

DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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Honolulu, Hawaii 96813
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IN REPLY REFER TO:

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 9, 2021 at 10:00 a.m.
State Capitol, Room 423

In consideration of
H.B. 606
**AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR
AFFORDABLE HOUSING.**

The HHFDC supports H.B. 606, which makes unspecified General Obligation Bond appropriations for infusion into the Dwelling Unit Revolving Fund (DURF) and the Rental Housing Revolving Fund (RHRF) in FY2021-2022. HHFDC appreciates the consideration of infusing funds into DURF and RHRF, provided that it does not adversely affect priorities set forth in the Executive Biennium Budget.

DURF was established pursuant to Act 105, SLH 1970 to carry out the purposes of the Housing Development Program. Funds may be used for the acquisition of real property; development and construction of residential, commercial, and industrial properties; interim and permanent loans to developers; development of regional infrastructure; and any and all things necessary to carry out the purposes of the Housing Development Program, including administrative expenses. The Executive Biennium Budget includes a General Obligation Bond appropriation of \$20,000,000 in FY2022-2023 for infusion into DURF.

RHRF was established pursuant to Act 308, SLH 1992, as the Rental Housing Trust Fund to provide a continuous renewable resource to assist very low- and low-income families and individuals, including the homeless and special need groups, in obtaining rental housing. The fund was renamed and reclassified as a revolving fund by Act 237, SLH 2015. The Executive Biennium Budget includes a General Obligation Bond appropriation of \$25,000,000 in FY 2022-2023 for infusion into RHRF.

Thank you for the opportunity to testify.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 606: AUTHORIZING THE ISSURANCE OF GENERAL OBLIGATION BONDS FOR AFFORDABLE HOUSING

TO: Representative Nadine K. Nakamura, Chair, Representative Troy N. Hashimoto, Vice Chair; and Members, Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Tuesday, 2/9/21; 10:00 AM; via videoconference**

Chair Nakamura, Vice Chair Hashimoto, and Members, Committee on Housing::

Thank you for the opportunity to provide testimony **in strong support** of HB 606, authorizing GO bonds to the rental housing revolving fund for the construction of affordable rentals. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners in Care (PIC).

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.

CCH strongly supports GO bond funding to the Rental Housing Revolving Fund (RHRF).

This past year has shown that affordable housing is critical as people try to recover from economic disaster, but often with reduced hours or long-term unemployment. Continuing to create affordable rentals will not only give hope to stressed families as we recover, but will give a much needed boost to the state's economy. We recognize that the State faces many challenges and even bond funding faces limits. We urge that the immediate and ongoing needs of our residents for affordable rentals should be a priority in allocating CIP funding.

The legislature is concerned about the ALICE population. Many may face homelessness in this crisis. Creating affordable rentals is one major factor of the cost of living over which the Legislature has some control. We also are greatly concerned about our kupuna who are at great risk due to limited incomes. Seniors like a 63 year old woman who came to our Housing Assistance Program for elders since she was renting a room from her niece but wanted her own place. We counseled her and helped her to apply for rentals. However, with the long wait lists for an affordable unit, she eventually became homeless due to overcrowding and safety issues. She was living in her car when she called us with awesome news. She had gotten a unit at a senior housing project in Pearl City, funded by the RHRF! She was even willing to give up her car in order to pay the rent and remain independent with her limited income.

Hawai'i's people, communities, and especially our most vulnerable, depend on all of us to continue to pay attention to affordable housing during this crisis. We urge your support for HB 606 including a significant allocation for the construction of affordable rentals. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



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Phone (808) 373-0356 • bettylou.larson@CatholicCharitiesHawaii.org



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 606: AUTHORIZING THE ISSURANCE OF GENERAL OBLIGATION BONDS FOR AFFORDABLE HOUSING

TO: Committee on Housing
FROM: Partners In Care (PIC)
Hearing: **Tuesday, 2/9/21; 10:00 AM; via videoconference**

Chair Nakamura, Vice Chair Hashimoto, and Members, Committee on Housing::

Thank you for the opportunity to provide testimony **in strong support** of HB 606, authorizing GO bonds to the rental housing revolving fund for the construction of affordable rentals. Partners in Care (PIC), a coalition of more than 60 non-profit homelessness providers and concerned organizations, urges your continued prioritization for GO bond funding for affordable rental production.

We cannot afford to stop investing in affordable housing development, and by investing in it now, the legislature will be strengthening our economy. Job creation is vital to help pull the State out of this economic crisis. While it may not be feasible to commit the level of resources committed in previous years, Partners In Care urges your support for a strong allocation to the RHRF to meet the critical needs of our population during this economic crisis which will extend out for the next 3-4 years.

Year after year, our housing crisis has worsened, and then the pandemic hit hard on working people already struggling with Hawaii's high cost of living. We fear that more residents may be driven into homelessness and even more young workers may be pushed into moving out of state. The future of Hawaii is at stake.

