



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 WAYS AND MEANS

April 3, 2019 at 10:20 a.m.
State Capitol, Room 211

In consideration of
H.B. 1312, H.D. 1, S.D. 1
RELATING TO HOUSING.

The HHFDC *supports the intent* of H.B.1312, H.D. 1, S.D. 1, provided that it does not adversely impact priorities set forth in the Executive Biennium Budget. H.B. 1312, H.D. 1, S.D. 1 makes an unspecified General Obligation Bond appropriation in Fiscal Year (FY) 2020 for deposit into the Rental Housing Revolving Fund (RHRF) and expended over the Fiscal Biennium. HHFDC's budget request is for \$100 million in General Obligation Bond funds in FY 2020 and the same in FY 2021. On the application deadline of February 15, 2019, HHFDC received consolidated applications for 14 rental housing projects totaling approximately 1,500 affordable units. Review of the applications for threshold and other requirements is underway.

The S.D. 1 also appropriates an unspecified amount out of the RHRF specifically for the development and construction of permanent supportive housing for chronically homeless individuals. Should funds be set aside for permanent supportive housing, we suggest establishing a **pilot program** that can be funded and evaluated accordingly, with funds reverting to ordinary RHRF purposes if not committed within one or two years. Such set-asides must be a part of a comprehensive program including rental assistance and supportive services to be provided by the appropriate department or agency.

Thank you for the opportunity to provide written comments on this bill.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 3, 2019

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

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

SUBJECT: HB 1312 HD1 SD1 – RELATING TO HOUSING

Hearing: Wednesday, April 3, 2019, 10:20 a.m.
Conference Room 211, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports this measure, and respectfully offers comments. The Coordinator appreciates the amendments of the Senate Committee on Housing requiring an unspecified amount of funds to be appropriated out of the Rental Housing Revolving Fund and be expended for the establishment of permanent supportive housing for chronically homeless individuals.

PURPOSE: The purpose of the bill is to authorize the issuance of general obligation bonds to be appropriated into and out of the Rental Housing Revolving Fund, and requires an amount of funds appropriated out of the Rental Housing Revolving Fund to be used to establish permanent supportive housing units for chronically homeless individuals.

Homelessness remains one of the most pressing challenges facing Hawaii. The lack of available and affordable rental inventory is a barrier to homeless individuals and families. This barrier cannot be addressed solely by an increased investment in services, such as Housing First or Rapid Re-Housing, and requires a similar level of investment in building new inventory to meet statewide demand.

At its December 2018 meeting, the Hawaii Interagency Council on Homelessness (HICH) voted to support increased investment in the Rental Housing Revolving Fund as one of its key priorities. The scaling of permanent supportive housing is also a priority for HICH. Over the

past two years, HICH has worked with the Corporation for Supportive Housing (CSH)¹ to estimate the overall need for permanent supportive housing on Oahu, as well as the capital and operating costs necessary to address the need.

To provide estimates for the HICH, CSH examined local data and conducted a series of interviews with local housing developers and permanent supportive housing service providers. Based on its research, CSH projected that 1,808 new permanent supportive housing units or vouchers would be needed on Oahu within the next ten years, assuming that 10% of units would be set aside for chronically homeless families and the remainder for individuals. CSH estimated the capital cost per unit at \$234,115 for a one bedroom unit and \$284,456 for a two to three-bedroom unit. The CSH cost projections can be viewed online at <https://homelessness.hawaii.gov/wp-content/uploads/2019/03/Hi-ProjectionsFinancial-Modeling-Focus-on-PSH-only.pdf>.

The Coordinator notes that the bill addresses only funding for construction, and does not reflect funding for ongoing operating and services costs. The CSH estimated that annual operating and services costs were \$16,712 for a one bedroom unit and \$19,524 for a two to three bedroom unit.

While the costs for permanent supportive housing are significant, such programs contribute to significant cost savings in other areas. For example, an analysis by the University of Hawaii Center on the Family, based upon reports of 107 Housing First clients participating in the Hawaii Pathways Project, found an estimated healthcare cost savings of \$6,197 per client per month for clients that were housed.² Permanent supportive housing programs may also realize cost savings related to reduced incarceration costs for participants that have frequent interaction with the criminal justice system.

Thank you for the opportunity to testify on this bill.

¹ Corporation for Supportive Housing: <https://www.csh.org>

² See Hawaii Pathways Project Final Report, 2018, University of Hawaii Center on the Family: http://uhfamily.hawaii.edu/publications/brochures/bb9f9_Hawaii_Pathways_Final_Report.pdf

HB-1312-SD-1

Submitted on: 4/2/2019 7:01:27 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dylan P. Armstrong	Testifying for Oahu County Democrats	Support	No

Comments:



Evelyn Hao
President

Rev. Won-Seok Yuh
Vice President-
Clergy

William Bekemeier
Vice President-
Laity

Jon Davidann
Treasurer

Deanna Espinas
Secretary

Christy MacPherson
Executive
Director

Soo San Schake
Organizing
Assistant

Testimony for the Senate Committee on Ways and Means
Supporting HB 1312, HD1, SD1 Appropriating \$200 Million Annually to
The Rental Housing Revolving Fund
April 3, 2019

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

Faith Action for Community Equity (formerly FACE) is a 23-year-old grassroots, interfaith organization that includes 18 congregations and temples, a union, housing association, health center and 3 advocacy organizations on Oahu. Faith Action is driven by a deep spiritual commitment to improve the quality of life for our members and all people of Hawaii. We strive to address issues of social justice at all levels of government.

