financial self-sufficiency. Almost 80 percent of extremely low-income households are paying more than half of their income toward housing, an immense strain on their budgets. The consequences of their inability to make ends meet include worse health and educational outcomes, as well as the most visible consequence, homelessness.

Hawai'i Appleseed strongly supports appropriating \$75 million for the RHRF, a major tool for the creation of affordable housing with a long record of success, funding over 5,000 units since its creation, and functions as an economic driver. The availability of these affordable housing units gives low-income

individuals and families in Hawai'i an alternative to becoming homeless, and also provides infrastructure for programs which rehabilitate those who are currently homeless.

Hawai'i Appleseed also supports the \$15 million appropriating to the Alder Street Project. This state land is underutilized and ideal for redevelopment. It already is zoned A-2 which allows apartment buildings up to 150 feet. It has adequate sewer and water capacity in a convenient urban location. The \$15 million would enable the construction of 180 units of rental housing for families, serving as a model for future state TOD initiatives.

Hawai'i Appleseed also strongly supports the appropriations for public housing development, repairs, and improvements. Our public housing facilities have been degrading for decades. In recent years, significant and effective efforts have been made to improve the condition of public housing. However, without sufficient funding, it will be impossible to return the condition of these properties to one that is safe and habitable for Hawai'i's low-income families. Additionally, funds should be appropriated for the development of additional units. Public housing is one of the only programs that serves the lowest-income segment of our population, which is also the portion of the population that has the greatest need for affordable housing. This funding is necessary to ensure that more of Hawai'i's low-income families do not fall into homelessness.

Thank you very much for hearing and considering this important bill to help build for affordable housing and end homelessness.



The Housing Now Coalition

Catherine Graham
Rev. Bob Nakata

A Coalition of FACE Hawaii

March 15, 2017

Testimony in strong support of HB 488

Dear Senators Green and Espero and members of the joint Housing and Human Services Committee,

Rev. Nakata and I are co-chairs of the Housing Now Coalition, a group of individuals representing over 30 faith-based and other organizations who are greatly concerned about the lack of affordable housing in our Aloha State.

We strongly support HB 488 supporting the Governor's Budget for affordable housing. We encourage you to put in the following amounts for each category:

\$75 million for the Rental Housing Revolving Fund

\$75 million for the Dwelling Unit Revolving Fund

\$75 million for the Hawaii Public Housing Authority

\$15 million for the Alder St. Project.

Even these numbers will not get us the number of affordable units that we need but it is a good start.

Thank you for your willingness to work on the hard issues. I know you have the good of the people in your hearts and minds when you make your decisions.


Aloha,


Catherine Graham

Rev. Bob Nakata



**Hawai'i
Association of
REALTORS®**

 | 808-733-7060

 | 808-737-4977

 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

March 17, 2017

The Honorable Josh Green, Chair
Senate Committee on Human Services

The Honorable Will Espero, Chair
Senate Committee on Housing
State Capitol, Room 016
Honolulu, Hawaii 96813

RE: H.B. 488, H.D.2, Relating to Housing

HEARING: Friday, March 17, 2017, at 2:45 p.m.

Aloha Chair Green, Chair Espero, and Members of the Committees.

I am Myoung Oh, Director of Government Affairs, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its 9,000 members. HAR **supports** H.B. 488, H.D.2 which authorizes the issuance of general obligation bonds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing.

According to the Department of Business, Economic Development and Tourism, nearly 66,000 housing units are needed to meet long-term demand over the next ten years. Not only do we need more affordable homes, including rentals, to meet today's needs of our working individuals and families.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Revolving Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

As such, HAR supports H.B. 488, H.D.2 to provide for much needed funding for affordable rental housing opportunities for Hawaii's residents and will help address the States unique challenges.

Mahalo for the opportunity to testify in support of this measure.



