



**EXECUTIVE CHAMBERS**  
HONOLULU

**DAVID Y. IGE**  
GOVERNOR

February 12, 2019

TO: The Honorable Representative Tom Brower, Chair  
House Committee on Housing

The Honorable Representative Joy A. San Buenaventura, Chair  
House Committee on Human Services & Homelessness

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

SUBJECT: **HB 476 – RELATING TO HOUSING**

Hearing: Tuesday, February 12, 2019, 10:00 a.m.  
Conference Room 423, State Capitol

**POSITION:** The Governor's Coordinator on Homelessness supports the intent of this measure, and respectfully offers comments.

The Coordinator notes that the Governor's Executive Budget request includes \$100,000,000 in both FY 20 and FY 21 for a cash infusion into the Rental Housing Revolving Fund (RHRF), and requests that the appropriations in this bill do not supplant or adversely impact these fiscal priorities.

**PURPOSE:** The purpose of the bill is to authorize the issuance of \$125,000,000 in general obligation bonds and to appropriate \$125,000,000 to the Rental Housing Revolving Fund for construction of low-income housing. The bill also appropriates \$75,000,000 to the Hawaii Housing Finance and Development Corporation (HHFDC) for the development and construction of new units to be used as permanent supportive housing, provided that a consideration for the use of funds is whether the housing financed will use low-cost modular construction as a means for developing more housing units at lower costs than what could be accomplished using traditional construction.

Homelessness remains one of the most pressing challenges facing Hawaii. In particular, 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)<sup>1</sup> 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. According to the CSH estimates, Part II of this bill will finance approximately 300 new units of permanent supportive housing.

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. Based on CSH projections, an estimated \$5,200,000 annually will be needed to support operating and service costs for permanent supportive housing units developed through Part II.

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

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

the Hawaii Pathways Project, found an estimated healthcare cost savings of \$6,197 per client per month for clients that were housed.<sup>2</sup> 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.

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<sup>2</sup> 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](http://uhfamily.hawaii.edu/publications/brochures/bb9f9_Hawaii_Pathways_Final_Report.pdf)

DAVID Y. IGE  
GOVERNOR



PANKAJ BHANOT  
DIRECTOR

CATHY BETTS  
DEPUTY DIRECTOR

STATE OF HAWAII  
DEPARTMENT OF HUMAN SERVICES  
P. O. Box 339  
Honolulu, Hawaii 96809-0339

February 12, 2019

TO: The Honorable Representative Tom Brower, Chair  
House Committee on Housing

The Honorable Representative Joy A. San Buenaventura, Chair  
House Committee on Human Services and Homelessness

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 476 – RELATING TO HOUSING**

Hearing: Tuesday, February 12, 2019, 10:00 a.m.  
Conference Room 423, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) appreciates the intent of this bill and provides comments. DHS would support this measure if the appropriation did not supplant funding priorities identified in the Executive Budget.

**PURPOSE:** The purpose of this bill is to authorize the issuance of \$125,000,000 of general obligation bonds. Appropriates \$125,000,000 to the Rental Housing Revolving Fund for construction of low-income housing. Appropriates \$75,000,000 for the construction of Permanent Supportive Housing units.

These proposed appropriations are new funds, and given the tight housing market at all price points, new funds are needed as there is no incentive for the market to create an inventory of low income housing. DHS supports solutions that increases the permanent low income housing inventory.

Thank you for the opportunity to provide testimony on this bill.



**STATE OF HAWAII**

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

IN REPLY REFER TO:

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

**HOUSE COMMITTEE ON HOUSING**  
**HOUSE COMMITTEE ON HUMAN SERVICES & HOMELESSNESS**

February 12, 2019 at 10:00 a.m.  
State Capitol, Room 423

In consideration of  
**H.B. 476**  
**RELATING TO HOUSING.**

The HHFDC supports H.B. 476, provided that it does not replace priorities set forth in the Executive Biennium Budget.

