

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
EXECUTIVE DIRECTOR

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

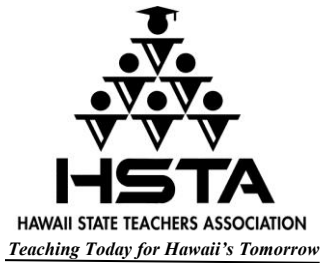
HOUSE COMMITTEE ON LOWER & HIGHER EDUCATION
HOUSE COMMITTEE ON HOUSING

March 19, 2019 at 2:00 p.m.
State Capitol, Room 309

In consideration of
S.B. 387, S.D. 2
RELATING TO TEACHER RENTAL HOUSING.

HHFDC supports S.B. 387, S.D. 2, to the extent that it does not replace priorities set forth in the Executive Biennium Budget. HHFDC has the necessary development tools and expertise to collaborate with other State departments and agencies to develop affordable housing -- in this case for teachers employed by the Department of Education.

Thank you for the opportunity to testify.



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Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON
LOWER & HIGHER EDUCATION AND THE COMMITTEE ON HOUSING

RE: SB 387, SD2 - RELATING TO TEACHER RENTAL HOUSING

TUESDAY, MARCH 19, 2019

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

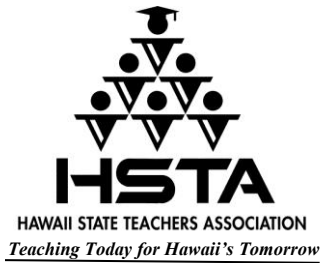
Chair Woodson, Chair Brower, and Members of the Committees:

The Hawaii State Teachers Association **supports SB 387, SD2** relating to teacher rental housing.

Hawai'i continues to suffer from a shortage of qualified teachers, especially in our hard-to-fill schools. According to the DOE's STRIVE HI accountability reports, for the 2017-2018 schoolyear, the state saw 1,011 State Approved Teacher Education programs (SATEP) vacancies, up from 920 SATEP vacancies in 2016-2017, including a slight increase in SPED SATEP vacancies, from 290 in 2016-2017 to 311 in 2017-2018, and now 352 SPED SATEP vacancies for 2018-2019 as report to the BOE by the HIDEOE.

Last year in 2018-2019 we saw yet another increase in SATEP vacancies of 1,029 teachers. As we have noted to the Board of Education at previous hearings, SPED teacher attrition has led to a situation in which 1 out of every 6 SPED teachers have not completed a state-sanctioned teacher training program. Our teacher shortage problem is further clarified in the DOE's 2016-2017 Employment Report, which shows that teacher resignations increased from 781 in 2015-2016 to 850 in 2016-2017 and 1,114 in 2018-2019, with only 294 due to retirement. Similarly in-state SATEP hires decreased from 404 to 387 from 2016-2018, while out-of-state SATEP hires increased from 508 to 572. Teacher attrition is worse in high-poverty areas. In the Nanakuli-Waianae Complex Area, for example, an astounding 18 out of 19 SPED teachers hired for the 2017-2018 school year did not have a special education license.

Financial incentives are a key strategy for the recruitment and retention of teachers, particularly given that Hawai'i's teacher salaries continue to trail the nation when adjusted for cost of living. IF we concentrate on retaining our



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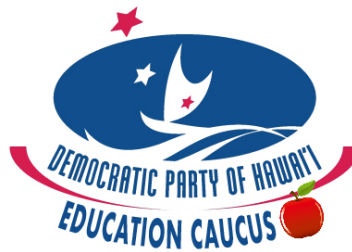
Wilbert Holck
Executive Director

teachers, the HDOE would not have to focus so much on the recruitment of teachers. To recruit and retain effective educators, policymakers must find ways to lessen the financial burden of being a public school teacher. Establishing a housing voucher program is a good first step.