As you know, Hawaii faces a critical affordable housing crisis. The state estimates we need 65,000 units by 2025 to meet minimal housing needs. Of that total, 44,000 units is for residents, including the homeless, making 80% or less of area median income. We will have to spend taxpayer money to deal with this crisis.

The governor's proposed budget includes \$100 million a year for affordable rental housing. Faith Action supports appropriating \$200 million a year for housing that helps those most in need.

By continuing for the next two years the \$200 million last year's legislature placed into the Rental Housing Revolving Fund, we can double the governor's \$100-million-a-year. Let's continue last year's legislative effort by appropriating \$200 million a year to house those most in need, and keep Hawaii's people here.

Respectfully submitted,

Evelyn Aczon Hao
President
Faith Action for Community Equity

HB-1312-SD-1

Submitted on: 4/1/2019 8:51:38 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Deanna Espinas	Testifying for Faith Action for Community Equity	Support	No

Comments:



ROMAN CATHOLIC CHURCH IN THE STATE OF HAWAII
DIOCESE OF HONOLULU
Witness to Jesus



Online Submittal: April 1, 2019

HEARING: April 3, 2019

TO: Senate Committee on Ways & Means
Sen. Donovan Delacruz, Chair
Sen. Gilbert Keith-Agaran, Vice-Chair

FROM: Eva Andrade, Executive Director – Hawaii Catholic Conference

POSITION: Support for HB 1312 SD 1 Relating to Housing

Honorable members of the Senate Committee on Ways & Means, I am Eva Andrade, representing the Roman Catholic Church in the State of Hawaii in my capacity as Executive Director for the Hawaii Catholic Conference, which under the leadership of Bishop Larry Silva, represents Roman Catholics in the State of Hawaii. Thank you for the opportunity to provide testimony in support of HB 1312 SD1 which authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund. Requires an amount of the funds appropriated out of the rental housing revolving fund to be used to establish permanent supportive housing units for chronically homeless individuals.

The Catholic Church has long been a supporter of a strong economy supported by economic justice. As such, the Catholic Church teaches that society has a moral obligation, including governmental action where necessary, to assure opportunity, meet basic human needs, and pursue justice in economic life.ⁱ

The strength and health of Hawai'i's people and communities depend on all of us coming together to turn around a housing and homelessness problem that's been growing for decades.

Last year, legislators made a bold and unprecedented commitment of \$200 million for the Rental Housing Revolving Fund. To turn around a problem that's been growing for 50 years, this level of investment needs to become the new normal.

By consistently investing \$200 million in affordable rental housing year after year, and by focusing a significant portion of that investment on Permanent Supportive Housing, we can finally start gaining ground on Hawaii's housing crisis and eliminate the chronic homelessness problem that is so costly in terms of human lives and dollars spent. HB 1312 will support these important investments and continue the work that the legislature began last year to come to grips with Hawaii housing and homelessness problem.

Thank you for the opportunity to testify in support of HB 1312

ⁱ "A Catholic Framework for Economic Life." United States Conference of Catholic Bishops. 1996.

HAWAII CATHOLIC CONFERENCE

(The public policy voice for the Roman Catholic Church in the State of Hawaii)

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April 1, 2019

Senate Committee on Ways and Means
Tuesday, April 2, 2019, 10:20am
Conference Room 221

HB1312, HD1, SD1 – SUPPORT

Aloha Committee Chairs, Vice-Chairs, and Members:

I am submitting testimony in my capacity as Executive Director of Hawaiian Community Assets (HCA), the State's largest HUD-approved housing counseling agency and community development financial institution (CDFI), to **STRONGLY SUPPORT HB1312, HD1, SD1.**

According to the State Department of Business, Economic Development, and Tourism's 2015 Housing Demand Study, our State needs to build 66,000 housing units by 2025 to keep up with projected demand. 75% of these units – or nearly 50,000 – must be for households earning \$75,000 annually or less. This does not include the estimated 7,500 affordable units subsidized with Federal funds that are scheduled to end their affordability period by 2025.

Without a significant, annual baseline investment in the development of housing that is affordable for the majority our local workers and working families, we will continue to face a housing crisis that destabilizes our workforce, unnecessarily hurts our economy, and unfairly passes the problem on to future generations.

HB1312 makes appropriations for the construction of affordable rentals with an emphasis on Permanent Supportive Housing. This request is consistent with recommendations from the State's 1993 Nonprofit Housing Development Study and the State's Special Action Team on Affordable Rental Housing as well as Partners in Care, Partners in Housing, and the new housing affordability coalition, demonstrating there is broad-based public and private support for this bill as part of our solution to the ongoing housing affordability crisis in our communities.