H.B. 476 appropriates \$125,000,000 in General Obligation Bond funding in Fiscal Year 2020 for deposit into the Rental Housing Revolving Fund (RHRF). HHFDC's budget request is for \$100,000,000 in FY 2020 and \$100,000,000 in FY 2021. RHRF applications are due to HHFDC in February 2019. Based on a survey of affordable rental housing developers, we anticipate RHRF requests totaling approximately \$115.4 million, to support the development of 835 rental units statewide.

This measure also appropriates \$75,000,000 in General Funds to HHFDC for development and construction of permanent supportive housing using low-cost modular construction or other methods that are lower cost than traditional construction methods. If funded, HHFDC would be willing to administer this appropriation provided that it is a part of a comprehensive program which includes rental assistance and supportive services.

Thank you for the opportunity to testify.

**HB-476**

Submitted on: 2/7/2019 9:43:40 AM

Testimony for HSG on 2/12/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
David Deges	Hawaii Island HIV/AIDS Foundation	Support	Yes

Comments:

**HB-476**

Submitted on: 2/11/2019 8:02:21 AM

Testimony for HSG on 2/12/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Partner in Care (PIC)	Partners in Care	Support	Yes

Comments:

## TESTIMONY IN SUPPORT OF HB 476

TO: Chair Brower, Vice-Chair Matayoshi & Members of the House Housing Committee  
Chair San Buenaventura, Vice-Chair Nakamura & Members of the Human Services & Homelessness Committee

FROM: Nikos Leverenz, Grants & Development Manager

DATE: February 12, 2019 (10 AM)

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Hawaii Health & Harm Reduction Center (HHRC) **strongly supports** HB 476, which would annually appropriate \$200 million for low-income housing, with \$75 million dedicated to permanent supportive housing.

Three-quarters of Hawaii's housing demand are from those households that make under \$75,000 per year. Investing \$125 million in the Rental Housing Revolving Fund will help build needed housing for these residents. A decade-long investment in permanent supportive housing, \$75 million per year, will significantly address those 1,700 persons who are chronically homeless and save \$2 billion in medical and other costs.

HHRC is a member of Partners in Care (PIC), a coalition of organizations from nonprofit homeless providers, government stakeholders, private businesses, community advocates, public housing agencies, hospitals, universities, affordable housing developers, law enforcement, and homeless and formerly homeless persons. PIC is a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within Oahu's Continuum of Care for homeless persons.

HHRC works with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems related to substance use and underlying mental health conditions.

We support legislative efforts to ameliorate Hawaii's housing crisis. This funding helps alleviate some of the burden faced by Hawaii residents who are struggling to procure or maintain adequate housing.

Thank you for the opportunity to testify on this important reform measure.



February 11, 2019

To: Chairs, Vice Chairs, and Committee Members of the House Committees on Housing/Human Services and Homelessness

**Re: Hearing on HB 476 Relating to Housing**

Hawai'i State Capitol  
Conference Room 423  
10:00 a.m.

**LATE**

**TESTIMONY IN SUPPORT OF HB 476**

**Authorizes the issuance of \$125,000,000 of general obligation bonds. Appropriates \$125,000,000 to the Rental Housing Revolving Fund for construction of low-income housing. Appropriates \$75,000,000 for the construction of permanent supportive housing units.**

The Council for Native Hawaiian Advancement (CNHA), a Native Hawaiian serving organization, testifies in support of the HB 476.

**Re: \$125,000,000 to the Rental Housing Revolving Fund.** Hawaii has a substantial shortfall in rental housing and the authority and appropriation contained in this bill is necessary to insure that we continue to address our housing shortfall and are able to plan, finance, and build the 66,000 units by 2025 required to meet Hawaii's housing needs. These funds are needed to continue the state's efforts in building more affordable rental housing to meet the demands of our residents.

**RE: \$75,000,000 for Permanent Supportive Housing.** Homelessness is a problem facing all of Hawaii and Native Hawaiians in disproportionately high numbers. Hawaii's present efforts in creating viable and coordinated Housing First programs (otherwise known as Permanent Supportive Housing) have demonstrated that we can house the chronically homeless while saving substantial amounts in other publicly funded government sectors.