In the islands, where new housing rarely becomes available, the percentage of renters who face cost burdens—financial handicaps incurred by people spending over 30 percent of their income on housing—is roughly 57 percent, according to the National Low Income Housing Coalition. Many of those cash-strapped renters are state educators, who are chronically underpaid. To make ends meet, many teachers are forced to pick up second and third jobs, live in cramped studio apartments, and cut back on necessities like medical and dental care. Thus they cannot devote their full attending to their students and the preparation of lessons and grading that they usually complete after school once their students have left for the day. Instead, they are rushing off to their second or even third jobs when they would much rather concentrate on their teaching duties and their students.

Thus, increasing the amount of affordable housing rental units for public school teachers would especially assist hard-to-fill schools in attaining sustainable and stable residency, while staving off crushing debt burdens that are exasperated by current high rental units available for teachers.

To take care of the needs of Hawaii's hardworking teachers, the Hawaii State Teachers Association asks your committee to **support** this bill.



SENATE BILL 387, SD 2, RELATING TO TEACHER RENTAL HOUSING

MARCH 19, 2019 · HOUSE LOWER AND HIGHER
EDUCATION AND HOUSING COMMITTEES · CHAIRS
REP. JUSTIN H. WOODSON AND REP. TOM
BROWER

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports SB 387, SD 2, relating to teacher rental housing, which authorizes the Hawai'i Housing Finance and Development Corporation to assist the Department of Education in developing teacher housing projects; authorizes the Hawai'i Housing Finance and Development Corporation to, in addition, contract or sponsor with any state department or agency; requires the Department of Education to lease land and contract with private entities for the development, revitalization, maintenance, and management of teacher housing; permits the Department of Education to lease teacher housing to other eligible tenants if occupancy of teacher housing falls below 95 percent; and appropriates funds for deposit into the dwelling unit revolving fund.

Currently, Hawai'i teachers experience the lowest salaries for their profession in the nation, when those salaries are adjusted for the cost of living. At the same time, island housing and rental prices are continuing to skyrocket. According to the Honolulu Board of Realtors, the median single-family home price in Honolulu hit a record \$812,500 in September of 2018, for example, while an analysis

of rental values performed by ATTOM Data Solutions released earlier this year found that Honolulu’s rentals are the second-least affordable in the country relative to wages.

The average Hawai’i public school teacher earns approximately \$58,000, which, on O’ahu qualifies as “low income”, per the U.S. Department of Housing and Urban Development. Until teacher pay is significantly increased—as it should be—we believe housing assistance may help curb Hawai’i’s teacher shortage crisis, which now stands at 1,029 positions statewide.

March 19, 2019

The Honorable Justin Woodson, Chair
House Committee on Lower & Higher Education

The Honorable Tom Brower, Chair
House Committee on Housing
State Capitol, Room 309
Honolulu, Hawaii 96813

RE: S.B. 387, SD2, Relating to Teacher Rental Housing

HEARING: Tuesday, March 19, 2019, at 2:00 p.m.

Aloha Chair Woodson, Chair Brower, and Members of the Joint Committees,

I am Ken Hiraki Government Affairs Director, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 9,500 members. HAR **supports** Senate Bill 387, SD2, which authorizes the Hawai'i Housing Finance and Development Corporation to assist the Department of Education in developing teacher housing projects.

This measure also requires the Department of Education to lease land and contract with private entities for the development, revitalization, maintenance, and management of teacher housing. The Department of Education may lease teacher housing to other eligible tenants if occupancy of teacher housing falls below 95%. This measure also appropriates funds for deposit into the Dwelling Unit Revolving Fund.

According to a 2017 study by the Joint Center for Housing Studies of Harvard University, Honolulu had the 4th highest rent amongst the 100 largest cities in the United States. As a State, Hawai'i has the highest cost burden at 50.8% of Hawaii's renters. Cost burdened households pay more than 30% of their income for housing, including utilities. Of that share, 27.1% are severely cost-burdened, where they spend more than 50% of their income on housing. As such, many of our Hawai'i residents, including teachers, cannot afford the high costs of housing and living in Hawai'i.

