

SB-2424-SD-1

Submitted on: 2/23/2018 1:42:02 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Testifying for Hawaiian Civic Club of Honolulu	Support	No

Comments:

Center for Hawaiian Sovereignty Studies
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Unity, Equality, Aloha for all



To: SENATE COMMITTEE ON WAYS AND MEANS

For hearing Wednesday February 28, 2018

Re: SB 2424 SD1 RELATING TO HOUSING FOR NATIVE HAWAIIANS.
Authorizes the construction and use of micro housing units on Hawaiian home lands approved by DHHL, and leased to native Hawaiian beneficiaries who meet the minimum Hawaiian blood quantum requirement notwithstanding county zoning laws. Authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on Hawaiian home lands approved by DHHL and leased to beneficiaries who meet the minimum Hawaiian blood quantum requirement. Makes an appropriation to the department of Hawaiian home lands for construction of micro housing units, subject to certain conditions, and to build general organizational capacity of native Hawaiian-controlled nonprofit housing developers. (SD1)

TESTIMONY IN OPPOSITION

Here are six points which need to be made.

1. Some clever politicians are trying to send millions of extra dollars to enrich DHHL by giving the public and the legislature the false impression that the purpose is to provide truly tiny houses to help poor and downtrodden people. Shame!

It is a form of bait-and-switch to use a currently popular term as the name for a proposal which is actually very different. This bill proposes to allow up to 800 sq ft. of floor space for a house or apartment to be branded as a "micro housing unit." That would be two or three times the size of the genuine "tiny homes" and "microunit apartments" that are the current fad in Honolulu for solving the twin problems of homelessness and housing shortage. My own 2-bedroom condo apartment is 723 sq ft and is definitely not "micro." Units of the same size in my building have families of 4 or 5 people living in them comfortably. Renters in my building pay around \$2,000 per month for apartments identical to mine, and the assessed valuation is currently \$ 351,700. Micro schmikro!

2. Don't reach into the pockets of Hawaii taxpayers to grab our money to make up for the malfeasance of DHHL leadership. The first sentence in the original version of this bill was honest to say "The legislature finds that the department of Hawaiian home lands produced no new housing units during the fiscal year ending June 30, 2017, and closed out the year with \$30,000,000 in unspent federal housing funds." For that much money they could have bought 85 of my 2-bedroom apartments at current assessed valuation, to provide housing for 300-400 people. Or if we use the estimated construction cost of \$125,000 mentioned in this bill, that \$30 Million could have yielded 240 housing capable of sheltering 900-1200 people. DHHL leadership is clearly lazy or incompetent, and responsible for protracting the misery of hundreds of people whose well-being it is responsible for.

3. It appears that this bill would actually be discriminating against native Hawaiians. Census data indicate that "Native Hawaiians" have significantly larger family size and household size than the general population of Hawaii. Yet this bill proposes to cram those larger families into smaller "micro housing units" anticipated to be in violation of zoning laws and building codes. That's pretty nasty, isn't it?

4. Section 2 of this bill proposes to override "any county zoning laws, permit provisions, or building code provisions to the contrary to allow micro housing units" on DHHL lands. But those zoning laws and building codes exist for good reasons (or don't they?). Some DHHL residential homelands lie immediately adjacent to normal residential neighborhoods; for example, the one in Waimanalo (which I canvassed for Census 2000). Does the legislature really want to be responsible for the development of overcrowded slum housing ("micro housing units" in violation of zoning laws and building codes) right across the street from middle class suburban homes?

5. I remind the legislature that a class-action lawsuit by 3,000 native Hawaiians on the waiting list for DHHL leases has resulted in a court decision resulting in negotiations for a settlement that could force taxpayers to fork over Billions of dollars not only to individual plaintiffs but also to DHHL. Now comes before you this bill to begin a brand new DHHL project and to pay for it with two startup grants of one million and five million dollars, expected to result in permanent programs for huge megabucks in the future. It would be foolish to give DHHL new money on top of whatever will come out of those negotiations. If DHHL wants to develop a project for micro housing units, let DHHL fund that program, or include it in its demands for a negotiated settlement of the class action lawsuit.

6. OHA already has over \$600,000,000. And, according to its bill in both Senate and House, OHA wants to grab an additional \$119,000,000 in ceded lands "back rent" plus \$35,000,000 per year, in lieu of ceded lands revenue, going forward. Wow!

The legislature has the authority to raid OHA's treasury the same as the legislature raids any of the special funds for hurricane relief or highways. Make OHA pay for DHHL projects.