By all accounts and measures, governments which have invested in permanent supportive housing programs such as Housing First as a means to address the needs of those who are chronically homeless with substantial health or physical disabilities have seen a substantial reduction in savings of ER costs, hospital costs, 9-1-1 costs, jail costs, long term transitional shelter costs, and police and fire costs. These same governments have also noted substantial

increases in the stability and health of this chronically homeless population as they are able to live in decent, safe, and affordable housing rather than have our public institutions pay substantial funds as they move from the streets, to the ERs, to the hospitals, to the streets, to the jails, to the shelters, and back to the streets again.

CNHA supports this bill because it is based on a model which has been proven to be effective and which generates substantial cost savings. These funds are needed to continue the progress we have made thus far, to bring the State's Housing First/ Permanent Supportive Housing efforts to scale, and to increase the cost savings to the public fisc as we house and end the homelessness of our chronically homeless population.

Respectfully,

A handwritten signature in blue ink, appearing to read 'J. Kuhio Lewis', is positioned above the printed name.

J. Kuhio Lewis  
Chief Executive Officer

**HB-476**

Submitted on: 2/11/2019 9:36:37 AM

Testimony for HSG on 2/12/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:

**HB-476**

Submitted on: 2/11/2019 9:08:44 PM

Testimony for HSG on 2/12/2019 10:00:00 AM



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

Comments:

**TO:** The Committee on Housing, Rep. Tom Brower Chair, Rep, Scott Matayoshi, Vice Chair, AND the Committee on Human Services and Homelessness, Rep. Joy San Buenaventura Chair, Rep Nadine Nakamura, Vice Chair.

**FROM:** Mike Goodman, Director, The Hawaii Kai Homeless Task Force, Member, Partners In Care.

**FOR:** Hearing, Tuesday February 12, 10 AM, Conference Room 423, State Capitol

**Re:** HB476

I'm Mike Goodman, Director of the Hawaii Kai Homeless Task Force, and also a Member of Partners in Care . Thank you very much for the opportunity to testify in strong support of HB476, and to offer suggestions for amendments.

We strongly support this bill, because \$125 million dollars will make a significant impact for individuals and families who can't afford Hawaii's exorbitant housing costs.

**MOST IMPORTANTLY**, this bill appropriates an additional \$75 million dollars to provide permanent supportive housing for the chronic homeless, most of whom are severely mentally ill, substance addicted or a combination of the two.

\$75 million dollars may seem expensive, but a recent study by the U.H. Center on the family, reported that Housing First provides A NET SAVINGS of \$74,364 dollars per person, per year, just on healthcare costs. THAT MEANS IF ALL 20000 CHRONIC HOMELESS ARE HOUSED, THE STATE WOULD REALIZE A NET SAVINGS OF ALMOST ONE-HUNDRED FORTY-NINE MILLION DOLLARS A YEAR ON HEALTHCARE ALONE.

The housing contemplated by this bill will incorporate "wrap-around" supportive services under a "Housing First" paradigm. The evidence shows Housing First programs have a spectacular 96.7% success rate. They work by providing untreated mentally ill and substance addicted homeless persons with *permanent homes*, combined with non-

mandatory, assertively offered substance abuse treatment, psychiatric care, basic life-skills training, employment assistance and many other services.

The success of Housing First is due in great measure to providing beneficiaries with permanent, safe and comfortable PRIVATE homes. That's because the security of a permanent home, and the efficacy of not placing severely mentally ill or substance addicted persons in close living quarters with each other, has therapeutic value *in-and-of-itself*. There's reams of data showing that the same supportive services are not as effective for mentally ill and substance addicted homeless who live in group homes or shelters.

## **HOW MANY CHRONIC HOMELESS ARE THERE?**

The last Point in Time count estimates there are 1600<sup>to</sup>1800, chronic, unsheltered homeless in Hawaii. But given the logistical difficulties of counting people who often avoid the outreach teams and volunteers who conduct the Count, the number may be much higher.

