



STATE OF HAWAII

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

IN REPLY REFER TO:

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

HOUSE COMMITTEE ON HOUSING

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

In consideration of
H.B. 488
RELATING TO HOUSING.

The HHFDC supports H.B. 488, 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 of \$50 million for infusion into the Rental Housing Revolving Fund, and \$15 million 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 \$50 million 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 \$15 million 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. 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 House Committee on Housing

Representative Tom Brower, Chair

Representative Nadine K. Nakamura, Vice Chair

Tuesday, February 7, 2017, 9:00 AM

State Capitol, Conference Room 423

By

Rodney A. Maile

Administrative Director of Courts

Written Testimony Only

Bill No. and Title: House Bill No. 488, 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 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.

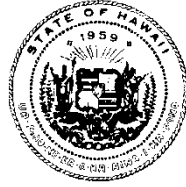
Many of these youth are from families where the cost of housing is a constant strain on the family and contributes to the stresses that result in acting out behaviors that contribute to the youth coming to the attention of the court.

Testimony for House Bill No. 488, Relating to Housing
Senate Committee on Housing
Tuesday, February 7, 2017
Page 2

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.

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

HOUSE COMMITTEE ON HOUSING

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

In consideration of
HB 488
RELATING TO HOUSING

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

The Hawaii Public Housing Authority (HPHA) **supports** HB 488 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, authorizes the issuance of general obligation bonds for the HPHA in the sum of \$50M for development, improvements and renovations of our public housing units as well as \$9M 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 appreciates the opportunity to provide the House Committees on Housing with the HPHA's comments regarding HB 488. We thank you very much for your dedicated support.



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: RELATING TO HOUSING

TO: Rep. Tom Brower, Chair; Rep. Nadine K. Nakamura, Vice Chair; and Members, Committee on Housing
FROM: Greg Payton, Chair of the Advocacy Committee, Partners in Care
Hearing: **Tuesday, 2/7/17; 9:00 am; Room 423**

Chair Brower, Vice Chair Nakamura, and Members, Committee on Housing

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 homeless service providers and many other 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. 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.

Partners in Care supports allocating **\$50 million to the Rental Housing Revolving Fund (RHRF)**. The RHRF provides the gap funding needed to construct new projects. Without filling this gap, projects will not be economically feasible. The RHRF has created 5,880 units as of 6/30/16. With construction costs increasing by 12% each year (DAGS study reported in Honolulu Star Advertiser, 3-20-15), immediate funding would get the most units for our state dollars. Action must be taken now.

One of PIC's top priorities is homeless youth. We supports **\$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, already designated for families. What a great model for future state TOD initiatives! We must act now to protect our youth and provide needed rentals.

PIC 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 contact me at (808) 529-4554 or gpayton@mhkhawaii.org if you have any questions.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 488: RELATING TO HOUSING

TO: Rep. Tom Brower, Chair; Rep. Nadine K. Nakamura, Vice Chair; and Members
Committee on Housing
FROM: Terrence L. Walsh, Jr., President & Chief Executive Officer
Hearing: **Tuesday, 2/7/17; 9:00 am; CR 423**

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 Hawaii. We are also a member of Partners in Care. This funding provides critical long range solutions to homelessness. It also targets a very high risk population, runaway and homeless youth, for services and shelter.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawaii. Ending homelessness is a top priority for 2017.

The causes of homelessness are diverse but 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 focus on creating 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. Hawaii has the most expensive housing in the USA, at more than twice the national average. *Out of Reach 2016* reports that a full time worker would need to make \$34.22 per hour to afford a two-bedroom unit at fair market rent. 47% of Hawaii residents are renters, with the average wage at just \$14.49 per hour. **Oahu rents soared 23.5% in 3 years.** Hawaii News Now reported on 4/14/16 that a new study on rents on Oahu found that apartment rents jumped 23.3% from 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. We need to act now.

The proposed funds for the Rental Housing Revolving Fund and the Hawaii Public Housing Authority (HPHA) are essential to continue the momentum to create more affordable rentals. Improving and repairing vacant HPHA units are especially critical since these units come with rental subsidies so homeless and very low income people can pay just 30% of their income for rent. A youth shelter for runaways and homeless youth is needed ASAP since this population faces perilous and life-threatening situations. More than 700 Hawaii youth live on our streets each year. Between 2000 and 2010, 30% of all juvenile arrests were for running away (an average of 4,493 youth per year). They are at high risk for sexual exploitation, assault, hunger, lack of schooling and depression. The Alder Street property would also create 180 rental units.

We need to act now to create affordable rentals and a shelter for youth. Thank you for considering this bill as a major step to enhance the quality of life for many Hawaii residents. Please contact me at terry.walsh@catholiccharitieshawaii.org; or 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
Phone (808)373-0356 • bettylou.larson@CatholicCharitiesHawaii.org





HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 488 Relating to Housing
House Committee on Housing
Scheduled for Hearing Tuesday, February 7, 2017, 9:00 AM, Conference Room 423

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

Dear Chair Brower, Vice Chair Nakamura, and Members of the Committee on Housing:

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

- \$50 M for the Rental Housing Revolving Fund (RHRF) to create affordable rental units
- \$15 M for construction of a juvenile service center/shelter at 902 Alder Street (along with a 180 unit affordable family housing project utilizing other funding) – See attached Alder Street Fact Sheet
- \$50 M for public housing development, improvements and renovations
- \$9 M for public housing security improvements, and renovations/repairs for vacant public housing units.

These appropriations are 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 \$50 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 end homelessness.



