

February 12, 2021

Hawaii State House of Representatives
Committee on Housing
Attn: Rep. Nadine K. Nakamura, Chair
Rep. Troy N. Hashimoto, Vice Chair

SUBJECT: HB 525, HD1 Relating to Teacher Housing

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

Thank you for this opportunity to submit comments on HB525, HD1 relating to Teacher Housing. As a 53-year-old non-profit (501(c)-3) developer and manager of low-income rental housing, with some experience in developing Teacher Housing in California, EAH would like to make you aware of a financing option available to the Department of Education.

The Low Income Housing Tax Credit (LIHTC) Program, Section 42 of the Internal Revenue Code, has a carve out for Teacher Housing to allow such housing to be built without incurring Fair Housing violations. LIHTC serves those with incomes at or below 60% of the area median income (AMI). The 2020 HUD maximum annual income at 60% AMI for a single person is \$52,920, for 2 persons \$60,480 and for 3 persons it is \$68,040. The incomes and rents are adjusted annually by HUD – 2021 income and rent limits have not been issued yet. EAH is an expert in the use of LIHTCs and the property management of such communities. We are available for further discussion if needed.

Whether LIHTCs are used or not, we would advise on limiting the use restrictions placed on such a development. The main purpose should be to create a self-sustaining rental housing community for teachers and their family members no matter what campus they are assigned. Under LIHTC the principal restriction would be income and that limits your market. There should also be a provision to offer rentals to the public should the occupancy drop below 90% no matter what type of financing is used.

Mahalo for the opportunity to submit our thoughts on this issue.

Sincerely,

Kevin R. Carney, RB-16444
(PB), NAHP-E
Vice President, Hawaii



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

Date: 02/16/2021

Time: 10:30 AM

Location: 423 Via Videoconference

Committee: House Housing

Department: Education

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

Title of Bill: HB 0525, HD1 RELATING TO TEACHER HOUSING.

Purpose of Bill: Clarifies that the Department of Education may construct housing for teachers on a public school campus. Requires that housing units constructed or acquired on a school campus after 6/30/2021, be rented at a low cost or no cost to new teachers employed full-time at that school. Effective 7/1/2050. (HD1)

Department's Position:

The Department of Education (Department) supports HB 525, HD1.

The Department is currently exploring the possibility of developing teacher housing on select public school campuses. Supporting more opportunities to increase low cost or no cost teacher housing options statewide directly improve the Department's recruitment and retention efforts.

A January 2020 compensation study contracted by the Department revealed that 78 percent of survey respondents indicated that the lack of housing availability negatively impacted teacher retention in Hawaii. Additionally, a December 2020 comparator and competitor report developed for the Department on teacher recruitment revealed that similarly situated school districts in other states provide greater opportunities for low-cost or no-cost teacher housing for full-time employees. Furthermore, as related to this report, focus groups of current and former Department teachers echoed the need for not only more affordable housing opportunities, but inventory both in geographically isolated areas and in higher priced rental locations.

Thank you for this opportunity to provide testimony on HB 525, HD1.

The Hawai'i State Department of Education is committed to delivering on our promises to students, providing an equitable, excellent, and innovative learning environment in

every school to engage and elevate our communities. 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.

HB-525-HD-1

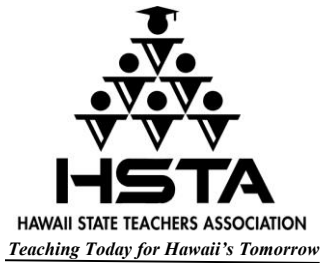
Submitted on: 2/12/2021 7:08:52 PM

Testimony for HSG on 2/16/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kehaulani Shintani	Individual	Support	No

Comments:

kakoo.



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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 HOUSING

RE: HB 525, HD1- RELATING TO TEACHER HOUSING

TUESDAY, FEBRUARY 16, 2021

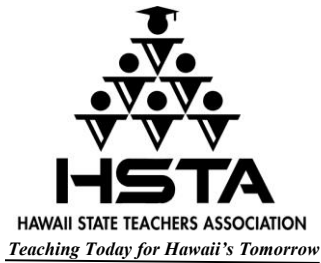
COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Nakamura and Members of the Committee:

The Hawaii State Teachers Association **supports HB 525, HD1**, relating to teacher housing. This bill clarifies that the Department of Education may construct housing for teachers on a public school campus. Requires that housing units constructed or acquired on a school campus after 6/30/2021, be rented at a low cost or no cost to new teachers employed full-time at that school. Effective 7/1/2050. (HD1).