In this case the "raid" would merely be forcing OHA to spend money it was supposed to be spending all along, and to spend it for the exact purpose for which OHA was created.

Section 5(f) of the statehood Admissions Act says one of the 5 purposes for the use of ceded land revenues: is "... for the betterment of the conditions of native Hawaiians, as defined in the Hawaiian Homes Commission Act, 1920." HHCA defines "native Hawaiians" as people who have at least 50% native blood quantum -- exactly the same requirement for someone to be granted a lease on DHHL land.

Act 273 (1980) says "twenty per cent of all funds derived from the public land trust ... shall be expended by the office of Hawaiian affairs ... for the purposes of this chapter." Act 273 does not say the funds may be invested in an investment portfolio, it says the funds SHALL BE EXPENDED to provide services. Yet OHA seems to think it can grab tens of millions of dollars every year which it then invests or uses for political purposes such as lobbying for the Akaka bill or building a racial registry for "nationbuilding", but OHA fails to provide more than sporadic and inadequate funding for purposes which OHA should be supporting.

OHA currently has over \$600 Million in assets. No other agency of the state government is allowed to squirrel away huge amounts of wealth as a permanent cash stash.

Make OHA spend its vast wealth for the needs of DHHL -- i.e., for the betterment of native Hawaiians as defined in HHCA. If DHHL decides to use some of the money for "micro housing units" it can do so. DHHL can build slums for low-income native Hawaiians, to the consternation of middle-class suburban homeowners (including native Hawaiians) living right across the street.

SB-2424-SD-1

Submitted on: 2/21/2018 7:55:44 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Testifying for Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

We STRONGLY SUPPORT this bill. Mahalo.



February 26, 2018

Senate Committee on Ways and Means
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Hearing: Wednesday, February 28, 2018

Time: 11:00AM, Room: 211

Subject: SB 2424 SD1 Relating to DHHL, Micro Housing, Tiny Homes, Appropriation

TESTIMONY IN SUPPORT

Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members:

As a 50 year old non-profit developer, manager and advocate of affordable rental housing, EAH Housing is in strong support of SB 2424 SD1.

SB2424, SD1 proposes to establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. This proposed fund would support the construction of approximately 10,000 tiny homes on Hawaiian Home Land's lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

The waiting list for a home from DHHL is estimated to consist of about 22,000 native Hawaiians. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes, priced below \$125,000.

We cannot wait any longer for affordable housing in Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands. Please support the passage of SB 2424 SD1 NOW!

Sincerely,

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



HAWAII APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 2424 SD1 -- Relating to Housing for Native Hawaiians
Senate Committee on Ways and Means
Scheduled for hearing on Wednesday, February 28, 2018, 11:00 AM, conference room 211

Dear Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Committee:

Thank you for the opportunity to testify in SUPPORT of **SB 2424 SD1**. This bill presents a unique opportunity to utilize the Hawaiian Trust Lands for affordable housing.

This bill would establish a public-private partnership to leverage \$5 million in state funding to create a \$20 million revolving loan fund for the development of affordable micro housing units on Hawaiian Home Lands. The micro housing unit loan fund would support the building of 10,000 micro housing units on Hawaiian Home Lands by 2026. These homes would be required to be priced at or below \$125,000. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

Hawai'i Appleseed has been involved in the authorization and construction of accessory dwelling units on O'ahu for the past several years, as a way to increase the supply of affordable housing on the island. Through our research and outreach work, we have come to see Hawaiian Home Lands as an especially promising area for the development of such units.

There are far too many native Hawaiians and their non-native Hawaiian family members residing on the beach, in cars, and over-crowded housing. This bill would help address this issue as part of the state's comprehensive approach toward solving our homeless and affordable housing crises.

We appreciate your consideration of this testimony.

Hawai'i Appleseed Center for Law and Economic Justice Hawaii 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.



February 24, 2018

From: George S. Massengale
To: Senate Committee on Ways and Means
Date: Hearing February 28, 2018 at 11:00 A.M.
Subj: SB2424, SD1, Relating to Housing for Native Hawaiians

Testimony in Support

Chair, Senator Dela Cruz, Vice Chair, Senator Keith-Agran and members of the Committee on Ways and Means. Thank you for the opportunity to provide testimony in support of this measure which would allow the construction of small homes on DHHL lands.

I am submitting testimony on behalf of Hawaii Habitat for Humanity and six locally-based Habitat organizations across the state. Habitat for Humanity is only one of very few nonprofit organizations that offer homeownership opportunities to low-income residents in Hawaii. Hawaii Habitat for Humanity is also a Department of Treasury certified nonprofit Community Development Financial Institution (CDFI).