Hawai'i Construction Alliance

P.O. Box 179441
Honolulu, HI 96817
(808) 348-8885

March 15, 2017

The Honorable Josh Green, Chair
The Honorable Stanley Chang, Vice Chair
and members
Senate Committee on Human Services
415 South Beretania Street
Honolulu, Hawai'i 96813

The Honorable Will Espero, Chair
The Honorable Breene Harimoto, Vice Chair
and members
Senate Committee on Housing
415 South Beretania Street
Honolulu, Hawai'i 96813

RE: Support for HB488 HD2, Relating to Housing

Dear Chairs Green and Espero, Vice Chairs Chang and Harimoto, and members:

The Hawai'i Construction Alliance is comprised of the Hawai'i Regional Council of Carpenters; the Laborers' International Union of North America, Local 368; the Operative Plasterers' and Cement Masons' Union, Local 630; International Union of Bricklayers & Allied Craftworkers, Local 1; and the Operating Engineers, Local Union No. 3. Together, the member unions of the Hawai'i Construction Alliance represent 15,000 working men and women in the basic crafts of Hawai'i's construction industry.

The Hawai'i Construction Alliance is extremely concerned about the chronic deficiency of housing for families of all income levels across the state. As has been often stated, the shortage of units for working moderate- and lower-income households is at a crisis level. Said shortage is negatively affecting families throughout the entire community, including our members.

Along with our partners in the banking, development, landowning, contracting, architecture, and engineering communities, we have formed the "Hawai'i Rental Housing Coalition," with the aim of identifying and carrying out concrete private-sector steps to make a meaningful impact on the economics of building and operating rental housing for families in the 80-140% AMI range. This effort has been a major focus of ours during this legislative session, and we thank the Committee on Housing for its favorable action on our proposal several weeks ago.

We recognize, however, that families whose income levels are at 80% or below also need significant help. To that end, we **support HB488 HD2**, which authorizes the issuance of general obligation bonds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing, and also appropriates funds for public housing security improvements, renovation, and repairs.

We also recognize that the funding provided in HB488 will create jobs at prevailing wages for the construction industry as new public housing is built and existing public housing is modernized, repaired, and renovated.

Therefore, we humbly ask for your committees' favorable action on HB488 HD2.

Mahalo,



Tyler Dos Santos-Tam
Executive Director

Testimony by In-State Partners
In Support of HB 488 HD2
Relating to Housing
House Committee on Human Services
Friday, March 17, 2017, 2:45 PM, CR 016

The Honorable Will Espero, Chair and Committee Members, Committee on Housing
The Honorable Josh Green, Chair and Committee Members, Committee on Human Services

My name is Ryan Brennan, with In-State Partners, testifying in strong support of HB 488 HD2 Relating to Housing.

HB 488 HD2 sends a strong message that this legislature is serious about providing housing by providing and authorizing the issuance of general obligation bonds for various types of affordable housing rentals, shelters and multi-use buildings and appropriates funds for public housing security improvements, renovation and repairs. Providing funds to build multi-use and affordable rental housing is extremely important in today's market. Taken together, these funds are strong steps towards tackling the problem of housing for Hawaii's residents.

Equally as important is the ability to provide for more opportunities for private resources to help with the building of housing. Please consider amending this measure to include provisions of SB 1169 Relating to Low-Income Housing Tax Credits.

Low-income housing tax projects would not be feasible without the federal and State low-income housing tax credits ("LIHTCs"). LIHTCs are necessary to subsidize the cost of the projects without which there would not be sufficient incentives for developers to assume the risk of these projects. This is why Hawaii has adopted the federal LIHTCs to be taken against Hawaii taxes. Last year, the Legislature recognized the importance of the LIHTCs by enacting Act 129, which expanded the incentives for Hawaii investors by accelerating the period over which the Hawaii tax credits can be taken from 10 to 5 years, and by matching the federal tax credit rate, rather than just 50% of the federal credit rate.

The purpose of the proposed provisions is to build on the incentives provided under Act 129 by decoupling from the at-risk and passive activity loss limitations under federal income tax law. These federal tax limitations only permit large corporations to benefit from the credit, excluding most Hawaii individual and small businesses from participating, and therefore expand the investor pool to be more inclusive of the typical Hawaii investor.

