



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

Date: 02/10/2022

Time: 02:00 PM

Location: 309 Via Videoconference

Committee: House Education
House Housing

Department: Education

Person Testifying: Keith T. Hayashi, Interim Superintendent of Education

Title of Bill: HB 2345 RELATING TO LAND.

Purpose of Bill: Appropriates moneys to Hawaii Housing Finance and Development Corporation to purchase the fee simple interest or acquire an interest in real property located in Ewa Beach on the island of Oahu to develop affordable housing with priority given to department of education classroom teachers in the beginning of their career.

Department's Position:

The Hawaii State Department of Education (Department) supports the intent of HB 2345 and its purpose to develop affordable housing opportunities for teachers and appreciates the opportunity to provide comments.

Teacher recruitment and retention is a long-standing issue and has become a serious area of concern during the ongoing COVID-19 pandemic. The Department has initiated a collaborative effort with the Hawaii Housing Finance and Development Corporation in hopes of drawing from their experience in developing affordable housing.

School impact fees were established in 2007 to mitigate the capacity impacts of specific schools within a district associated with the construction of new residential developments. Statutory restrictions limit the use of school impact fees and their credits to increase school capacity by constructing additional classrooms and making improvements to other support facilities.

Thank you for the opportunity to testify on this measure.

HB-2345

Submitted on: 2/10/2022 9:23:53 AM

Testimony for EDN on 2/10/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Keith Hayashi	Hawaii Department of Education	Support	Yes

Comments:

Support

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEES ON EDUCATION AND HOUSING
ON
HOUSE BILL NO. 2345

February 10, 2022
2:00 p.m.
Room 309 and Videoconference

RELATING TO LAND

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 2345 appropriates an unspecified amount of general funds for FY 23 to the Hawai'i Housing Finance and Development Corporation (HHFDC) to purchase the fee simple interest or acquire an interest in real property located in Ewa Beach on the island of O'ahu to develop affordable housing, with priority given to Department of Education classroom teachers in the beginning of their career.

B&F notes that the acquisition of land is generally funded via capital improvement project appropriations using general obligation bonds and not general funds. B&F also notes that HHFDC may have constraints in developing affordable housing projects with preferential prioritization of teachers because of federal Fair Housing laws and regulations.

Finally, B&F notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires

that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

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
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

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

HOUSE COMMITTEE ON EDUCATION

February 10, 2022 at 2:00 p.m.
State Capitol, Room 309

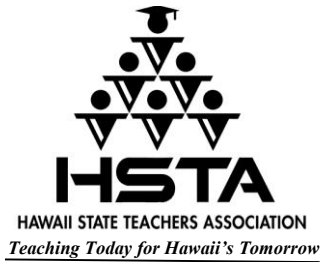
In consideration of
H.B. 2345
RELATING TO LAND.

The HHFDC **offers comments** on H.B 2345, which appropriates monies to the agency to purchase the fee simple interest or acquire an interest in real property located in Ewa Beach on the island of Oahu to develop affordable housing with priority given to department of education classroom teachers in the beginning of their career.

Because the subject parcel bearing Tax Map Key No. (1) 9-1-102: 027 currently is not improved with dwellings, the appraisal requirement under Hawaii Revised Statutes Subsection 201H-33(d) would not apply to HHFDC's acquisition of a real property interest in the land. Nevertheless, HHFDC believes it prudent to obtain a fair market appraisal report to support the cost of land acquisition for a public purpose and therefore requests an appropriation of \$25,000 to procure such a report.

The measure is unclear as to how construction would be financed. HHFDC would like to note that our primary financing tool is the Low-Income Housing Tax Credit program. Under the LIHTC program, HHFDC must conform to Fair Housing laws, meaning that any project financed with LIHTC must be made available to the general public on an equitable basis.

Thank you for the opportunity to testify.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Osa Tui, Jr.
President

Logan Okita.
Vice President

Lisa Morrison
Secretary-Treasurer

Wilbert Holck
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON EDUCATION AND
THE HOUSE COMMITTEE ON HOUSING

RE: HB 2345 - RELATING TO LAND

THURSDAY, FEBRUARY 10, 2022

OSA TUI, JR., PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chairs Woodson and Nakamura and Members of the Committees:

The Hawaii State Teachers Association **supports HB 2345** relating to land.

This bill will appropriate a yet-unspecified amount to the Hawai'i Housing Finance and Development Corporation to purchase real property in 'Ewa Beach to develop affordable housing prioritized for teachers at the beginning of their careers.

Hawai'i continues to suffer from a severe shortage of licensed teachers. Financial incentives and affordable options for teacher housing can be an important strategy for the recruitment and retention of teachers, particularly given that teachers' salaries in Hawai'i continue to trail the nation when adjusted for cost of living. Housing is a big portion of each teacher's paycheck.

If we concentrate on retaining our 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. 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 attention 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.



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Secretary-Treasurer

Wilbert Holck
Executive Director

While HSTA supports this bill, we would ask that the following language be removed:

(1) A reduction or waiver of school impact fees owed by the seller or lessor for any project of the developer;

As we work together to improve both public education and expand affordable housing in Hawai'i, we should not be moving supporting one while undermining the other. School impact fees are critical sources of revenue for school infrastructure and they seem to be regularly waived when considerations are given to affordable housing projects. We would urge the committee to find other financial reductions or waivers that don't impact public education.