According to the 2017 service utilization report from the U.H. Center on the family, the annual number of homeless persons using supportive services actually increased by 11.5% during the same period the point in time count showed an 8.5% decrease in homelessness. It's possible that undercounting unsheltered homeless persons may be the reason for the discrepancy. Therefore, The Hawaii Kai Homeless Task Force suggests that the Legislature use a figure of at least 2000 chronic homeless for planning purposes.

## **THIS BILL ALSO WISELY MANDATES THAT LOW-COST MODULAR CONSTRUCTION MODELS BE CONSIDERED AS AN ALTERNATIVE TO TRADITIONALLY CONSTRUCTED HOUSING.**

Housing First, or any other homeless program, can't work without enough housing. As many of you have heard me say before, unless we get away from the notion that housing must either be traditionally constructed single-family houses, or brick and mortar apartments to be safe and comfortable homes, we will never end the homeless crisis in Hawaii.

Traditionally constructed high-rise apartments cost roughly \$450,000 per unit to build and take about 8<sup>to</sup>10 years from inception to completion. Existing units rent for around \$1000 to \$1500 a month for a studio.

If we allocate \$75 million dollars to house the chronic homeless for the next ten years by only building traditional brick and mortar high-rise apartments, the cost would be about three-quarters of a billion dollars, and the final units would not be completed until about 18 to 20 years from now.

Instead, where it is practical to do so, we should avail ourselves of modular *mid-rise* designs that cost less than half of traditionally constructed high-rises, and assembled in a few months.

There are also single-story modular homes, such as the domes used by First Assembly of God Church, which cost less than \$25 thousand dollars per unit. Foundations and infrastructure connections for those domes can be completed in a couple of weeks, and the domes themselves can be assembled in days. *(It took First Assembly of God over two years to build 12 domes only because of the slow permitting process on Oahu.)*

### **LOW-COST MODULAR, PERMANENT, SUPPORTIVE SINGLE-STORY HOMES, COULD BE BUILT ON THE LAND CURRENTLY BEING DESIGNATED FOR OHANA ZONES.**

For the \$75 million dollars appropriated by this bill, we could build more than 2000 \$25 thousand dollar modular homes in Ohana Zones. That's enough to house and end the suffering of every chronic homeless person in the State, while saving taxpayers hundreds of millions of dollars.

### **SUGGESTED AMENDMENTS.**

**First suggested amendment:** There are modular designs that are much cheaper than traditional construction, but still much more expensive and unwieldy than necessary. For example, the retro-fitted sea containers used as transitional housing for the homeless at Hale Mauliola on Sand Island. cost over \$50 thousand dollars per unit and took almost a year to complete. They also required extensive post-construction modifications because they are steel boxes and became extremely hot in the sun.

Kahauiki Village, which is designed to house 600 homeless working families in wooden modular homes, cost roughly \$250 thousand dollars per unit, and that's not taking into account all the donated labor and materials. The rents also average around a thousand dollars per month, making this model impractical for the chronic homeless.

The bill's provision mandating the consideration of low-cost modular construction methods appears in, SECTION ONE, the findings section, SECTION THREE and SECTION 7. Because the phrase "low cost modular" can be subjectively interpreted as anything that costs less than traditionally constructed dwellings, we suggest these sections should be amended to provide guidelines without being overly prescriptive. Suggested language that would accomplish this is written after the following existing text from SECTION THREE of the bill, with the additional text in bold.. We suggest this language, or something similar, be added to SECTIONS ONE, THREE AND SEVEN.