Thank you for this opportunity to testify.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 15, 2017 8:51 PM
To: HOU Testimony
Cc: stanbain@facehawaii.org
Subject: Submitted testimony for HB488 on Mar 17, 2017 14:45PM

HB488

Submitted on: 3/15/2017

Testimony for HOU/HMS on Mar 17, 2017 14:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Rev. Stanley Bain	FACE and Housing Now	Support	No

Comments: Honorable Chairpersons Espero and Green, Members of the Health and Housing Committees, Thank you for the opportunity to testify in support of HB488 HD 2 and to request that you restore the bills original provision to provide : \$75 million for the Rental Housing Revolving fund \$75 million for the Dwelling Unit Revolving fund \$75 million for Public Housing \$15 million for the Alder St. Project in order that sufficient affordable housing and services may become de facto and all of our residents may have a roof with walls from which to live aloha. Respectfully, Rev. Stanley Bain Faith Action for Community Equity stanbain@facehawaii.org 808-282-6734 March 15, 2017

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 15, 2017 9:32 PM
To: HOU Testimony
Cc: btkcharlton@gmail.com
Subject: Submitted testimony for HB488 on Mar 17, 2017 14:45PM

HB488

Submitted on: 3/15/2017

Testimony for HOU/HMS on Mar 17, 2017 14:45PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Beth Charlton	Housing Now	Support	No

Comments: Thank you for the opportunity to provide testimony in strong support of HB 488, making an appropriation to the Rental Housing Revolving Fund (RHRF), the Alder Street project for a juvenile services center/shelter and Hawaii Public Housing Authority. In the past two years on Oahu, we have developed a coordinated entry system to more effectively and strategically help homeless to navigate resources and be linked to housing. To end homelessness, we must create more affordable rental housing. Oahu rents soared 23% from 2012-2015. Honolulu Fair Market Rent for a 2 bedroom jumped up 65% from 2005 to 2015. Even with rental subsidies like Section 8, it is hard to find a unit. Homeless youth: We support \$15 million to the Alder Street juvenile services/shelter project. Redeveloping this underutilized state land would be ideal to create services and a shelter for high risk youth who are runaways or homeless. Over 700 youth are homeless and 30% of all juvenile arrests in Hawaii are for running away (an average of 4,493 youth per year). These youth face sexual exploitation, assault, hunger, lack of schooling, and mental illness. The \$15 million for the youth center would also enable the construction of 180 units of rental housing, designated for families. What a great model for future state TOD initiatives! We must act now to protect our youth and provide needed rentals. We also strongly supports \$50 million for public housing improvements and \$9 million for security and repairing vacant units. HPHA has an estimated backlog of \$500 million in repairs. Their properties have been deteriorating for decades. In 85 properties across the state, they serve over 20,000 people. Immediate action is needed for the health and safety of residents as well as repairs to put these valuable units for low-income people back into circulation ASAP. We thank you for your dedication to ending homelessness.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 488 HD2: RELATING TO HOUSING

TO: Senator Josh Green, Chair; Senator Will Espero, Chair; and Members,
Committees on Human Services and Housing
FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer
Hearing: **Friday, 3/17/17; 2:45 pm; CR 016**

Thank you for the opportunity to provide testimony **in strong support** of HB 488, which provides funds for affordable rental housing, a multi-use juvenile services and shelter center, and public housing. I am Terry Walsh, with Catholic Charities Hawai'i. We are also a member of Partners in Care. This funding provides critical long range solutions to homelessness.

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. Ending homelessness is a top priority for 2017.

The **KEY** to ending homelessness and stopping the flow into homelessness is to create more affordable rental units. This bill is a major step to create adequate housing for the people of Hawaii, not only to end homelessness but to give options for our children to remain in Hawaii and our working people or seniors to have affordable rental units. The need is huge! **Oahu rents soared 23% in 3 years (2012 to 2015)**. Hawaii needs approximately 24,551 housing units, statewide, from 2016 – 2020; and approximately **13,500 units (55%) are needed for households at 80% and below the AMI**. Typically, these are rental units. With significant funding last year, developers are stepping up and proposing new affordable projects. HHFDC recently received about \$121 million in applications to the Rental Housing Revolving Fund. Some will be left on the table without additional funding. We need to keep the momentum going to create more rental units via the Rental Housing Revolving Fund.

Due to the high need, we urge you to consider: **\$75 million** for the Rental Housing Revolving Fund; **\$15 million** for Alder Street youth service center/shelter; and **\$75 million** for HPHA. We also support **\$75 million** for the Dwelling Unit Revolving Fund since lack of infrastructure is a key barrier to developing much needed rentals in many areas. We recognize that the State is under tight fiscal constraints. We appreciate that the Legislature must balance many important needs and this level of funding may not be feasible. However, ending homelessness and creating decent affordable rental housing for the people of Hawaii requires consistent and significant funding or we will fall further behind. Homelessness grows; brain drain grows as young people leave the islands; families and kupuna undergo increased stress.