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



February 10, 2022

The Honorable Justin H. Woodson, Chair
House Committee on Education
The Honorable Nadine K. Nakamura, Chair
House Committee on Housing
Hawaii State Senate
State Capitol
Honolulu, Hawaii 96813

RE: H.B. 2345 RELATING TO LAND

Hearing: Thursday, February 10, 2022; 2:00 PM
Via Videoconference, Conference Room 309, State Capitol

Dear Chairs Woodson and Nakamura and Members of the Joint Committee on Education and Housing:

My name is Debbie Luning, testifying on behalf of Gentry Homes. Although Gentry is very supportive of affordable housing development, we have a number of concerns regarding this measure as currently drafted.

As background: Gentry Homes is the owner of the parcel of land in Ewa by Gentry that is the subject of this bill. It is a 12-acre parcel of land that is located next to Holomua School and it was originally planned to be a neighborhood park. However, for years, the parcel was used as a temporary drainage basin to service the Ewa by Gentry community. Fairly recently, plans for a permanent drainage basin located elsewhere in the EbG community were approved by the City and it is currently under construction. The temporary drainage basin is currently being filled for future development of the site.

Gentry has already fulfilled the City's Park Dedication requirements for Ewa by Gentry and the 12-acre site is not needed for park dedication purposes. Nonetheless, we would like to reserve at least a portion of the site for park purposes, because that is what has been promised to the community. Because of its underlying zoning, P-2 General Preservation, the land could also be used for other public purposes without the necessity of going through the rezoning process.

We began discussions with the DOE in 2016 or even prior to that, broaching the idea of dedicating some of the park land to the DOE for the expansion of Holomua Elementary School. This idea was raised by the community at several Ewa Neighborhood Board meetings. DOE personnel expressed that they were very interested in working with Gentry to acquire some additional land.

Fast forward to 2022. As we understand it, Holomua is still overcrowded and it is the only multi-track school remaining in the State. In addition to the possible need for more classrooms and other facilities,

The Honorable Justin Woodson
The Honorable Nadine Nakamura
February 10, 2022
Page 2 of 2

the existing parking lot is in need of expansion. Because we are finalizing the development of Ewa by Gentry and the 12-acre park site, we again reached out to DOE a few months ago to see if there was a continued interest in acquiring some of the adjacent park property and, if so, the amount of land that would be needed for the school's expansion. Discussions are still underway.

As currently drafted, the bill states that the entire 12-acre parcel would be used solely for residential development. While we recognize the need for more affordable rental housing projects, we are concerned because other needs of the community, including possible expansion of Holomua Elementary School and additional park and recreation space, would go unmet under the current bill. We recommend that the bill be broadened to provide more options regarding future use of the property.

We would be happy to work with your Joint Committee to craft a bill that would be workable and a win-win for all involved

Thank you for the opportunity to express our concerns.

Sincerely,

GENTRY HOMES, LTD.



Debra M. A. Luning
Director of Governmental Affairs and
Community Relations



HAWAII GOVERNMENT EMPLOYEES ASSOCIATION
AFSCME Local 152, AFL-CIO

RANDY PERREIRA, Executive Director • Tel: 808.543.0011 • Fax: 808.528.0922

The Thirty-First Legislature, State of Hawaii
House of Representatives
Committee on Education
Committee on Housing

Testimony by
The Hawaii Government Employees Association

February 10, 2022

H.B. 2345 — Relating To Land

The Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO wishes to provide comments on H.B. 2345, which proposes to appropriate moneys to the Hawaii Housing Finance and Development Corporation to purchase the fee simple interest or acquire an interest in real property located in Ewa Beach on the island of Oahu to develop affordable housing with priority given to department of education classroom teachers in the beginning of their career.

The HGEA represents thousands of employees who work for the department of education on all islands who make less than a starting Hawaii teacher's salary. These employees work in Ewa Beach alongside teachers in the classroom, like our educational assistants, communicate aides, and special services personnel who service our most vulnerable children. They, too, should benefit from an affordable housing program developed by a state agency. If affordable rental housing will be made available with priority given to new teachers, then the legislature should consider providing "workforce housing" for all other government employees regardless of jurisdiction or years of service.

Thank you for the opportunity to provide comments on H.B. 2345.

Respectfully submitted,

Randy Perreira
Executive Director

HB-2345

Submitted on: 2/8/2022 5:15:12 PM

Testimony for EDN on 2/10/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Michael Press	Individual	Support	No

Comments:

As a teacher at Ilima Intermediate in Ewa Beach I fully support this bill. I ask that you do the same.

HB-2345

Submitted on: 2/9/2022 3:16:33 PM

Testimony for EDN on 2/10/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Makanoë Hufana	Individual	Support	No

Comments:

Aloha, I support HB2345 regarding appropriating money to Hawai'i Housing Finance and Development Corporation purchasing housing lands in Ewa Beach Oahu for affordable housing with priority given to DOEclassroom teachers at the beginning of their career.

Mahalo

Makanoë Hufana

HB-2345

Submitted on: 2/9/2022 7:03:17 PM

Testimony for EDN on 2/10/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Vickie Parker Kam	Individual	Support	No

Comments:

WRITING IN STRONG SUPPORT.

Sorry, I was busy teaching today and I think this may be late...

Mahalo for listening,

Vickie Kam

HIDOE Teacher