Since the first Habitat for Humanity affiliates were founded began in 1988 in Honolulu and Hilo, Habitat has grown to six direct service organization and a State Support organization, Hawaii Habitat. Habitat affilices have constructed over 400 new homes, and undertaken critical repairs or total rehabilitation 150+ homes. ***About two thirds of these home were constructed or rehabilitated on Hawaii Home Lands for low income Native Hawaiian families.***

Over time we have had the pleasure of watching these families struggle and grow to become successful home owners. As their families continue to grow, the struggles to find affordable homes have caused situations of over crowding, espcailly among our Native Hawaiian families with Hawaiian Home Land leases. As the children grow into adulthood and build families of their own, they are unable to find housing that they can afford and often will move back into their childhood home. Many of the leased lots located in the Hawaiian Home Lands development have enough room to build additional rooms and even small free-standing houses, that can alleviate the over crowding. Hawaii Habitat sees this as an opportunity to provide more comfortable living for kupuna, who are still independent, or as a starter home for adult children moving home and starting a family. These small homes would offer an affordable solution for these families who need affordable homes.

In support of the City of Honolulu's efforts to increase their housing stock by providing incentives to families to build these small units, Habitat built a 400-square-foot home on the State Capital lawn in April 2017. Over 1,500 indiviudals visited this unit where we also invited City and County leaders, state legislators and even Congress members to visit.. Needless to say we strongly believe that building smaller homes on DHHL lands is an option that must be strongly considered.

In closing I would reiterate the testimony provided by Appleseed Center for Law and Economic Justice

“ADUs have been successfully used as an affordable housing strategy in other high-cost jurisdictions. Relative to current government subsidies for affordable housing, ADUs are an extremely cost-efficient option by allowing capital investment to come from homeowners who are in the best position to know the feasibility of the additional housing rather than government subsidized developments.”

Because of the exigency of our housing crisis, we ask that WAM pass SB2424, SD1, to ensure that housing needs for our Hawaiian families are included in the plan offered by DEBDT, that we need to build 66,000 new homes by 2025.

Respectfully,



George S. Massengale, J.D.
Chair, Advocacy Committee



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Toll Free: 1-866-400-1116
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February 27, 2018

Senate Committee on Ways and Means
Wednesday, February 28, 2018, 11am
Conference Room 211

SB2424, SD1 – Relating to Housing for Native Hawaiians

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and Committee Members:

I am submitting testimony on behalf of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency, to **SUPPORT SB2424, SD1 WITH AMENDMENTS.**

Initially, SB2424 was envisioned to establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of 10,000 tiny homes on Hawaiian Home Lands' lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

Amendments

During the Housing Committee hearing on SB2424, concerns were brought forward by the State Attorney General office regarding a possible fair housing violation if the funds were to be directed specifically to native Hawaiians on Hawaiian Home Lands. As a result, HCA was part of a conversation with the Hawaii Housing Finance and Development Corporation (HHFDC), Council for Native Hawaiian Advancement, and Department of Hawaiian Home Lands (DHHL). Together, we agreed to the following amendments to the legislation to address the Attorney General office's concerns. The amendments have been marked up in the original SB2424 version and enclosed with our organization's testimony:

- Remove language that identifies DHHL, changes to the Hawaiian Homes Commission Act, exemptions from permitting, and references to native Community Development Financial Institution (CDFI) or native controlled developers
- Direct funds to be used for financing of tiny homes to a broader population of Hawaii residents with land title issues that serve as barriers to receiving mortgage financing (i.e. Hawaiian Home Lands, Department of Land and Natural Resources leases, kuleana land)
- Provide tiny home capital to a CDFI that has been awarded Federal CDFI funds for micro housing construction
- Provide funds to build capacity of nonprofit housing developers to construct tiny homes granted the developers can demonstrate experience constructing tiny homes on lots with land title issues
- Make HHFDC the expending agency for tiny home capital and capacity building funds
- Amend title of bill to "Relating to Micro-Housing"

Testimony submitted in the first hearing of the bill demonstrates there is broad based support for SB2424. However, in order to address the concerns of the Attorney General office, there is need to make the requested amendments as agreed to by the organizations referenced previously and to ensure the funds are appropriated to HHFDC as the State's premier housing finance and development agency with a mission to increase and preserve the supply of workforce and affordable housing statewide by providing leadership, tools, and resources to facilitate housing development.