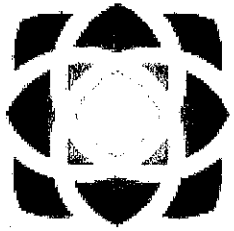
Improving and repairing vacant HPHA units are critical to fully utilize these federally subsidized units. A youth shelter for runaways and homeless youth is needed ASAP since this population faces perilous and life-threatening situations. The Alder Street property would have a double impact: serve youth and create 180 family rental units.

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



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Hopeline: (808)524-4673 • www.CatholicCharitiesHawaii.org





MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE SENATE COMMITTEE ON HUMAN SERVICES AND
THE SENATE COMMITTEE ON HOUSING
HAWAII STATE CAPITOL, SEMATE CONFERENCE ROOM 016
FRIDAY, MARCH 17, 2017 AT 2:45 P.M.**

To The Honorable Josh Green, Chair;
The Honorable Stanley Chang, Vice Chair; and
Members of the Committee on Human Services

To The Honorable Will Espero, Chair;
The Honorable Breene Harimoto, Vice Chair; and
Members of the Committee on Housing

TESTIMONY IN SUPPORT FOR HB 488 RELATING TO HOUSING

Aloha, my name is Pamela Tumpap and I am the President of the Maui Chamber of Commerce representing approximately 600 businesses and 16,000 employees. I am writing share our strong support of HB 488.

Affordable housing and rentals is one of our top priorities this year and we support initiatives that help to solve this problem in our state. We appreciate that this bill particularly includes affordable rental housing as not everybody is in the position to purchase a home and affordable rentals are a great starting point. This program is aimed at helping us solve an ongoing challenge as it provides an avenue for expediting affordable housing and help the ongoing problem of backlog. We are in desperate need of more affordable housing and affordable rental unit inventory to help our residents.

We appreciate the opportunity to testify on this matter and therefore ask that this bill be passed.

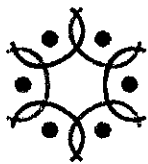
Mahalo for your consideration of our testimony and we hope you will move this bill forward.

Sincerely,

Pamela Tumpap

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.



Hawaii
Children's Action Network
Building a unified voice for Hawaii's children

March 15, 2017

To: Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair
Committee on Human Services

Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair
Committee on Housing

From: Deborah Zysman, Executive Director
Hawaii Children's Action Network

Re: **HB 488 HD 2 – Relating to Housing**
Hawaii State Capitol, Room 016, March 17, 2017, 2:45 PM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to support HB 488 HD 2 – Relating to Housing.

HCAN supports this bill, which would issue general obligation bonds to preserve and expand affordable rental housing inventory and construct a center to provide shelter and services for homeless unaccompanied youth.

We need stable funding sources that address the chronic housing shortage and bridge the economic gap for families to afford safe and secure housing, especially those with young children and unaccompanied youth. Without state investments, we could see our state continue to lead the nation in growing rates for homelessness and unsafe and unstable housing.

Unaccompanied youth: Outreach and housing for unaccompanied youth is especially critical. Currently there are no state or federal funds in Hawaii for this outreach. Unaccompanied youth living on the streets have different needs and issues than homeless adults and families. They need outreach and housing programs that are tailored to address their specific needs, and workers who understand adolescent development.

Homeless Children: Hawaii has the highest homeless rate in the nation. It's estimated that one-third of the homeless in Hawaii are children.

Unstable Housing: Many of our families may not be living on the street or the beach, yet they don't have permanent housing -- they stay with friends and family -- moving frequently.

High cost of housing for families: 60 percent of households with young children in Hawaii pay more than 30% of their income for housing.

According to a 2012 report published by Child Trends, children and youth who experience a high degree of instability and turbulence in their lives are more likely to suffer higher levels of emotional and behavioral problems. Children and youth who are homeless may suffer from hunger, poor physical and emotional health, and missed educational opportunities.

Hawaii needs a comprehensive affordable housing solution that helps families and youth at every stage to secure stable housing solutions to help families and youth in our state build a pathway toward greater economic stability and a healthier thriving community.

For these reasons, HCAN respectfully requests that the committee vote to pass this bill.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education. Last fall, HCAN convened input in person and online from more than 50 organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2017 Hawai'i Children's Policy Agenda, which can be accessed at <http://www.hawaii-can.org/2017policyagenda>.