*"[] provided that one of the considerations for the use of the funds shall be on whether the housing financed in whole or in part by the funds. shall use low-cost modular construction as a means of developing more housing units for lower costs than what could be accomplished using traditional construction methods." **As many vendors,***

***architects and builders shall be sought out as is practical, who manufacture, sell, design or build, low cost, modular single family dwellings and low cost modular mid-rise multiple dwellings, where procurement, in accordance with current procurement rules for the State of Hawaii, shall be based on competitive bidding, safety, durability, comfort, sustainability, environmental considerations, construction time, flexibility, practicality, relative cost and aesthetic appeal.”***

**Second suggested amendment:** A big problem with locating State land usable for permanent supportive housing is lack of infrastructure. There are new “off the grid” technologies, which can generate potable drinking water, electricity, and process sewage without existing infrastructure. We therefore suggest the following language, or something similar, be added to the end of SECTIONS ONE, THREE AND SEVEN:

***“If land available for part or all of the permanent supportive housing to be built does not have existing water, electrical and sewage, consideration shall be given to environmentally friendly technology and products designed to generate and store electricity, process sewage, and generate potable water, hereinafter defined as “Off the Grid Infrastructure”. As many vendors, architects and builders shall be sought out as is practical, who manufacture, sell, design or build, Off the Grid Infrastructure, where procurement, in accordance with current procurement rules for the State of Hawaii, shall be based on competitive bidding, safety, durability, comfort, sustainability, environmental considerations, construction time, flexibility, practicality, relative cost and aesthetic appeal.”***

Mahalo for the opportunity to testify.

**HB-476**

Submitted on: 2/10/2019 11:14:21 AM

Testimony for HSG on 2/12/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
david derauf	Kokua Kalihi Valley	Support	No

Comments:

HB476 – SUPPORT

Aloha Committee Chairs, Vice-Chairs, and Members:I am submitting testimony in my capacity as Executive Director of Kokua Kalihi Valley, to **STRONGLY SUPPORT** HB476. 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. 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: already this is a significant issue for KKV! Our employees simply can not afford to stay in Hawaii. They are leaving Hawaii, and in doing so impeding our ability to continue to provide the excellent community health that we have throughout our 47 year history! Those that do not leave face incredible daily stress related to the lack of housing, including evictions, frequent moves, and overcrewding.

HB476 authorizes the issuance of \$125 million of general obligation bonds and appropriates \$125 million to the Rental Housing Revolving Fund for construction of low-income housing. It also appropriates \$75 million for the construction of Permanent Supportive Housing units for our chronically homeless and extremely-low income households earning at or below 30% the area median income. Please support HB476 for the health of Hawaii!

David Derauf MD





## CATHOLIC CHARITIES HAWAI'I

### TESTIMONY IN SUPPORT OF HB 476: RELATING TO HOUSING

**TO:** Representative Tom Brower, Chair, Representative Joy San Buenaventura, Chair; and Members, Committees on Housing and Human Services and Homelessness  
**FROM:** Betty Lou Larson, Legislative Liaison, Catholic Charities Hawai'i  
**Hearing:** **Tuesday, 2/12/19; 10:00 am; CR 423**

Chair Brower, Chair San Buenaventura, and Members, Committees on Housing and Human Services and Homelessness:

Thank you for the opportunity to provide testimony **in strong support** of HB 476, making appropriations for the construction of affordable rentals and permanent supportive housing. I am Betty Lou Larson, with Catholic Charities Hawai'i. We are also a member of Partners in Care. Catholic Charities Hawai'i has prioritized this bill among our top priorities for 2019.

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. CCH has programs serving elders, children, families, homeless, and immigrants. 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.

**Amendment suggested:** In **section 7:** CCH urges that the funding be changed from "general revenues" to "general obligation bonds", since this funding will be utilized for construction of rental units. 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. This program works. But, it requires consistent and significant investments. **CCH supports \$125 million to the Rental Housing Revolving Fund.**

**To end homelessness, the state must also begin to construct units specifically for the homeless.** Permanent Supportive Housing (PSH) is a proven model to house people who are disabled and chronically homeless. The 2018 Hawai'i Point-in Time count reported 1,714 chronically homeless persons, which comprises almost 30% of ALL homeless persons in the state. Housing 300 homeless people in PSH would **save the state over \$22 million** each year in medical costs. Our Housing First participants compete with other low-income households for low-cost units that are in short supply. We must build PSH units to address this critical need and benefit from its significant cost savings. If we are ever to end Hawai'i's homelessness crisis, we must build units to house this vulnerable population. **CCH supports \$75 million for PSH units.**

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.