The recommended amendments would address the Attorney General office's concerns and provide the necessary capital for Hawaii residents with land title issues currently prohibiting access to mortgage financing to build tiny homes on their lots. In addition, funding to increase the capacity of nonprofit developers will help build these units and create the market necessary for tiny homes to thrive in Hawaii. This approach will help support the State's comprehensive strategy to address our homeless and affordable housing crises.

At a time when we are facing dual homeless and affordable housing crises, we cannot wait any longer for affordable housing in Hawaii. Land held by our Hawaii residents that have unique title issues restricting their access to mortgage financing remains a barrier to building tiny homes in our state. SB2424, SD1 with recommended amendments would address these barriers and allow for the State, CDFIs, nonprofit housing developers, and your constituents to be part of a big solution that includes tiny homes. **PASS SB2424, SD1 WITH AMENDMENTS.**

Sincerely

A handwritten signature in black ink that reads "Jeff Gilbreath". The signature is written in a cursive, slightly slanted style.

Jeff Gilbreath
Executive Director

A BILL FOR AN ACT

RELATING TO ~~DEPARTMENT OF HAWAIIAN HOME LANDS;~~ HAWAII HOUSING
FINANCE AND DEVELOPMENT CORPORATION; MICRO HOUSING; TINY
HOMES; .

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. ~~The legislature finds that the department of~~
2 ~~Hawaiian home lands produced no new housing units during the~~
3 ~~fiscal year ending June 30, 2017, and closed out the year with~~
4 ~~\$30,000,000 in unspent federal housing funds.~~ The legislature
5 ~~further~~ finds that the number of eligible beneficiaries awaiting
6 residential leases on Hawaiian home lands totals more than
7 22,000 individuals statewide, with roughly half of the wait-list
8 applicants on Oahu. The legislature further finds eligible
9 beneficiaries experience barriers to financing tiny homes on
10 Hawaiian home lands due to unique title issues as a result of
11 residential leases being located on Trust lands. The
12 legislature further finds that eligible beneficiaries are in
13 need of access to nonprofit developers in order to build tiny
14 homes.
15 ~~The legislature further finds that the department of~~
16 ~~Hawaiian home lands has historically lagged terribly behind in~~

S.B. NO.

1 ~~addressing its wait list of native Hawaiian beneficiaries. The~~
 2 ~~legislature further finds that the Hawaiian Homes Commission Act~~
 3 ~~of 1920 requires the department of Hawaiian home lands to~~
 4 ~~provide houses as well as leases of land. Section 101 of the~~
 5 ~~Hawaiian Homes Commission Act of 1920 states in pertinent part~~
 6 ~~as follows:~~

7 ~~(b) The principal purposes of this Act include but are not~~
 8 ~~limited to:~~

9
 10 ~~_____ (1) Establishing a permanent land base for the~~
 11 ~~benefit and use of native Hawaiians, upon which they may live,~~
 12 ~~farm, ranch, and otherwise engage in commercial or industrial or~~
 13 ~~any other activities as authorized in this Act;~~

14
 15 ~~_____ (2) Placing native Hawaiians on the lands set~~
 16 ~~aside under this Act in a prompt and efficient manner and~~
 17 ~~assuring long term tenancy to beneficiaries of this Act and~~
 18 ~~their successors (Emphasis added)~~

19 The legislature further finds there are Hawaii households
 20 with State Department of Land and Natural Resources leases and
 21 Kuleana Land leases that also experience barriers to financing

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1 tiny homes due to unique title issues related to their lease
2 awards.

3 The legislature further finds that micro-housing is an
4 emerging trend and a feasible type of housing that can help
5 achieve the housing for Hawaiian home lands eligible
6 beneficiaries, department of land and natural resources lessees,
7 and Kuleana Lands lessees ~~obligations of the department of~~
8 ~~Hawaiian home lands~~ by reducing the cost of development and
9 fostering an adequate supply of housing, particularly for ~~native~~
10 ~~Hawaiians households~~ for whom "affordable housing" is oftentimes
11 simply unaffordable. "Tiny homes" are a form of affordable
12 housing that may address the State's persistent housing
13 shortage. Tiny homes and their multifamily counterpart, micro-
14 unit apartments, are typically constructed using a modular,
15 prefabricated build system or hybrid that involves some
16 conventional construction. Tiny homes are also ideal for
17 accessory dwelling units, popularly known for decades as ohana
18 units, which are usually add-ons to existing homes and can serve
19 as either affordable rentals or additional shelter for
20 overcrowded residences.