AMERICANS FOR DEMOCRATIC ACTION



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Chuck Huxel Cameron Sato

MAILING ADDRESS

P.O. Box 23404
Honolulu, Hawai'i 96823

www.adaaction.org

March 16, 2017

TO: Honorable Chair Green and Espero members of the Committees

RE: HB 488 HD2 Relating to Housing
Support for hearing on March 17

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support HB 488 HD2 as it would authorize the issuance of general obligation bonds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing. Appropriates funds for public housing security improvements, renovation, and repairs. All of these address key needs of our society particularly the need for affordable rental housing and shelter for juveniles. In the spirit of aloha, help make our budget priorities compassionate ones.

Thank you for your consideration.

Sincerely,

John Bickel
President



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the Senate Committee on Human Services and
the Senate Committee on Housing
Friday, March 17, 2017 at 2:45 P.M.
Conference Room 016, State Capitol**

RE: HOUSE BILL 488 HD2 RELATING TO HOUSING

Chairs Green and Espero, Vice Chairs Chang and Harimoto, and Members of the Committee:

The Chamber of Commerce Hawaii ("The Chamber") **supports** HB 488 HD2, which authorizes the issuance of general obligation bonds for rental housing, mixed-use affordable rental housing, a multi-use juvenile services and shelter center, and public housing; appropriates funds for public housing security improvements, renovation, and repairs.

The Chamber is Hawaii's leading statewide business advocacy organization, representing about 1,600+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of members and the entire business community to improve the state's economic climate and to foster positive action on issues of common concern.

The bill proposes to appropriate \$50,000,000.00 to the rental housing revolving fund to assist in the construction of rental housing targeted for the 80% and below AMI income group. HHFDC has indicated that government funding required for each of these units is roughly \$125,000.00 per unit. The \$50 million appropriation should result in approximately 400 new units.

In addition, the bill also appropriates \$15 million for the much needed juvenile service and shelter center near on Alder Street. We understand that the center will be part of a mixed use project that will include residential rental units.

The Chamber and the Building Industry Association of Hawaii convened the first "Houseless in Honolulu" event in November of 2015 to raise awareness of one of Hawaii's most pressing issues - home affordability. Then again in November of 2016 we convened our second event, "Still Houseless in Honolulu." The bottom line is we need to build our way out of this crisis by increasing the supply of housing at all price points. With the median home price in the Islands now \$730,000, the repercussions are having a major impact on Honolulu's economy.

We need to "build" our way out of our housing crisis. In order to do that, we need to increase the supply of housing, both rentals and fee simple, at all price points. The Department of Business, Economic Development and Tourism forecasted demand for additional housing units by county is 25,847 units for Honolulu, 19,610 for Hawaii, 13,949 for Maui, and 5,287 for



Kauai during the 2015-2025 period (DBEDT Report—Measuring Housing Demand in Hawaii, 2015-2025).

The proposed appropriation will provide the funding necessary to build more rental units, especially for those at the lower end of the income spectrum. We appreciate the opportunity to express our support for this bill.



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

TESTIMONY FOR HOUSE BILL 488, HOUSE DRAFT 2, RELATING TO HOUSING

Senate Committee on Human Services

Hon. Josh Green, Chair

Hon. Stanley Chang, Vice Chair

Senate Committee on Housing

Hon. Will Espero, Chair

Hon. Breene Harimoto, Vice Chair

Friday, March 17, 2017, 2:45 PM

State Capitol, Conference Room 016

Honorable Chair Green, Chair Espero, and committee members:

I am Kris Coffield, representing IMU Alliance, 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 488, HD 2, relating to housing.

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 shelters for our state’s unhoused youth population. Homeless children suffering from complex and overlapping trauma deserve our compassion, best provided through acute treatment and mental health care. Homeless sex trafficking victims are often coerced into abuse through forced drug addiction and are twice as likely to suffer from post-traumatic stress disorder as soldiers in a war zone. Moreover, we must find a balance between rampant real estate speculation and meeting the affordable housing 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.