Hawai'i continues to suffer from a shortage of licensed teachers. Financial incentives and affordable options for teacher housing are key strategies 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. Housing is a big portion of each teacher's paycheck.

IF we concentrate on retaining our teachers, the Department 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. Building more teacher housing, especially for our new teachers, and establishing affordable teacher rental housing is helpful. 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



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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.

Thus, building more teacher housing, as long as it is affordable for teachers, will assist them in attaining sustainable and stable residency, while staving off crushing debt burdens. It would also make the teaching profession more attractive by increasing educators' ability to find affordable housing that won't take their whole paycheck.

To take care of the needs of our hardworking public school educators in Hawai'i, the Hawaii State Teachers Association asks your committee to **support** this bill.

LATE

15 Pepeluali 2021

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

Committee of Housing

Representative Nadine K. Nakamura, Chair
Representative Troy N. Hashimoto, Vice Chair

Lā: 16 Pepeluali 2021

Hola: 10:30a

Wahi: Conference Room 423

RELATING TO TEACHER HOUSING

H.B. 525 HD1: SUPPORT WITH AMMENDMENTS

‘O au ‘o M. ‘Ekekela Aiona, ka Pelekikena o ka ‘Ahahui Siwila ‘o Ke Aloha ‘Āina
My names is M. ‘Ekekela Aiona, President of the ‘Ahahui Siwila ‘o Ke Aloha ‘Āina

Eia nō au ke hō‘ike mana‘o nei i ke *kāko‘o i ka pila H.B. 525 HD1 me kēia mau loli:*

I am submitting testimony in support of H.B. 525 HD1 with the following ammenments:

Add **or Charter to Page 2: Line 3: (1) With less than six years of public or charter school teaching experience in the State;**

Add **campus to Page 2: Line 6: (3) Who is employed full-time at the school campus in which the housing unit is located;**

Mahalo no ka ‘ae ‘ana i ka hō‘ike mana‘o me ke kāko‘o i ka pila H.B. 525 HD1
Mahalo for this opportunity to provide testimony in support of H.B. 525 HD1

Mahalo nui,



M. ‘Ekekela Aiona
Pelekikena

‘Ahahui Siwila ‘o Ke Aloha ‘Āina (Hawaiian Civic Club)

LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

February 16, 2021

The Honorable Justin Woodson, Chair
House Committee on Housing
Via Videoconference

LATE

RE: H.B. 525, HD1, Relating to Teacher Housing

HEARING: Thursday, February 16, 2021, at 10:30 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 525, HD1, which clarifies that the Department of Education may construct teachers' housing on a public school campus. Requires that teachers' housing units constructed or acquired on a school campus after 6/30/2021, be rented at a low cost or no cost to new teachers employed full-time at that school.

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. Ultimately, we have a housing supply problem, and we need creative solutions to build more housing at all price points, including for teachers. Land costs is a big part of the development costs, so by utilizing public school lands to build teacher housing would help.

Furthermore, the National Association of REALTORS® Profile of Home Buyers and Sellers found that for first-time homebuyers, saving for the down payment was the most difficult task in the buying process. To put this in perspective, the following is the median sales price in December 2020, for a single-family home, based on a 20% conventional loan:

County:	Median Sales Price:	20% Downpayment:
Hawai'i Island	\$485,000	\$97,000
Kaua'i	\$915,000	\$183,000
Maui	\$865,000	\$173,000
Oahu	\$870,000	\$174,000

Additionally, according to the Profile Report, student loans and high rent costs were debts that delayed savings for a down payment. By renting at low-cost or no cost to teachers, this would help our teachers save for a down payment.

Furthermore, at a time when our economy is hurting, this is a creative approach to tackle the solution of housing and helping our teachers.

Mahalo for the opportunity to testify.