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**LATE**

February 22, 2018

TO: The Honorable Senator Donovan M. Dela Cruz, Chair  
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2672 SD1– RELATING TO SUSTAINABLE DEVELOPMENT GOALS**

Hearing: Friday, February 23, 2018 at 10:00 a.m.  
Conference Room 211, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the proposed bill, as it aligns with the department's transformation efforts and mission to encourage self-sufficiency and support the well-being of individuals, families, and communities in Hawai'i.

**PURPOSE:** The purpose of the bill is to codify sustainable development goals based on the United Nations' Global Goal eleven, sustainable cities and communities.

DHS has a large stake in promoting sustainable cities and communities. DHS provides benefits and services to one in four Hawaii residents, or nearly 360,000 individuals. The state's Medicaid program, QUEST Integration, provides medical insurance coverage for nearly one-half of Hawaii's children. We manage an annual budget of nearly \$3.5 billion to provide benefits and services relating to housing, education, employment, health care, safety, child care, and food security.

DHS is a member of the Hawaii Interagency Council for Transit-Oriented Development (TOD Council), which is the body responsible for coordinating State agency TOD planning and facilitating collaboration between the State and the counties on smart growth and TOD initiatives. As a member of the TOD Council, DHS advocates for equitable

development, and was a key player in the development and inclusion of equitable development principles in the 2017 State of Hawaii Strategic Plan for TOD.

Equitable development promotes and supports community well-being and active and healthy lifestyles. It refers to a range of approaches for creating healthy, vibrant, and sustainable communities where residents of all incomes, races, and ethnicities have access to the opportunities, services, and amenities they need to thrive. A key component to a thriving community lies at the intersection of housing and transportation.

Securing and maintaining affordable housing creates tremendous opportunities for individuals and families to succeed, yet it is a substantial challenge for Hawaii's low-income residents, who face one of the highest housing costs in the country. According to the City and County of Honolulu, there is an extreme affordable housing need for 84 percent of the population. Of the affordable housing needs, over 75 percent of total projected demand on Oahu is for households earning less than 80 percent of the area median income (which in 2017, was \$83,680 for a family of four) and is largely for multi-family rental units. DHS has calculated that the primary population that DHS serves has income below 30 percent of area median income; any discussion of affordable housing must incorporate the needs of Hawaii's low-income residents.

Access to public transportation is indispensable for many low-income individuals and families. While housing costs are typically the largest expenditure for households, transportation costs tend to be the second-largest expenditure. Preserving and developing housing, jobs, and services in transit-rich locations allows families to reduce their transportation costs, allowing the savings to go toward education, health care, healthy food, or other means to improve well-being.

Additionally, in 2016, DHS initiated its 'Ohana Nui effort by adopting a multigenerational approach to transform the way services are provided to individuals and families to improve outcomes and well-being. By providing programs and services that maintain a high level of service integration, quality, and intensity across multiple generations, DHS intends to reduce intergenerational poverty in the State, and the human and financial costs associated with poverty.

As part of the DHS mission to transform the way we deliver benefits and services, and as part of the Governor's package, DHS proposed SB 2793 which requires DHS to use an integrated and multigenerational approach to delivering human services to reduce the incidence of intergenerational poverty and dependence on public benefits.

The proposed SB 2672 furthers the goals of DHS as we transform to an integrated service delivery system with a focus on supporting every recipient's human potential, improving access to affordable housing and transportation, reducing incidences of intergenerational poverty, and improving the community's overall health and well-being.

Thank you for the opportunity to provide comments on this measure.