When you fund shelter and services for homeless children, 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



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

March 17, 2017

TO: Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair
Members of the Senate Committee on Human Services

Senator Will Espero, Chair
Senator Breene Harimoto, Vice Chair
Members of the Senate Committee on Housing

FROM: Natalie Okeson, Interim Executive Director, PHOCUSED

SUBJECT: Testimony in Support of HB488, HD2 RELATING TO HOUSING

Hearing: March 17, 2017 at 2:45pm
Conference Room 016

Chair Green, Vice Chair, Change, Members of the Committee on Human Services, Chair Espero, Vice Chair Harimoto, and Members of the Senate Committee on Housing

Thank you for the opportunity to testify in strong support of HB488, HD2 with suggestions for amendments. My name is Natalie Okeson, and I am the Interim Executive Director of PHOCUSED. PHOCUSED is a nonprofit, nonpartisan organization dedicated to increasing the safety for, visibility of, and investment in the children and adults in Hawaii who are marginalized, impoverished, and under-served. Since its formation, our organization has been a leading voice in advocating for our homeless population, as well as increasing the number of affordable housing units, as such units are critical to preventing households from falling into homelessness as the gap between rental prices and wages grows. PHOCUSED is also a proud member of Partners in Care and the Housing Now Coalition.

Our organization strongly supports HB488, HD2 which authorizes the issuance of bonds to the Rental Housing Revolving Fund, and appropriations for the Alder Street Juvenile Service/Shelter project, public housing improvements, as well as security and repairing vacant units. **However, it is absolutely critical that we increase the amounts dedicated to these projects back to the original levels, if not HIGHER in order to be truly aggressive in our efforts to address the crises of our time.**



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

The Rental Housing Revolving Fund provides the funds necessary for the construction and renovation of affordable rental housing, which would otherwise be financially unfeasible. Hawaii has the nation's most expensive housing and rents on Oahu have risen more than 23% since 2012. With half of our residents renting their homes, skyrocketing rental prices have cost-burdened a large percentage of our state's renting population – a population earning just \$14.49 per hour on average. These facts make it even more important that the Rental Housing Revolving Fund mandate units for individuals and families that earn 30% of our area's median income or AMI, as these individuals and families are the most vulnerable to homelessness.

There are several reasons to support the Alder Street project, including its affordable units; however, we would like to highlight that sixty-seven percent of runaway youth are fleeing physical or sexual abuse at home and that one third of those children will find themselves sexually trafficked within 48hours. The critical nature of sheltering our homeless youth population cannot be overstated.

The Hawaii Public Housing Authority desperately requires capital funding to repair and modernize our state's public housing units. These units are a major component in addressing homelessness and providing low cost housing as most come with subsidies from the federal government, which allow tenants to pay 30% of their income rather than become another cost-burdened family. Our state must make the needed repairs to vacant units to immediately increase units available while other projects are constructed. Lastly, with construction costs rising by 12% each year and interest rates at historic rates, the time is NOW to fund these projects.

Thank you for the opportunity to submit testimony in support of HB488, HD2. We urge you to increase the amounts dedicated to these projects as we know that you all are truly dedicated to the vulnerable populations the members of PHOCUSED serves.



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 488 HD2: RELATING TO HOUSING

TO: Senator Josh Green, Chair; Senator Will Espero, Chair; and Members, Committees on Human Services and Housing
FROM: Greg Payton, Chair of the Advocacy Committee, Partners in Care
Hearing: **Friday, 3/17/17; 2:45 pm; CR 016**

Thank you for the opportunity to provide testimony **in strong support** of HB 488, making an appropriation to the Rental Housing Revolving Fund (RHRF), the Alder Street project for a juvenile services center/shelter and Hawaii Public Housing Authority. I am Greg Payton, the Chair of the Advocacy Committee of Partners in Care (PIC).

Partners in Care is a coalition of over 35 homeless service providers and many others in the community on Oahu dedicated to ending homelessness. In the past two years on Oahu, we have developed a coordinated entry system to more effectively and strategically help homeless to navigate resources and be linked to housing. One big barrier is the lack of affordable units. Honolulu Fair Market Rent for a 2 bedroom jumped up 65% from 2005 to 2015. Even with rental subsidies like Section 8, it is hard to find a unit. To end homelessness, we must create more rentals.

Partners in Care supports allocating **\$75 million to the Rental Housing Revolving Fund (RHRF)**. The RHRF has created 5,880 units as of 6/30/16. . The Hawaii Housing Finance and Development Corporation has already received about \$121 million in requests this year for new proposed affordable rental projects, 78% of which targeted family housing. The need is great but limited funds means some good projects will not be funded. We need to keep the momentum growing.