As a CDFI that manages a statewide revolving loan fund, our organization has also enclosed our recommended strategies for increasing deployment of capital in the Rental Housing Revolving Fund should this be a concern to the State Legislature. There are opportunities for efficiencies to be built into the process that would result in increased deployment of capital. These efficiencies, include, but are not limited to, (1) opening the annual application round to at least 2 times per year, (2) increasing the number of monthly Board meetings to 2 times per month, (3) employing

additional staff to reduce the loan-to-staff ratio, and (4) providing the HHFDC Director and staff the ability to approve applications that fit within specific review criteria without Board approval. Additional recommendations are included in the enclosed document.

We ask you to move forward on HB1312, HD1, SD1 ensuring \$200 million to the Rental Housing Revolving Fund with an emphasis on permanent supportive housing. **PASS HB1312, HD1, SD1.**

Mahalo for your time, leadership and consideration. Please contact me directly at 808.587.7653 or jeff@hawaiiancommunity.net should you have any questions or need additional information.

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

Increase Capital Deployment for Rental Housing Revolving Fund

Overview. Hawaiian Community Assets has administered its revolving loan fund since 2011. The fund provides small dollar consumer loans to low- and moderate-income families experiencing or at-risk of homelessness statewide. Over its 8 year history, the \$500,000 fund has revolved its capital 3 times over. Monthly delinquencies are managed to no more than 10% and kept its default to less than 0.5% despite the fact that loans are made to individuals with poor or no credit scores, collections, histories of unstable housing, and unable to access capital anywhere else besides payday lenders.

Expertise. HCA's Executive Director, Jeff Gilbreath, and Deputy Director, Lahela Williams, possess a combined 15 years of experience in administering the organization's revolving loan fund. They have completed loan fund training with NeighborWorks America, Local Initiative Support Corporation, Rural Community Assistance Corporation, and First Nations Oweesta.

Mr. Gilbreath serves as Board President of Hawaii Habitat for Humanity, a \$3 million revolving loan fund that provides capital to Habitat affiliates for the development of for-sale housing. Ms. Williams serves as Board Treasurer of Council for Native Hawaiian Advancement, a \$3 million revolving loan fund that provides capital for small business, energy efficiency, and housing construction, rehabilitation, and renovation.

Standard Lending Process. All revolving loan funds share a standard, general lending process. The following lays out the steps for funds that provide capital for housing construction:

1. Loan Application
2. Application Review
3. Loan Closing Procedures
4. Project Construction
5. Project Completion
6. Loan Repayment

Recommendations. Revolving loan funds are common throughout the United States. As a result, there are common best practices these funds can implement in order to address problem areas and issues that may be experienced.

Today, our State faces the daunting reality of needing a total of 66,000 housing units by 2025 with nearly 75% of those units for households earning \$75,000 annually or less.

The problem we face is Hawaii Housing Finance and Development Corporation (HHFDC) deploying capital, approved by the State Legislature for the Rental Housing Revolving Fund (RHRF), in a timely and efficient manner necessary to meet our State housing production demand.

1. **Develop a capital deployment strategy with targeted lending goals.** This provides a plan for deployment of capital that impacts every step in the Standard Lending Processes. This step is especially critical when the legislature approved nearly 10 times the funding in 2018 (\$200M) than in 2017 (\$25M). Without this type of planning and a sudden influx of funds, it would be nearly impossible to meet production goals.
2. **Increase staffing based on targeted lending goals, if necessary.** This requires the fund to conduct a stress test to determine clearly the capacity of fund staff and a loan-to-staff ratio. This too impacts every step in the Standing Lending Processes.
3. **Update existing policies and procedures to increase capital deployment.** Such actions may include, but are not limited to, the Loan Application and Application Review processes.
 - a. For the Loan Application process, HHFDC could open its annual RHRF application round to at least 2 times per year. This would result in more projects in the RHRF pipeline.
 - b. For the Application Review process, HHFDC could increase its monthly meetings to meetings held at least 2 times per month. This would result in more projects being reviewed, approved, and ultimately, funded in a shorter amount of time.
4. **Provide or contract for technical assistance to build the capacity of housing developers.** The 1993 Nonprofit Housing Development Study recommended the creation of RHRF to provide loans AND technical assistance for capacity building of nonprofit developers. While the RHRF was created and funded, the capacity building program never was. It is standard practice for revolving loan funds to provide technical assistance along with loans. If funded, HHFDC would not only see an increase in the Loan Application phase, but also experience efficiencies within the Project Construction, Project Completion, and Loan Repayment phases of the Standard Lending Process.
5. **Open up the RHRF to community development financial institutions (CDFIs).** CDFIs are nonprofit revolving loan funds that pool public and private capital to finance community development projects. The CDFI Fund cites that CDFIs leverage Federal funds at a ratio of 8:1. Including Department of Treasury certified, nonprofit CDFIs as eligible applicants for RHRF funds would allow HHFDC to deploy capital faster and serve as a vehicle to attract additional funds for financing housing projects with greater impact. This would build-in efficiencies within all phases of the Standard Lending Process.
6. **Establish baseline annual funding.** To ensure these strategies are most effective and meet the needs of long-term planning required for affordable housing development, there needs to be certainty within HHFDC and applicants as to the amount of annual RHRF funding. This would assist with project planning among all parties and allow HHFDC to implement efficiencies that can stay in place for a period of time rather than having to change capital deployment strategies and targeted lending production goals every year based on differing funding amounts.