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1 The legislature further finds that micro housing or tiny
2 homes are a cost-effective way to address the housing shortage
3 in Hawaii because these homes make efficient use of scarce and
4 expensive land. It is estimated that 10,000 homestead lots are
5 suitable for tiny homes, and native Hawaiians could benefit from
6 funding to construct tiny homes. In addition, there exist lots
7 on State Department of Land and Natural Resource managed
8 lands as well as lots with quiet title issues, including kuleana
9 lands that could benefit from the financing of tiny homes.

10 Furthermore, legalizing micro housing will help the State
11 of Hawaii meet its affordable housing crisis and its mandate of
12 investing in 22,500 units by 2026.~~department of Hawaiian home~~
13 ~~lands to achieve its objectives for socio-cultural advancement~~
14 ~~with regard to housing, as set forth in Act 349, Session Laws of~~
15 ~~Hawaii 1990, which proposes the addition of the following~~
16 ~~language to section 101 of the Hawaiian Homes Commission Act of~~
17 ~~1920: "The Congress of the United States and the State of~~
18 ~~Hawaii declare that the policy of this Act is to enable native~~
19 ~~Hawaiians to return to their lands in order to fully support~~
20 ~~self-sufficiency for native Hawaiians and the self-determination~~
21 ~~of native Hawaiians"~~

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1 The legislature further finds the Hawaii Housing Finance
2 and Development Corporation is the State of Hawaii’s premier
3 housing finance and development agency with a mission to
4 increase and preserve the supply of workforce and affordable
5 housing statewide by providing leadership, tools, and resources
6 to facilitate housing development. Housing finance and
7 development agencies across the nation, ~~including such agencies~~
8 ~~in California and Arizona~~, have ~~tribal~~-set-aside programs to
9 provide leadership, tools, and resources to facilitate housing
10 development specifically on ~~native trust~~-lands with unique title
11 issues as strategy to address the high need for affordable
12 housing among their ~~native peoples~~ residents.

13 The legislature further finds that the federal Community
14 Development Financial Institutions Fund provides awards to
15 organizations that make credit, capital, and other critical
16 financial services available to disadvantaged businesses and
17 low-income communities throughout the country. Several
18 organizations in Hawaii are recipients of awards from various
19 Community Development Financial Institutions Fund programs and
20 may be able to provide matching funds to assist in the
21 construction of micro housing units for certain residents with

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1 land title issues that create barriers for financing and
2 building of tiny homes lessees of native Hawaiian trust lands
3 ~~managed by the department of Hawaiian home lands~~ or to provide
4 loan assistance to purchase or lease the micro housing units.

5 The purpose of this Act is to:

6 (1) Authorize the construction and use of micro housing
7 units on native Hawaiian trust lands managed by the
8 department of Hawaiian home lands, lands managed by
9 the department of land and natural resources, and
10 kuleana lands; and

11 (2) ~~Authorize the use of the Hawaiian home loan fund and~~
12 ~~Hawaiian home general loan fund for assistance in~~
13 ~~purchasing or renting micro housing units for use on~~
14 ~~native Hawaiian trust lands managed by the department~~
15 ~~of Hawaiian home lands and leased to native Hawaiian~~
16 ~~beneficiaries; and~~

17 (3) Make an appropriation to the Hawaii Housing Finance
18 and Development Corporation for:

19 (A) Award to certified ~~Native~~ Community
20 Development Financial Institutions with ~~a~~
21 designated homestead target market secured

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1 funds from the Federal CDFI Fund for the
2 construction of micro housing units, subject
3 to certain conditions, and

4 (B) Award to Native Hawaiian-controlled
5 nonprofit housing developers for building
6 general organizational capacity.

7 SECTION 2. Chapter 107, Hawaii Revised Statutes, is
8 amended by adding a new section to part II to be appropriately
9 designated and to read as follows:

10 "§107- **Micro housing; exemptions definitions.** (a)

11 ~~Notwithstanding any county zoning laws, permit provisions, or~~
12 ~~building code provisions to the contrary, the construction and~~
13 ~~use of micro housing units on native Hawaiian trust lands~~
14 ~~managed by the department of Hawaiian home lands and leased to~~
15 ~~native Hawaiian beneficiaries shall be allowed.~~

16 ~~(b)~~ For purposes of this section, "micro housing unit"
17 means a dwelling unit with a total floor area of less than eight
18 hundred square feet, including a bed, kitchen, kitchen sink,
19 cooking and refrigeration appliance, and a partitioned off
20 bathroom containing a toilet and a bathtub or shower."