One of PIC's top priorities is homeless youth. We support **\$15 million to the Alder Street juvenile services/shelter project.** Redeveloping this underutilized state land would be ideal to create services and a shelter for high risk youth who are runaways, etc. Over 700 youth are homeless each year. These youth face sexual exploitation, assault, hunger, lack of schooling, and mental illness. The \$15 million for the youth center would also enable the construction of 180 units of rental housing, designated for families. What a great model for future state TOD projects.

PIC also strongly supports **\$75 million for public housing improvements, security and repairing vacant units.** HPHA has an estimated backlog of \$500 million in repairs. Their properties have been deteriorating for decades. In 85 properties across the state, they serve over 20,000 people. Immediate action is needed for the health and safety of residents as well as repairs to put these valuable units for low-income people back into circulation ASAP.

We understand that the State revenue projections have decreased creating a very tight budget. We also recognize that the legislature is reviewing multiple state needs, so the above level of funding may difficult to achieve. We urge you to consider the long term benefits for Hawaii when affordable housing is created. We thank you for your dedication to ending homelessness. Please contact me at (808) 529-4554 or gpayton@mhkhawaii.org if you have any questions.

-

From: Rose Aranita <roseruiz.aranita@gmail.com>
Sent: Thursday, March 16, 2017 12:13 PM
To: HOU Testimony
Cc: Sen. Josh Green
Subject: HB488 HD2 Affordable Housing Appropriations

To the Honorable Will Espero and Housing Committee and to the Honorable Josh Green and the Human Services Committee Regarding HB 488 HD2

I am a Sister of Saint Joseph of Carondelet who has worked with the former Affordable Housing and Homeless Alliance in the 1980's to address affordable housing needs. I urge your committees to seriously consider the following amounts of funding for HB 488 HD2:

50 million of bonds for Rental Housing Revolving Fund
15 million for the construction of a juvenile shelter on the Alders Street property
50 million to construct and improve public housing
9 million for public housing security and improvements

I don't need to reiterate the obvious statistics for the lack of affordable housing. You have these facts already. I would urge that we generate more creative ways to address the homelessness problem. That would require legislators to truly abandon self interest for their war chests and weigh public need. Liberation from developers, corporations, etc. interested in maximizing their profits by offering enticements is a habit that needs to be kicked out. The problem of greed affects all of us: buyers, landowners, businesses and all who believe in the profit motive to the detriment of the common good.

The high cost of infrastructure and land because it is a speculative item continues to drive affordability of housing up. The practice of rewarding developers with government funding does not help affordability either. Is there a way of curtailing international buyers from purchasing our state's land and incentivize and prioritize non-profit and large hearted for profit developers to build truly affordable housing? What about partnering more closely with the City and County to utilize government land more efficiently. I am particularly interested in constructing affordable single occupancy units on government agricultural land and fostering small farms that these tenants operate. It would address the need for housing for the significant singles homeless population who have addiction or mental health illnesses. Of course, health caregivers would need to partner with social service/agricultural programs to make this viable. Kahumana has done this quite effectively with homeless families. Perhaps a RFP for an experimental project with SROs/farm enterprises is in order.

Thank you for allowing me to vent and hopefully add to our ongoing conversation to create really affordable housing.

Sister Rosita Aranita

From: Wally Inglis <wallyinglis@yahoo.com>
Sent: Thursday, March 16, 2017 2:45 PM
To: HOU Testimony
Cc: HMS Testimony
Subject: HB488 HD2

Chairs Espero and Green and Committee Members:

Both as an individual, and as a member of the Housing Now! Coalition, I stand in strong support of HB488 SB2, relating to affordable housing and related issues. I support the inclusion of the following amounts in this bill: \$75 million for the Rental Housing Revolving Fund; \$75 million for the Dwelling Unit Revolving Fund; \$75 million for Public Housing; \$15 million for the Alder St. Project.

As president of a nonprofit that has developed more than 500 units of affordable housing, I am aware of the urgent needs of our community for decent shelter. Without the ability to partner with the state in accessing these funding sources, our organization would never have been able to complete our successful projects.

I urge both committees to look favorably on this legislation and move it on to Ways and Means with considerably more than token funding.

Aloha,

Wally Inglis
Palolo Valley

Sent from my iPad