We urge your support for HB 476 to make appropriations for the construction of affordable rentals and permanent supportive housing. Please contact me at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.





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February 10, 2019

House Committees on Housing and Health & Human Services  
Tuesday, February 12, 2019, 10am  
Conference Room 423

## **HB476 – 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 a community development financial institution, to **STRONGLY SUPPORT HB476**.

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. We cannot rely on

**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.**

HB476 authorizes the issuance of \$125 million of general obligation bonds and appropriates \$125 million to the Rental Housing Revolving Fund for construction of low-income housing. It also appropriates \$75 million for the construction of Permanent Supportive Housing units for our chronically homeless and extremely-low income households earning at or below 30% the area median income. 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.

We ask you to exercise your political and move forward on HB476 as a critical component of our housing affordability solution. **PASS HB476.**

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, flowing style.

Jeff Gilbreath  
Executive Director



**Board Members**

*President*

Jason Okuhama  
Managing Partner,  
Commercial & Business Lending

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Hawai'i Civil Rights Commission

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Psychologist

Kaipo Kukahiko  
Executive Director,  
KEY Project

Miwa Tamanaha  
Deputy Director,  
Kua'āina Ulu 'Auamo

**HACBED Staff**

Brent N. Kakesako  
*Executive Director*

Keoki Noji  
*Chief Operating Officer*

Athena T. Esene  
*Bookkeeper & Office Manager*

Foley Pfalzgraf  
*Program Specialist*

Chelsie Onaga  
*AmeriCorps VISTA*

Date: February 10, 2019

To: Representative Tom Brower, Chair, Representative Scot Z. Matayoshi, Vice-Chair, and members of the Committee on Housing  
Representative Joy A. San Buenaventura, Chair, Representative Nadine K. Nakamura, Vice Chair, and members of the Committee on Human Services and Homelessness

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

Re: Strong Support for HB476

Aloha Chairs Brower and San Buenaventura, Vice-Chairs Matayoshi and Nakamura, and Committee Members,

The Hawai'i Alliance for Community-Based Economic Development (HACBED) strongly supports HB476, which authorizes the issuance of \$125 million of general obligation bonds, appropriates \$125 million to the Rental Housing Revolving Fund for construction of low-income housing, and appropriates \$75 million for the construction of Permanent Supportive Housing units.

HACBED was established in 1992 as a nonprofit statewide intermediary to address social, economic, and environmental justice concerns through community-based economic development. It advances its mission with core competencies in the areas of community and organizational capacity building, community and economic development planning, and asset policy development and advocacy. HACBED played a facilitating role in the State Asset Policy Task Force and was a key contributor to the State Asset Policy Road Map.

The 2015 State Housing Demand Study made it clear that 75% of the housing needed by 2026 must be for households earning \$75,000 annually or less. This includes our families, friends, co-workers, and employees. There is an immediate need for an annual commitment of resources in the development of housing options that are truly affordable for families who call this place home and the passage of HB476 would set a significant, annual baseline. 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.

Mahalo for this opportunity to testify,

Brent N. Kakesako  
Executive Director

**HB-476**

Submitted on: 2/11/2019 9:35:47 AM

Testimony for HSG on 2/12/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Annie AuHoon	Individual	Support	No

Comments:

February 10, 2019

House Committees on Housing and Health & Human Services

Tuesday, February 12, 2019, 10am Conference Room 423 HB476

– SUPPORT

Aloha Committee Chairs, Vice-Chairs, and Members:

I am submitto STRONGLY SUPPORT HB476.

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. HB476 authorizes the issuance of \$125 million of general obligation bonds and appropriates \$125 million to the Rental Housing Revolving Fund for construction of low-income housing. It also appropriates \$75 million for the construction of Permanent Supportive Housing units for our chronically homeless and extremely-low income households earning at or below 30% the area median income. 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. I ask you to exercise your political obligation to youre constituents and move forward on HB476 as a critical component of our housing affordability solution. PASS HB476.