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1 SECTION 3. ~~Section 214, Hawaiian Homes Commission Act of~~
2 ~~1920, is amended by amending subsection (a) to read as follows:~~
3 ~~“(a) The department may make loans from revolving funds to~~
4 ~~any lessee or native Hawaiian to whom, or any cooperative~~
5 ~~association to which, a lease has been issued under section~~
6 ~~207(a) of this Act or a license has been issued under section~~
7 ~~207(c)(1)(B) of this Act. Such loans may be made for the~~
8 ~~following purposes:~~
9 ~~“(1) The repair or maintenance or purchase or erection of~~
10 ~~dwellings on any tract, and the undertaking of other permanent~~
11 ~~improvements thereon;~~
12 ~~“(2) The purchase of livestock, swine, poultry, fowl,~~
13 ~~aquaculture stock, and farm and aquaculture equipment;~~
14 ~~“(3) Otherwise assisting in the development of tracts and~~
15 ~~of farm, ranch, and aquaculture operations, including:~~
16 ~~“(A) The initial and on going development,~~
17 ~~improvement, operation, and expansion of homestead farms,~~
18 ~~ranches, and aquaculture enterprises;~~
19 ~~“(B) The liquidation of indebtedness incurred for any~~
20 ~~of the foregoing purposes relating to farm loans aged less than~~
21 ~~five years;~~

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1 ~~————— (C) The payment of normal and reasonable living~~
2 ~~expenses of a full-time farmer;~~

3 ~~————— (D) The planning, layout, and installation of soil~~
4 ~~and water conservation practices; and~~

5 ~~————— (E) Providing relief and rehabilitation to homestead~~
6 ~~farmers and ranchers due to damage by rain and windstorms,~~
7 ~~droughts, tidal wave, earthquake, volcanic eruption, and other~~
8 ~~natural catastrophes, and for livestock disease, epidemics, crop~~
9 ~~blights, and serious effects of prolonged shipping and dock~~
10 ~~strikes;~~

11 ~~———— (4) The cost of breaking up, planting, and cultivating~~
12 ~~land and harvesting crops, the cost of excavating or~~
13 ~~constructing aquaculture ponds and tanks, the purchase of seeds,~~
14 ~~fertilizers, feeds, insecticides, medicines, and chemicals for~~
15 ~~disease and pest control for animals, fish, shellfish, and~~
16 ~~crops, and the related supplies required for farm, ranch, and~~
17 ~~aquaculture operations, the erection of fences and other~~
18 ~~permanent improvements for farm, ranch, and aquaculture purposes~~
19 ~~and the expense of marketing; [and]~~

20 ~~———— (5) To assist licensees in the operation or erection of~~
21 ~~theaters, garages, service stations, markets, stores, and other~~

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1 ~~mercantile establishments, all of which shall be owned by native~~
2 ~~Hawaiians or by organizations formed and controlled by native~~
3 ~~Hawaiians[.]; and~~
4 ~~—— (6) To provide loans to qualifying lessees for the~~
5 ~~purchase or lease of micro housing units for use on native~~
6 ~~Hawaiian trust lands managed by the department of Hawaiian home~~
7 ~~lands; provided that:~~
8 ~~—— (A) Each loan shall not exceed \$125,000;~~
9 ~~—— (B) The department of Hawaiian Home Lands shall~~
10 ~~determine the criteria for lessees to meet in~~
11 ~~order to qualify for loans pursuant to this~~
12 ~~paragraph; and~~
13 ~~—— (C) For purposes of this paragraph, "micro housing~~
14 ~~unit" means a dwelling unit with a total floor~~
15 ~~area of less than eight hundred square feet,~~
16 ~~including a bed, kitchen, kitchen sink, cooking~~
17 ~~and refrigeration appliance, and a partitioned~~
18 ~~off bathroom containing a toilet and a bathtub or~~
19 ~~shower. "Micro housing unit" includes an~~
20 ~~accessory dwelling unit."~~

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1 SECTION ~~43~~. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$5,000,000 or so much
3 thereof as may be necessary for fiscal year 2018-2019 for the
4 construction of micro housing units as defined in section 2 of
5 this Act, to be matched ~~on a dollar for dollar basis~~ by funds
6 awarded through the ~~Native~~ Community Development Financial
7 Institutions ~~Program Award Fund~~ (~~NACACDFI Fund~~), provided that:

- 8 (1) The cost of construction of each micro housing unit
9 shall not exceed \$125,000;
- 10 (2) A micro housing unit may be constructed on an existing
11 ~~homestead~~ lot upon which a home already exists only if
12 the micro housing unit is to be occupied by another
13 individual or family related to the existing lessee;
14 and
- 15 (3) Awarded ~~Native~~ Community Development Financial
16 Institutions shall determine the criteria for lessees
17 to qualify for loans pursuant to this paragraph.