ADA

HAWAII

AMERICANS FOR DEMOCRATIC ACTION

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John Bickel, President
Alan Burdick, Vice President
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Karin Gill, Secretary

DIRECTORS

Guy Archer	Jan Lubin	George Simson
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MAILING ADDRESS

P.O. Box 23404
Honolulu, Hawai'i 96823
www.adaaction.org

February 3 , 2017

TO: Honorable Chair Brower and Members of Housing Committee

RE: HB 488 Relating to Housing
Support for hearing on Feb. 7

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 as it would authorize 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 as well as and appropriating funds for public housing security improvements, renovation, and repairs.

We have a housing crisis in our state. We have a place many people want to call home--raising housing prices. We have construction of high priced condominiums for wealthy investors and visitors, but we don't house our low-income working people well--many we do not house at all.

The key is affordable rentals. This bill would be a key step to support the construction and maintenance of public affordable rentals.

Thank you for your consideration.

Sincerely,

John Bickel
President



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

February 07, 2017

TO: Representative Tom Brower, Chair
Representative Nadine Nakamura, Vice Chair
Members of the Committee on Housing

FROM: Natalie Okeson, Interim Executive Director

SUBJECT: Testimony in Support of HB488, RELATING TO HOUSING

Hearing: February 07, 2017 at 9:00pm
Conference Room 423

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.

Our organization strongly supports HB488, which authorizes the issuance of bonds for \$50 million to the Rental Housing Revolving Fund, \$15 million to the Alder Street Juvenile Service/Shelter project, and \$50 million for public housing improvements, as well as appropriates \$9 million for security and repairing vacant units.



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; 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 project 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.

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, February 4, 2017 9:35 PM
To: HSGtestimony
Cc: MikeGoodman72@Outlook.com
Subject: *Submitted testimony for HB488 on Feb 7, 2017 09:00AM*

HB488

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	No

Comments:

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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LATE

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 2:12 PM
To: HSGtestimony
Cc: hlusk@chowproject.org
Subject: Submitted testimony for HB488 on Feb 7, 2017 09:00AM

HB488

Submitted on: 2/6/2017

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

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Lusk	The CHOW Project	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. The CHOW Project is a proud member of Partners in Care. Partners in Care is a coalition of homeless service providers and many other 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. 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. Partners in Care supports allocating \$50 million to the Rental Housing Revolving Fund (RHRF). The RHRF provides the gap funding needed to construct new projects. Without filling this gap, projects will not be economically feasible. The RHRF has created 5,880 units as of 6/30/16. With construction costs increasing by 12% each year (DAGS study reported in Honolulu Star Advertiser, 3-20-15), immediate funding would get the most units for our state dollars. Action must be taken now. One of PIC's top priorities is homeless youth. We supports \$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, already designated for families. What a great model for future state TOD initiatives! We must act now to protect our youth and provide needed rentals. PIC 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.

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February 2, 2017

TO: Honorable Chair Brower, Committee on Housing
and Members of House Committee on Housing

RE: HB 488 Relating to Housing
Support for consideration at hearing on February 7, 2017

I am a private citizen with a strong interest in constructive, effective, and humane solutions to Hawaii's challenges in addressing homelessness.

I support HB 488 and its companion SB 1142 to authorize the issuance of general obligation funds for rental housing, mixed-use affordable rental housing, and a multi-use juvenile service and shelter center. Hawai'i must commit the necessary funding for the provision of affordable housing options which include rental units particularly for those for whom home ownership may not be realistic at present. Services and shelter are needed for young people that include educational/skills training and mentoring services, so that they have a fair chance for a decent life in the future regardless of their present circumstances. Unless we address these needs now for minors who are homeless, the research evidence is overwhelming that there will be far greater costs and problems for these young people and their communities in the long-term.

Thank you for your consideration.

Sincerely,

Luanna H. Meyer, Ph.D.
Professor Emerita, Education

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 1, 2017 9:18 PM
To: HSGtestimony
Cc: pastordianem@gmail.com
Subject: Submitted testimony for HB488 on Feb 7, 2017 09:00AM

HB488

Submitted on: 2/1/2017

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

Submitted By	Organization	Testifier Position	Present at Hearing
Diane S. Martinson	Individual	Comments Only	No

Comments: I support HB488, the importance of generously funding the Rental Housing Revolving Fund, the collaboration between HHFDC and the judiciary to develop the Alder Street property for both a juvenile service center/shelter and 180 unit affordable family housing project, and the needed funding to improve the public housing stock.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 9:09 PM
To: HSGtestimony
Cc: chris@mentzel.com
Subject: *Submitted testimony for HB488 on Feb 7, 2017 09:00AM*

HB488

Submitted on: 2/5/2017

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

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Mentzel	Individual	Support	No

Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 10:31 AM
To: HSGtestimony
Cc: mkhan@hawaiiantel.net
Subject: Submitted testimony for HB488 on Feb 7, 2017 09:00AM

HB488

Submitted on: 2/5/2017

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

Submitted By	Organization	Testifier Position	Present at Hearing
Leimomi Khan	Individual	Support	No

Comments: Urge passage of SB1142 that proposes to create needed housing by authorizing the issuance of general obligation bonds to finance various capitol improvement projects to address the State's housing shortage. Support the proposed appropriation of \$50,000,000 to the rental housing revolving fund to assist in the construction of rental housing targeted for the 80% and below AMI income group This appropriation is estimated to result in 400 new units. Additionally, support the \$15 million for the proposed mixed-use 180 affordable rental housing and multi-use juvenile service and shelter center on Alder Street. Authorizing these appropriations should help to provide some relief to Hawaii residents who can barely afford the high cost of housing rental on the public market and to address the needs of unaccompanied runaways and homeless youth.

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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LATE



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

TESTIMONY FOR HOUSE BILL 488, RELATING TO HOUSING

**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 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, 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