The Rental Housing Revolving Fund is the major pathway for the State to promote the development of affordable rental units. In FY 2021, 1,169 new units, built with funding from the Rental Housing Revolving Fund, will be completed. These 10 rental projects will be a godsend for our struggling families. But to house Hawaii's lower income families (making \$61,000 or less/year), 20,000 housing units are needed by the year 2025.

Because of Hawaii's lack of affordable rental housing, 60% of our families pay more than one-third of their income on rent. Not only are they hit hard by the pandemic, but any unexpected life event, such as caring for a sick family member, or recovering from a car accident, will put them into financial jeopardy. The elderly are also at high risk. Partners in Care is **very concerned about the projections that elderly homelessness will grow 300% over the next 10 years**. Even worse, these projections were prior to the pandemic hitting older workers hard.

We urge your strong support for funding to the Rental Housing Revolving Fund. Besides the important economic impact, this funding will provide hope to our struggling citizens.

Connie Mitchell, Advocacy Chair, PARTNERS IN CARE, OAHU'S CONTINUUM OF CARE
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**The State Legislature
House of Representatives
Committee on Housing
Tuesday, February 9, 2021
10:00 a.m.**

TO: The Honorable Nadine Nakamura, Chair

RE: H.B. 606 Relating to Issuance of General Obligation Bonds for Affordable Housing

Aloha Chair Nakamura and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with nearly 145,000 members in Hawai'i.

AARP Hawai'i supports H.B. 60 which authorizes the issuance of general obligation bonds with funds to be deposited in the dwelling unit revolving fund and the rental housing revolving fund.

AARP continues to support funding allocations for affordable housing. The high cost of housing has driven many people to homelessness or the need to leave Hawaii. There is an urgent need to increase Hawaii's inventory of affordable housing so that residents can have a place to live and not leave the state. Issuing general obligations bonds for the rental housing revolving fund and the dwelling unit revolving fund is a prudent investment in our future. For example, 1,169 new units - in 10 rental projects - will be completed in FY 2021. These projects were financed through the Rental Housing Revolving Fund.

Thank you very much for the opportunity to support H.B. 606.

Sincerely,

A handwritten signature in black ink, appearing to read "Keali'i Lopez".

Keali'i Lopez, AARP Hawai'i
State Director

February 9, 2021

The Honorable Nadine Nakamura, Chair

House Committee on Housing

Via Videoconference

RE: H.B. 606 Authorizing the Issuance of General Obligation Bonds for Affordable Housing

HEARING: Tuesday, February 9, 2021, at 10:00 a.m.

Aloha Chair Nakamura, Vice Chair Hashimoto, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **supports** House Bill 606, which authorizes the issuance of general obligation bonds with the funds to be deposited into the Dwelling Unit Revolving Fund and the Rental Housing Revolving Fund (RHRF.)

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawai'i, the State needs up to 46,000 housing units to meet demand in Hawai'i by 2030. Hawai'i needs more housing at all price points, including affordable rentals.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Revolving Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

As such, HAR supports this measure as it provides much needed funding for affordable rental housing opportunities for Hawaii's residents and will help address the States unique housing challenges.

Mahalo for the opportunity to testify.

HB-606

Submitted on: 2/8/2021 7:29:09 AM

Testimony for HSG on 2/9/2021 10:00:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Kathy Jaycox | Individual | Support | No |

Comments:

Aloha and thank you for this opportunity to speak in support of HB 606.

We know that over 20,000 housing units for families making 60% of AMI or less are needed by 2025. We also know that more than half of Hawaii's renters pay more than 30% of their incomes for rent. The Rental Housing Revolving Fund has proven its success. The fund needs to have a steady source of long-term support in order to attract partnership with developers. This is what will lead to continued production of sorely-needed new rental housing units.

I urge your approval of this bill.

Mahalo.

Dolores Foley, PhD
Pacific Academic Consultants
1389 Akalani Loop
Kailua, Hawaii 96734

TO: The Honorable Nadine Nakamura, Chair

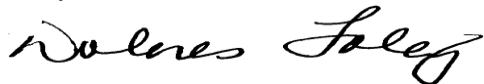
RE: H.B. 606 Relating to Housing

Aloha Chair Nakamura and Members of the Committee:

My testimony is in support of H.B. 606. There is an urgent need to increase Hawaii's inventory of affordable housing so that residents can have a place to live and not leave the state. Issuing general obligations bonds for the rental housing revolving fund and the dwelling unit revolving fund is a prudent investment in our future. Because of Hawaii's lack of affordable rental housing, 60% of our families pay more than one-third of their income on rent, which means that unexpected life events, such as losing a job, caring for a sick family member or recovering from a car accident, will put them into financial jeopardy. Investing in affordable housing now will generate jobs and strengthen the economy. To house Hawaii's lower income families – those making \$61,000 or less – 20,000 housing units are needed by the year 2025.

Thank you very much for the opportunity to support H.B. 606

Sincerely,

A handwritten signature in cursive script that reads "Dolores Foley".