Aloha United Way

April 1, 2019

Aloha United Way
200 N. Vineyard Blvd., Suite 700
Honolulu, Hawaii 96817

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S. C. Keith-Agaran, Vice Chair
Committee on Ways and Means

HB 1312, HD1, SD1 Relating to Housing – SUPPORT
April 3, 2019; Hearing Time 10:20 AM; Conference Room 211

Honorable Chairs, Vice Chairs & Committee Members:

Thank you for the opportunity to provide testimony on HB 1312 HD1, SD1 which authorizes general obligation bonds over two years for the Rental Housing Revolving Fund. Aloha United Way is a partner of Partners-in-Care, a coalition of more than 50 non-profit homelessness providers, and we support this bill.

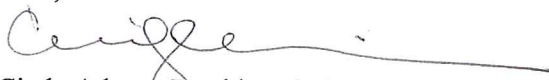
In 1970, the state of Hawai'i issued a report declaring a "housing crisis" in Hawai'i. Year after year it's gotten worse as increases in housing costs have outpaced increases in wages. In Honolulu, for example, in 1968, 23 percent of renters were cost-burdened, meaning they were paying more than 30 percent of their income for rent. By 2016, the percentage of cost-burdened renters had more than doubled to 54 percent.

Turning around a housing and homelessness crisis that's been growing for 50 years will be difficult, but not impossible. It will require coming together around a shared vision, taking bold action, and using data-driven approaches to efficiently use resources. Last year, legislators made a bold and unprecedented commitment of \$200 million for the Rental Housing Revolving Fund—eight times the amount committed from the year before. To turn around a problem that's been growing for 50 years, this level of investment needs to become the new normal.

We can get the most out of the investment in housing subsidies by targeting a significant portion of it toward addressing chronic homelessness—i.e., people who have been living on the streets for a year or more, or suffering repeated bouts of homelessness due to some underlying condition. It is well established that it is more expensive to leave people experiencing chronic homelessness on the streets—straining the emergency medical services system—than it is to provide them with housing and the wrap-around services necessary to help them remain stably housed.

By committing an estimated \$75 million a year for ten years, we can eliminate chronic homelessness in Hawai'i, saving an estimated \$2 billion-plus in emergency medical costs and other costs over the course of ten years. Investing \$400 million in the Rental Housing Revolving Fund over two years is a heavy lift, but it is a necessary one if we finally want to start gaining ground on Hawai'i's housing crisis. We urge you to pass HB 1312 HD1 to continue the work that the legislature began last year to come to grips with this difficult and persistent problem.

Thank you for the opportunity to submit testimony. We urge your favorable consideration of HB 1312, HD1, SD1.


Cindy Adams, President & CEO



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 1312 HD1 SD1: RELATING TO HOUSING

TO: Senator Donovan Dela Cruz, Chair, Senator Gilbert Keith-Agaran, Vice Chair;
and Members, Committee on Ways and Means
FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i
Hearing: **Wednesday, 4/3/19, 10:20 am; CR 211**

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

Thank you for the opportunity to provide testimony **in strong support** of HB 1312 HD1 SD1, which authorizes the issuance of general obligation bonds to the Rental Housing Revolving Fund. I am Betty Lou Larson, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

Since its inception, the Rental Housing Revolving Fund has created 7,291 units of affordable rental housing. This has been a godsend for Hawai'i families with children and kupuna, etc. Creating housing is complex. It requires consistent and significant investments. **CCH supports \$200 million per year to the Rental Housing Revolving Fund.**

We strongly support Senate Draft 1 which provides that **a portion of the appropriation be designated for the development of housing for the chronically homeless.** A pilot program is needed for the state to address the critical need to construct rental units specifically for the homeless. By investing \$75 million per year for ten years, Hawaii could house all 1,700 people experiencing homeless while saving *over \$2 Billion in medical and other costs*. Recognizing the heightened competition for funding due to the reduction in the projection of state revenues, **we urge your support for \$20 million for rentals for the chronically homeless as a first step to solve this costly type of homelessness.** This funding could be utilized in a timely manner to acquire and renovated small apartment buildings to house the homeless.

Permanent Supportive Housing (PSH) is a proven model to house people who are disabled and chronically homeless. Providers in Hawaii are interested in the acquisition/rehab of small apartment buildings as well as working with non-profit developers on other models for PSH. The lack of lower cost rental units is an immense roadblock to housing the homeless in a proven, successful model which would provide the state with significant cost savings. These affordable rental units will add to the overall inventory of affordable housing while giving priority to those most severely disabled and chronically homeless.

The state's allocation of \$200 million in 2018 for affordable housing was a bold and unprecedented commitment to our collective fight to end homelessness. Hawai'i's people, communities, and especially our most vulnerable, depend on all of us to end this crisis. Please contact me at 373-0356 or bettylou.larson@catholiccharitieshawaii.org with any questions.





PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

Testimony in Support of HB 1312 HD1 SD1: Relating to Housing

TO: Committee on Ways and Means
FROM: Partners in Care (PIC)
HEARING: Wednesday, April 3; 10:20 am; Conference Room 211

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

Thank you for the opportunity to provide testimony on HB 1312 HD1 SD1, which authorizes general obligation bonds amounting to \$400 million over two years for the Rental Housing Revolving Fund with a portion going to house the chronically homeless. Partners in Care (PIC), a coalition of more than 50 non-profit homelessness providers, strongly supports this bill.

The strength and health of Hawai'i's people and communities depend on all of us coming together to turn around a housing and homelessness problem that's been growing for decades. In 1970, the state of Hawai'i issued a report declaring a "housing crisis" in Hawai'i. Year after year it's gotten worse as increases in housing costs have outpaced increases in wages. In Honolulu, for example, in 1968, 23 percent of renters were cost-burdened, meaning they were paying more than 30% of their income for rent. By 2016, the percentage of cost-burdened renters had *more than doubled* to 54%. More and more families are unable to afford housing, and still have enough left for food and basic necessities.

Turning around a housing and homelessness crisis that's been growing for 50 years will be difficult, but not impossible. It will require coming together around a shared vision, taking bold action, and using data-driven approaches to efficiently use resources. It will take persistence, commitment, and time.

Last year, legislators made a bold and unprecedented commitment of \$200 million for the Rental Housing Revolving Fund—eight times the amount committed from the year before. To turn around a problem that's been growing for 50 years, this level of investment needs to become the new normal.

We can get the most out of the investment in housing subsidies by targeting a portion of it toward addressing chronic homelessness—i.e., people who have been living on the streets for a year or more, or suffering repeated bouts of homelessness due to some underlying condition. It is well established that it is more expensive to leave people experiencing chronic homelessness on the streets—straining the emergency medical services system—than it is to provide them with housing and the wrap-around services necessary to help them remain stably housed. By committing an estimated \$75 million a year for ten years, we could eliminate chronic homelessness in Hawai'i, saving an estimated \$2 billion-plus in emergency medical costs and other costs over the course of ten years. Knowing the tight budget this year due to the reduction in projected state revenues, Partners in Care urges your support for \$20 million to create rental units for the chronically homeless.

Investing \$400 million in the Rental Housing Revolving Fund over two years is a heavy lift, but it is a necessary one if we finally want to start gaining ground on Hawai'i's housing crisis. We urge you to pass HB 1312 HD1 SD1 to continue the work that the legislature began last year to come to grips with this problem. Thank you for your consideration of this very important bill.

PARTNERS IN CARE, OAHU'S CONTINUUM OF CARE

200 North Vineyard • Suite 210 • Honolulu, Hawaii 96817 • www.PartnersinCareOahu.org

HB-1312-SD-1

Submitted on: 4/1/2019 3:43:16 PM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
William Caron	Testifying for Young Progressives Demanding Action	Support	No

Comments:

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

The strength and health of Hawai'i's people and communities depend on all of us coming together to turn around a housing and homelessness problem that's been growing for decades.

Last year, legislators made a bold and unprecedented commitment of \$200 million for the Rental Housing Revolving Fund. To turn around a 50 year problem, this level of investment needs to become the new normal.

By consistently investing \$200 million in affordable rental housing year after year, and by focusing a significant portion of that investment on Permanent Supportive Housing, we can finally start gaining ground on Hawai'i's housing crisis and eliminate the chronic homelessness problem that is so costly in terms of human lives and dollars spent. HB1312 will support these important investments and continue the work that the legislature began last year to come to grips with Hawaii housing and homelessness problem. Please make the investment in our communities that we so desperately need.

Mahalo.



Hawaiian Humane Society
People for animals. Animals for people.

2700 Waialae Avenue Honolulu, Hawaii 96826
808.356.2200 • HawaiianHumane.org

Date: April 1, 2019

To: Chair Sen. Donovan Dela Cruz
Vice Chair Sen. Gilbert Keith-Agaran
and Members of the Committee on Way and Means

Submitted By: Stephanie Kendrick, Public Policy Advocate
Hawaiian Humane Society, 808-356-2217

RE: Testimony in support of HB 1312, HD1, SD1:
Relating to Housing
Wednesday, April 3, 2019, 10:20 a.m., Capitol room 211

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

On behalf of the Hawaiian Humane Society, thank you for considering our support for House Bill 1312, HD1, SD1, which authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund. It further requires an amount of the funds appropriated out of the rental housing revolving fund to be used to establish permanent supportive housing units for chronically homeless individuals.

As a member of Partners in Care, Hawaiian Humane strongly supports HB 1312, HD1, SD1, and the effort it represents expand access to permanent housing, particularly for Hawaii's homeless population. As part of its mission to advocate for the human-animal bond, the Hawaiian Humane Society works to keep pets and their families together. Those efforts include encouraging pet-friendly housing policies and offering services and supplies to homeless pet owners and others in need.

Please pass HB 1312, HD1, SD1, which shows compassion for the most vulnerable in our community.