Mahalo for your time, leadership and consideration.

Annie Au  
Hoon,  
HCA Client

Individual,

**From:** Jun Shin <noreply@jotform.com>  
**Sent:** Monday, February 11, 2019 10:53 AM  
**To:** HSGtestimony; HSHtestimony  
**Subject:** Re: SUPPORT HB476 - Jun Shin

 **SUPPORT HB476**

Name	Jun Shin
Email	junshinbusiness729@gmail.com
Address	Street Address: 1561 Kanunu St. Street Address Line 2: 2106 City: Honolulu State / Province: Hawaii Postal / Zip Code: 96814 Country: United States
Subject	Testimony in SUPPORT of HB476
Testimony	Aloha Committee Chairs, Vice-Chairs, and Members,

I strongly support this badly-needed investment in affordable housing. I live in the Ala Moana area so I have personally seen the effects of houselessness and although we as individuals can only do so much and although we should never stop our individual efforts, there are systematic issues that need to be addressed, and affordable housing I believe is a big step to not only help those who are houseless, but working families who are struggle with how hard it is to live here, many living paycheck to paycheck. According to DBEDT's 2015 Housing Demand Study, our State needs to build 66,000 housing units by 2025 to keep up with projected demand. Without a significant, annual baseline investment in the development of housing that is affordable for working families, we will continue to face a severe housing crisis. Please pass HB476. Let's work to change the game.

Mahalo!

You can [edit this submission](#) and [view all your submissions](#) easily.



**From:** Kelsey Amos <noreply@jotform.com>  
**Sent:** Monday, February 11, 2019 2:24 PM  
**To:** HSGtestimony; HSHtestimony  
**Subject:** Re: SUPPORT HB476 - Kelsey Amos

 **SUPPORT HB476**

Name	Kelsey Amos
Email	kmt.amos@gmail.com
Address	Street Address: 2460 Waolani Ave. Street Address Line 2: Apt. D City: Honolulu State / Province: HI Postal / Zip Code: 96817 Country: United States
Subject	Testimony in SUPPORT of HB476
Testimony	Aloha Committee Chairs, Vice-Chairs, and Members,

I strongly support this badly-needed investment in affordable housing. According to DBEDT's 2015 Housing Demand Study, our State needs to build 66,000 housing units by 2025 to keep up with projected demand. Without a significant, annual baseline investment in the development of housing that is affordable for working families, we will continue to face a severe housing crisis. Please pass HB476.

Mahalo!

You can [edit this submission](#) and [view all your submissions](#) easily.

**HB-476**

Submitted on: 2/11/2019 5:18:14 PM

Testimony for HSG on 2/12/2019 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Korynn Grenert	Individual	Support	No

Comments:

**LATE**

**From:** Kainani D <noreply@jotform.com>  
**Sent:** Monday, February 11, 2019 6:22 PM  
**To:** HSGtestimony; HSHtestimony  
**Subject:** Re: SUPPORT HB476 - Kainani D

**LATE**

 **SUPPORT HB476**

Name Kainani D  
Subject Testimony in SUPPORT of HB476  
Testimony Aloha Committee Chairs, Vice-Chairs, and Members,

I strongly support this badly-needed investment in affordable housing. According to DBEDT's 2015 Housing Demand Study, our State needs to build 66,000 housing units by 2025 to keep up with projected demand. Without a significant, annual baseline investment in the development of housing that is affordable for working families, we will continue to face a severe housing crisis. Please pass HB476.

Mahalo!

You can [edit this submission](#) and [view all your submissions](#) easily.

Hearing: **HB 476 in support**  
Date: February 12, 2019  
Location: State Capitol, Room 016

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 476.

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 476.

Mahalo nui for your consideration.

Sincerely,



Brandee Menino,  
Chief Executive Officer

**LATE**

**LATE**

JOIN OUR COMMUNITY



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