This measure allows for the Department of Education to lease its land and contract with private entities for the development of teacher housing. As such, we believe this is a creative approach to help teachers with Hawaii's high costs of housing, which in turn will help with teacher retention and recruitment.

Mahalo for the opportunity to testify.

SB-387-SD-2

Submitted on: 3/15/2019 9:14:05 PM

Testimony for LHE on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Comments:

SB-387-SD-2

Submitted on: 3/18/2019 1:17:40 PM

Testimony for LHE on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Gilbreath	Hawaiian Community Assets	Comments	No

Comments:

Our organization supports programs that will assist our teachers and their households earning \$75,000 annually or less in accessing housing that is truly affordable for them. Similar programs have been put in place at the Federal level, including HUD's Good Neighbor Next Door program which provides financial resources and support to teachers, fire fighters, police officers, and first responders interested in purchasing homes as 1st-time homebuyers. A State program to support our teachers with housing affordability as this bill does would pay dividends with our ability to retain quality teachers and best educate our next generation.



STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

LATE

Date: 03/19/2019

Time: 02:00 PM

Location: 309

Committee: House Lower & Higher
Education
House Housing

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 0387, SD2 RELATING TO TEACHER RENTAL HOUSING.

Purpose of Bill: Authorizes the Hawaii Housing Finance and Development Corporation to assist the Department of Education in developing teacher housing projects. Authorizes the Hawaii Housing Finance and Development Corporation to, in addition, contract or sponsor with any state department or agency. Requires the Department of Education to lease land and contract with private entities for the development, revitalization, maintenance, and management of teacher housing. Permits the Department of Education to lease teacher housing to other eligible tenants if occupancy of teacher housing falls below 95%. Appropriates funds for deposit into the dwelling unit revolving fund. Effective 7/1/2050. (SD2)

Department's Position:

The Department of Education (Department) supports the intent of SB 387, SD2, which authorizes the Hawaii Housing Finance and Developing Corporation (HHFDC) to assist the Department in developing teacher housing projects. The Department defers to HHFDC regarding implementation concerns related to this proposal.

With regard to the changes proposed to Chapter 302A, Hawaii Revised Statutes (HRS), the Department does not have the expertise or capacity to implement the proposed changes at this time. Respectfully, the Department believes further changes to Chapter 302A, HRS should wait until the pilot programs pursuant to Section 302A-1151.1, HRS are completed.

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

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice,

and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.

DAVID Y. IGE
GOVERNOR



JOHN S.S. KIM
CHAIRPERSON



STATE OF HAWAII
STATE PUBLIC CHARTER SCHOOL COMMISSION
(‘AHA KULA HO‘ĀMANA)

<http://CharterCommission.Hawaii.Gov>
1111 Bishop Street, Suite 516, Honolulu, Hawaii 96813
Tel: (808) 586-3775 Fax: (808) 586-3776

FOR: SB 387 SD2 Relating to Teacher Rental Housing
DATE: March 19, 2019
TIME: 2:00 P.M.
COMMITTEE: Committee on Lower and Higher Education
Committee on Housing
ROOM: Conference Room 309
FROM: Sione Thompson, Executive Director
State Public Charter School Commission

Chair Woodson, Chair Brower, and members of the Committees:

The State Public Charter School Commission (“Commission”) appreciates the opportunity to submit this testimony in **SUPPORT OF THE INTENT of SB 387 SD2**, which authorizes the Hawaii Housing Finance and Development Corporation to develop rental housing projects for teachers employed by the Department of Education and public charter schools. The Commission is grateful for the inclusion of public charter schools in this measure but does defer to the Department of Education regarding the specifics of the program created by this measure.

The Commission further appreciates the Legislature’s efforts and willingness to address teacher recruitment and retention through initiatives such as this measure. The Commission looks forward to collaborating with the committees, the Department of Education, other affected stakeholders, and public charter schools in moving this legislation forward.

Thank you for the opportunity to provide this testimony.