Mahalo for your consideration and let me know if I can be of assistance.



Inspiring Hope, Changing Lives

Visit us on the web: www.hopeserviceshawaii.org

Connect via email: info@hopeserviceshawaii.org

HOPE Help Line: 808-935-3050

Hearing: **HB 1312 HD1 SD1 in support**
Date: April 3, 2019
Location: State Capitol, Room 211

Aloha Committee Chair, Vice-Chair, and Committee Members:

I am submitting testimony on behalf of HOPE Services Hawai'i, a nonprofit homelessness service provider, in support of HB 1312 HD1 SD1.

Rising rents and a lack of affordable housing have left an unprecedented number of Hawai'i families and individuals teetering on the edge of homelessness. This bill would consistently provide \$125 million to the rental housing revolving fund for construction of low income housing and \$75 million for the construction of permanent supportive housing units each year, desperately needed resources in a state where rents continue to skyrocket.

In Hawai'i County, a person earning minimum wage needs to work **101 hours per week in order to afford a 2-bedroom apartment**. A former client from Kona shared their family's struggle: "I had 2 part time jobs and a full time job. I was always working. I ended up keeping my full time job. I then later struggled with my rent payments. Me and my family were close from being evicted from our home. I called multiple places that would help me. HOPE services helped me with my rent, because of them me and my family still have a roof over our heads."

If we want to continue our work to reduce homelessness in our state, funding for affordable housing and Permanent Supportive Housing are critical. **If we can count on these essential resources, we will be able to plan for the long term, likely saving money and increasing our effectiveness in the fight to end homelessness.**

Let's each do whatever is within our power to keep a roof over the heads of families like this one. I urge you to help our neighbors avoid homelessness by supporting HB 1312 HD1 SD1.

Mahalo nui for your consideration.

Sincerely,

Brandee Menino,
Chief Executive Officer

JOIN OUR COMMUNITY



HOPE SERVICES HAWAII, INC.
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HB-1312-SD-1

Submitted on: 4/1/2019 4:46:03 PM

Testimony for WAM on 4/3/2019 10:20:00 AM

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

Comments:

Dear Senator Donovan Dela Cruz, Chair, Senator Keith-Agaran, Vice Chair, and all Members of the Senate Committee on Ways and Means; Thank you for the opportunity to testify in strong support of HB1312.

The Hawaii Kai Homeless Task Force supports this bill because the creation of affordable housing is essential for Hawaii's future. However, we must point out that SB-1, introduced by the Honorable Senator Chang, is an exponentially better vehicle for creating affordable housing for low income working people. The amount of affordable housing contemplated under this bill is not large enough to have an impact on overall housing costs. Conversely, SB-1 will impact the market significantly, lowering housing prices at virtually no cost to taxpayers.

Therefore, it makes more sense to allocate the entire \$200 million in this bill to Permanent Supportive Housing for the homeless and let SB-1 take care of affordable housing. I HOWEVER, WE STRONGLY SUGGEST YOU ADD LANGUAGE TO THIS BILL REQUIRING THE HHDFC TO CONSIDER ULTRA-LOW COST SINGLE STORY MODULAR DWELLINGS THAT COST \$25 THOUSAND DOLLARS OR LESS.

Modular designs cost anywhere from half to one-tenth the of traditional construction. They can be built in months instead of years and are cheaper to maintain. That means modular projects could be 100% financed by the State, avoiding the need for developers to show banks that long-term subsidies are in place.

Traditionally constructed high-rise apartments cost roughly \$300,000 TO \$400,000 per unit to build and \$300,000 per unit AND can take anywhere from four to ten years from inception to completion. Existing market-rate units rent for around \$1000 to \$1500 a month for a studio.

ULTRA LOW COST MODULAR UNITS COULD END UNSHELTERED HOMELESSNESS FOR THE MONEY APPROPRIATED IN THIS BILL.

We must avail ourselves of single-story modular homes, such as the InterShelter domes used by First Assembly of God Church in their Shelter program in Kaneohe. Along with InterShelter, there are many other products on the market which cost less than \$25,000 thousand dollars per unit, and can be completed in weeks, not years. Some are manufactured by local companies.

If we use the right products, **it's possible to build and maintain thousands of single-story modular homes, just with the \$200 million appropriated in this bill.**

Let's fix this.

Thank you for the opportunity to testify.

HB-1312-SD-1

Submitted on: 4/2/2019 6:28:02 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joyce Midori Charles	Testifying for MoveOn.org Honolulu Volunteers, Faith Action	Support	No

Comments:

Aloha!

Let us continue our good work towards housing the houseless by putting money into this rental housing revolving fund.

Mahalo,

Joyce Charles

HB-1312-SD-1

Submitted on: 4/1/2019 8:38:01 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Godbey Carson	Individual	Support	No

Comments:

Hawaii faces a critical affordable housing crisis. The state estimates we need 65,000 units by 2025 to meet minimal housing needs. Of that total, 44,000 units is for residents, including the homeless, making 80% or less of area median income.

We will have to spend taxpayer money to deal with this crisis.