18 Furthermore there is appropriated out of the general
19 revenues of the State of Hawaii the sum of \$1,000,000 or so much
20 thereof as may be necessary for fiscal year 2018-2019 for
21 building the general organizational capacity of ~~Native Hawaiian~~

S.B. NO.

1 ~~controlled~~ nonprofit housing developers to construct tiny homes
2 provided that the nonprofit developer:

- 3 ~~(1) Has a Board of Directors that consists of members whom~~
4 ~~are at least 51% of Native Hawaiian ancestry, and~~
5 ~~(2) Is able to demonstrate past experience developing~~
6 ~~housing units on Hawaiian Home Lands.~~ demonstrated a
7 history of developing tiny homes on Hawaiian home
8 lands, state department of land and natural resources
9 lands, or Kuleana Lands.

10 The sums appropriated shall be expended by the Hawaii
11 Housing Finance and Development Corporation for the purposes of
12 this Act.

13 SECTION 5. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 6. This Act shall take effect on July 1, 2018.

16

INTRODUCED BY: _____

S.B. NO.

SB2424, SD1 with Amendments Mark-Up
SB2424, SD1 with Amendments Mark-Up
SB2424, SD1 with Amendments Mark-Up

S.B. NO.

Report Title:

~~Department of Hawaiian Home Lands;~~ Hawaii Housing Finance and Development Corporation; Micro Housing; Tiny Homes; Appropriation

Description:

Authorizes the construction and use of micro housing units on native Hawaiian trust lands managed by DHHL, lands managed by the state department of land and natural resources, and Kuleana ~~Lands notwithstanding zoning laws, permit provisions, and building codes.~~ Defines micro housing units. ~~Authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on native Hawaiian trust lands managed by DHHL and leased to beneficiaries.~~ Makes an appropriation to HHFDC for construction of micro housing units, subject to certain conditions.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

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Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Ways & Means Committee,

On behalf of the nearly 600 registered members of the Young Progressives Demanding Action – Hawai‘i, I would like to express **strong support** for SB2424.

According to the Department of Housing and Urban Development, some 22,000 native Hawaiians are currently on a waitlist for a home on Hawaiian Home Lands (HHL). Since the HHL Trust was established in 1920, approximately 8,000 residential leases have been awarded, while many thousands of families have waited decades for their turn, all the while struggling to survive in their own land. These families live on our beaches, in overcrowded public housing, or in high-priced rentals that absorb the bulk of their income, making it impossible to save for a future, send their kids to college or invest back into the socioeconomic system. At a time when Hawai‘i reports the highest homeless rate per capita of any state in the nation, and 42 percent of all homeless persons here identify as Native Hawaiian or Pacific Islander, SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises and the overrepresentation of Hawaiians living below the poverty line by supporting the development of affordable, tiny homes priced below \$125,000 on HHL.

The establishment of a public-private partnership (PPP) to leverage state funding and to create a \$20 million loan fund for the development of affordable tiny homes on HHL is an exemplary use of the PPP model, which allows for rapid and bold development. When this development is in the interest of providing desperately-needed housing for low-income families that have endured cultural erasure and disenfranchisement from their own land, the PPP model is truly at its best. This loan fund would support the building of 10,000 tiny homes on HHL lots with existing infrastructure by 2026, by which time the population of Hawai‘i will have increased to more than 1.5 million. Additionally, this legislation would build the capacity of nonprofit developers to increase the affordable housing stock on HHL into the future, helping us to handle this projected population increase.

We can no longer wait for affordable housing in Hawai‘i. The HHL Trust was established to provide these types of opportunities to its beneficiaries. Our membership believes that supporting the well-being of Hawaiians supports the well-being of all of Hawai‘i and its residents. We need to invest in affordable housing for Hawaiians, as well as for non-native Hawaiians, residing on HHL now. We urge you to pass SB2424.

Mahalo,

Will Caron
Social Justice Action Committee Chair
Young Progressives Demanding Action – Hawai‘i

SB-2424-SD-1

Submitted on: 2/27/2018 7:27:48 AM

Testimony for WAM on 2/28/2018 11:00:00 AM

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

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAI'I**

TO THE COMMITTEE ON WAYS AND MEANS

THE SENATE

TWENTY-NINTH LEGISLATURE

REGULAR SESSION OF 2018

Wednesday, February 28, 2018

11:00 A.M.