The governor's proposed budget includes \$100 million a year for affordable rental housing. I support Faith Action's position of appropriating \$200 million a year for housing that helps those most in need.

By continuing for the next two years the \$200 million last year's legislature placed into the Rental Housing Revolving Fund, we can double the governor's \$100-million-a-year.

Let's continue last year's legislative effort by appropriating \$200 million a year to house those most in need, and keep Hawaii's people here.

HB-1312-SD-1

Submitted on: 4/1/2019 9:30:10 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Nelson	Individual	Support	No

Comments:

Aloha,

I request that you appropriate monies to the Rental Housing Revolving Fund for affordable housing. It is so apparent every day that this is what we need to help solve the houseless problem we have in Hawaii.

Thank you so much.

HB-1312-SD-1

Submitted on: 4/1/2019 2:29:19 PM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
akua campanella	Individual	Support	No

Comments:

Hello, I am a Social Worker with the Mentally Ill and the Homeless on Oahu. I work every day with disabled adults that can not afford housing here. I have never had a client that did not want housing but I have assisted people that get discouraged by the often tedious process of attaining housing in an efficient manner; and have met people that do not want to be in the shelters for justifiable reasons based on their own experiences and history of trauma . Of the 100 plus people I have worked with; all of them want a form of housing.

More **truly** affordable housing is obviously needed. That is key regarding this discussion of affordable housing. **It has to be truly affordable.** The majority of my clients make about \$750 on Social Security. Many housing applications ask for an income that is twice the amount of the rent. This policy usually means that the majority of my clients are not eligible. People receiving Social Security can be homeless due to this policy. My clients also typically have no credit history or a negative credit history. So also the requesting of a credit history and the policy surrounding it can also lead to homelessness. Many of my clients may also owe HECO and can have challenges getting housing due to the inability to pay the bill to turn on their electricity (and though some charities may help with the bills often times they are out of funds or not open) Many clients have been on Federal and State housing wait lists for years; but remain homeless. (there are numerous challenges that make it very difficult for Social Workers to help their clients attain housing and for the individuals themselves to get it, there are also highly possible and realistic solutions to the housing crisis that I can discuss at length another time); but in regards to this specific hearing; I am asking you to **please allow more funding for TRULY affordable housing** (for example; high percentage of the units for those with an approximate income of \$750, then another percentage with an approximate income of \$1200 etc.)

Thank you for your time and attention to this issue.

HB-1312-SD-1

Submitted on: 4/1/2019 4:05:53 PM

Testimony for WAM on 4/3/2019 10:20:00 AM

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

Comments:

Chair Dela Crus, Vice-Chair Keith-Agaran and Members, Committee in Ways and Means:

Thank you for the opportunity to provide testimony on HB 1312, which makes appropriations for the construction of affordable rentals, with an emphasis on Permanent Supportive Housing.

By consistently investing \$200 million in affordable rental housing year after year, and by focusing a significant portion of that investment on Permanent Supportive Housing, we can finally start gaining ground on Hawaii's housing crisis and eliminate the chronic homelessness problem that is so costly in terms of human lives and dollars spent. HB 1312 will support these important investments and continue the work that the legislature began last year to come to grips with Hawaii housing and homelessness problem.

This will help our communitites to turn around a housing and homelessness problem that's been growing for decades in our State. As someone born and raised on a neighbor island, it breaks my heart to see how chronic homeless are so visable on living our streets.

Thank you for your commitment of \$200 million for the Rental Housing Revolving Fund, last year. But to turn around a problem that's been growing for 50 years, this level of investment needs to become the new normal.

Please support HB 1312, mahalo for all your work to create solutions in Hawaii!

TESTIMONY IN SUPPORT OF HB 1312, HD 1, SD 1

TO: Senate Committee on Ways & Means

FROM: Nikos Leverenz
Grants, Development & Policy Manager

DATE: April 3, 2019 (10:20 AM)

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

Hawai'i Health and Harm Reduction Center (HHRC) **strongly supports** HB 1312, HD 1, SD 1, which would facilitate the establishment permanent supportive housing units for chronically homeless individuals out of the rental housing revolving fund (RHRF).

Widely available affordable housing is one of the most important social determinants of health for individuals, families, and the larger community. We are a proud member of [Partners in Care](#) (PIC)—a coalition of more than 50 organizations working to address homelessness. Homelessness is a complex problem.

Last year, the Legislature made a bold commitment of \$200 million for the RHRF. Making this level of funding the “new normal” would be a long-term solution to help counties and their partners address this state’s long-term—and growing—housing crisis. In 1968, just under one-quarter of renters were paying more than 30% of their income in rent. Recent data indicate that 54% of Hawai'i renters now pay more than 30% of their income in rent.

We also support the dedication of \$75 million per year over the next decade to those who experience chronic homelessness, those who have been living on the streets for a year or more or who have suffered repeated periods of homelessness due to an underlying behavioral health concern. Providing stable housing and comprehensive wrap-around services to facilitate long-term stable housing is a straightforward and effective method of combatting those who face repeated or protracted periods of homelessness. Our allies at the Hawai'i Appleseed Center for Law and Economic Justice estimate that this level of investment will save over \$2 billion in emergency medical costs and other expenditures over ten years.