Hawaii State Capitol, Conference Room 211

RE: Testimony in Support of **SB 2424 SD1**, RELATING TO HOUSING FOR
NATIVE HAWAIIANS

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair, and Members of the Committee on Finance:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on Senate Bill No. **2424 SD1**, relating to Department of Hawaiian Home Lands; Hawaii Housing Finance and Development Corporation; Micro Housing; Tiny Homes; and an appropriation.

The OCC Legislative Priorities Committee is in favor of Senate Bill No. **2424 SD1** and support its passage.

Senate Bill No. **2424 SD1**, is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it : (a) authorizes the construction and use of micro housing units on Hawaiian home lands approved by DHHL, and leased to native Hawaiian beneficiaries who meet the minimum Hawaiian blood quantum requirement notwithstanding county zoning laws; (b) authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on Hawaiian home lands approved by DHHL and leased to beneficiaries who meet the minimum Hawaiian blood quantum requirement; and (c) makes an appropriation to the department of Hawaiian home lands for construction of micro housing units, subject to certain conditions, and to build general organizational capacity of native Hawaiian-controlled nonprofit housing developers.

Specifically, the DPH Platform states, "Native Hawaiians are the indigenous people of Hawai'i and deserve a just relationship with the state and federal governments. (Platform of the DPH, P. 4. Lines 204-205 (2016)).

We support the continued engagement and empowerment of the Native Hawaiian community in decisions related to county and state affairs. We support the growth of Native Hawaiian farming, agricultural and healing practices. We value and wish to foster the preservation of our host culture. (Platform of the DPH, P. 4, Lines 210-214 (2016)).

Housing is a basic human need and we believe that adequate, accessible, affordable, and safe housing should be available to all residents of Hawai'i. Affordable housing that is fair in proportion to individual income is the basis of prosperity for our citizens and stability in our economy. Recent and past real estate bubbles have fueled disproportionate rent increases, a key contributor to homelessness. Therefore, we support efforts to promote truly affordable housing for all citizens who rent.

We also need economically affordable home ownership. To this end we support policies which re-think the current formula to determine "affordability" as this formula puts both rentals and sales out of the reach of most working families in Hawai'i. (Platform of the DPH, P. 7, Lines 340-348 (2016)).

We believe in the concept of "Housing First" to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

We support dedicated social services and housing opportunities for Hawaii's homeless population, to get them off the streets and reintegrated into society, with specific devoted services for disenfranchised groups including but not limited to the Hawaiian community, aged-out foster kids, youth, returning veterans, the aged, and lesbian, gay, bisexual and transgender homeless. (Platform of the DPH, P. 7, Lines 352-358 (2016)).

Given that Senate Bill No. **2424 SD1** establishes an undergraduate health sciences academy to be administered by the University of Hawai'i West O'ahu to increase recruitment and retention of Native Hawaiian, Pacific Islander, and first generation college students; requires the University of Hawai'i West O'ahu to submit a report to the legislature regarding educational outcomes; and appropriates fund(a) authorizes the construction and use of micro housing units on Hawaiian home lands approved by DHHL, and leased to native Hawaiian beneficiaries who meet the minimum Hawaiian blood quantum requirement notwithstanding county zoning laws; (b) authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on Hawaiian home lands approved by DHHL and leased to beneficiaries who meet the minimum Hawaiian blood quantum requirement; and (c) makes an appropriation to the department of Hawaiian home lands for construction of micro housing units, subject to certain conditions, and to build general organizational capacity of native Hawaiian-controlled nonprofit housing developers, it is the position of the OCC Legislative Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Text/Tel.: (808) 258-8889

SB-2424-SD-1

Submitted on: 2/26/2018 2:28:48 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Annie AuHoon	Individual	Support	No

Comments:

Feb. 26, 2018

Aloha Kakou,

I **STRONGLY SUPPORT SB2424, SD1**, which would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of 10,000 tiny homes on Hawaiian Home Lands lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these type of opportunities to its beneficiaries and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. I urge you to **PASS SB2424, SD1**.

Respectfully Submitted,

Annie K. Au Hoon

SB-2424-SD-1

Submitted on: 2/26/2018 3:30:13 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Thelma Akita-Kealoha	Individual	Support	No

Comments:

I fully support building tiny homes on Hawaiian Home Lands and feel this is an alternative and affordable way to build statrer homes for our Native Hawaiians trying to buy homes.

I ask for your support to pass this bill.

Mahalo,

Thelma Akita-Kealoha