HHRC works with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those relating to substance use and underlying mental health conditions. As such, we support a comprehensive “Housing First” approach for those struggling with housing instability.

[As noted by the Corporation for Supportive Housing](#), “Access to safe, quality, affordable housing – and the supports necessary to maintain that housing – constitute one of the most basic and powerful social determinants of health. **[For] individuals and families trapped in a cycle of crisis and housing instability due to extreme poverty, trauma, violence, mental illness, addiction or other chronic health conditions, housing can entirely dictate their health and health trajectory. For these populations, housing is a necessary precursor of health.**” (emphasis added)

Housing First is harm reduction-based policy response to housing instability that has proven to work in those jurisdictions where it has been implemented:

There is a large and growing evidence base demonstrating that Housing First is an effective solution to homelessness. Consumers in a Housing First model access housing faster and are more likely to remain stably housed. This is true for both PSH [Permanent Supportive Housing] and rapid re-housing programs. PSH has a long-term housing retention rate of up to 98 percent. Studies have shown that rapid re-housing helps people exit homelessness quickly—in one study, an average of two months—and remain housed. A variety of studies have shown that between 75 percent and 91 percent of households remain housed a year after being rapidly re-housed.

More extensive studies have been completed on PSH finding that clients report an increase in perceived levels of autonomy, choice, and control in Housing First programs. A majority of clients are found to participate in the optional supportive services provided, often resulting in greater housing stability. Clients using supportive services are more likely to participate in job training programs, attend school, discontinue substance use, have fewer instances of domestic violence, and spend fewer days hospitalized than those not participating.

Finally, permanent supportive housing has been found to be cost efficient. Providing access to housing generally results in cost savings for communities because housed people are less likely to use emergency services, including hospitals, jails, and emergency shelter, than those who are homeless. (National Alliance to End Homelessness, [Fact Sheet: Housing First](#). April 2016.)

Thank you for the opportunity to testify on this measure.

HB-1312-SD-1

Submitted on: 4/1/2019 5:27:44 PM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Catherine Susan Graham	Individual	Support	No

Comments:

Please pass this bill

HB-1312-SD-1

Submitted on: 4/2/2019 8:52:47 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
francisco grijalva	Individual	Support	Yes

Comments:

TO: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen, Vice Chair; and Members, Committee on Finance

Francisco Grijalva Contact number (808) 202 8963

04-03-19 10:20 AM in conference room 211

TESTIMONY IN SUPPORT OF HB 1312 HD1: RELATING TO HOUSING

My name is Francisco Grijalva I am a social Work student at the University of Hawaii in Manoa. I am currently working in a internship with homeless youth in conjunction with HaleKipa's YO! Program. I support this bill because I am in direct contact with this population the time I have spent working with this population has made me realize how fortunate and lucky I am to have a home this bill will directly change their lives for the better.

HB-1312-SD-1

Submitted on: 4/2/2019 9:46:26 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Alec Cornejo	Individual	Support	Yes

Comments:

April 2nd 2019

To : The Honorable Donovan M. Dela Cruz, Chair and Gilbert S.C. Keith-Agaran, Vice Chair

House Committee on Ways and Means

Hearing Date : Wednesday, April 3rd 2019

Time : 10:20AM

Location : Conference Room 211, State Capitol 415 South Beretania Street

From : Robert 'Alec' Cornejo

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means,

Thank you for the opportunity to submit a testimony in support of HB1312 HD1 SD1, which gives issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund and places a particular interest in creating permanent supportive housing units for individuals who are chronically homeless. My name is Robert 'Alec' Cornejo and I am a social work student at the University of Hawaii. So far in my social work career, I have had the chance to work with many different populations. But in particular I have had to chance to work with homeless youth in Waikiki. The

struggles that I see these young individuals go through are caused by unstable living environments and many more key factors that often obstruct their developmental process. I believe that by supporting this bill, I am not only encouraging housing efforts and funding that will ultimately affect the homeless youth population that I work with, but I am also promoting larger efforts to combat chronic homelessness. By making these funds a state priority, this bill is part of the systematic change to help reframe our understanding of homelessness in Hawaii.

HB-1312-SD-1

Submitted on: 4/2/2019 9:53:07 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alika Campbell	Individual	Support	No

Comments:

I strongly support funding the development of affordable rental housing. It is only through the expansion of the housing stock that we will be able to address our homeless problems.

LATE

HB-1312-SD-1

Submitted on: 4/3/2019 7:35:31 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Dawn Kubota	Individual	Support	Yes

Comments:

LATE

HB-1312-SD-1

Submitted on: 4/3/2019 12:29:04 AM

Testimony for WAM on 4/3/2019 10:20:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Linda Rich	Individual	Support	No

Comments:

Aloha.

I am testifying in strong support of this bill which offers one step in the process of addressing Hawaii's critical shortage of affordable housing and our growing homelessness.

Every effort must be made to increase availability and accessibility to housing. The homeless are not the problem. Our state must increase the amount of housing available and this bill can help. Please invest in solutions.

Thank you.

Linda L. Rich