

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

IN REPLY PLEASE REFER TO:

677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
PHONE: (808) 587-0620
FAX: (808) 587-0600

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

HOUSE COMMITTEE ON HOUSING

March 22, 2023 at 10:00 a.m.
State Capitol, Room 312

In consideration of
H.C.R. 138/ H.R. 140
URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING
TAX CREDIT (LIHTC) PROGRAM.

HHFDC recognizes that homelessness is a longstanding statewide issue and supports state and county efforts to provide the unsheltered homeless with housing and related services. Furthermore, HHFDC agrees that supportive housing is an innovative solution to house special needs populations, which includes the chronically homeless, individuals with disabilities, transitioning from incarceration, and those suffering from substance abuse.

HHFDC offers the following comments on H.C.R. 138/ H.R. 140, which urges HHFDC to amend the 2023-2024 Qualified Allocation Plan (QAP) for LIHTC to facilitate supportive housing development by allowing 1) developers to restrict the supportive housing units for special needs tenants for the duration of the committed affordability period/ LIHTC compliance period and 2) for the application of a vacant-unit rule that would allow developers to rent a supportive housing unit to an income-eligible tenant after making reasonable attempts to rent the unit, or the next available unit, to a special needs tenant.

It is too late to amend the 2023-2024 QAP. In January, HHFDC convened a working group to consider changes for the 2024-2025 QAP. Supportive housing was not considered at this time. The final draft will be sent to HHFDC's Board of Directors in May, with Board approval expected in August. As the QAP is amended every two years, the next opportunity will be in January 2025.

The QAP determines which housing projects should receive allocations of LIHTC by awarding points based on evaluation criteria that are aligned with the intent of the LIHTC program established under the Internal Revenue Code. As such, we generally oppose legislation that imposes individual QAP mandates. Ultimately, it can have the effect of undermining the intent of the evaluation criteria.

Thank you for the opportunity to provide testimony.



HCR138 Tax Credits to help Supportive Housing Pilot Project

COMMITTEE ON HOUSING

Rep. Troy N. Hashimoto, Chair

Rep. Micah P.K. Aiu, Vice Chair

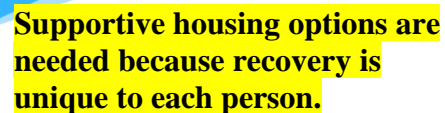
Wednesday, Mar 2, 2023 10:00: Room 311

Hawaii Substance Abuse Coalition Supports HCR138:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery services.

Connection, support, sobriety, employment, and quality of life—these are all significant outcomes for people in recovery.

Supportive Housing (SH) is community-based housing targeted to low-income households with that combines housing with case management and wrap around care.



Supportive housing options are needed because recovery is unique to each person.

The Hawai'i Supportive Housing Work Group was formed by the Hawaii Interagency for Homelessness through funding by the 2022 Hawaii State Legislature to establish a broad stakeholder group that could benefit from supportive housing, by pairing a housing unit with a rental subsidy and supportive services that fit the residents' needs.

- **This combination enables housing stability for community members with higher needs who may not be able to stay housed with a housing unit alone.**
- Local and national studies demonstrate the benefits of supportive housing on individual residents, our public systems, and our entire community.

SH is not formal treatment but has elements similar to treatment in that they involve peer support and other addiction recovery aids.¹ It's important to have various housing options for people because recovery is unique to each person.

SAMHSA's Definition for Homeless towards Recovery²

¹ SAMHSA Affordable Housing Models and Recovery <https://www.samhsa.gov/homelessness-programs-resources/hpr-resources/affordable-housing-models-recovery>

² SAMHSA's Working Definition of Recovery. <http://store.samhsa.gov/shin/content/PEP12->

1. Choice - Making informed, healthy choices that support physical and emotional wellbeing.
2. Home—A stable and safe place to live.
3. Purpose—Meaningful daily activities, such as a job, school, volunteerism, family caretaking, or creative endeavors, and the independence, income and resources to participate in society.
4. Community—Relationships and social networks that provide support, friendship, love, and hope.

Supportive Housing (SH) helps to develop and provide housing and related supportive services for higher needs people moving from homelessness to independent, supportive living.³ Program funds help homeless people live in a stable place, increase their skills and their income, and gain more control over the decisions that affect their lives.

Services include housing subsidies, transitional housing, outreach, case management, childcare, social skills development, job training/placement, health care, and transportation. Medicaid or Supplemental Security Income (SSI) can help with funding. Supportive housing combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities including substance use disorders and mental health disorders.

Study after study has shown that supportive housing not only **resolves homelessness** and increases housing stability, but also improves health and **lowers public costs by reducing the use of publicly-funded crisis services, including shelters, hospitals, psychiatric centers, jails, and prisons.**

- The SH model has been demonstrated to permanently keep the majority of persons who enter the program from ever becoming homeless again.
- A primary goal is to address those significant challenges to help people avoid future episodes of homelessness.
- It's a higher level than a shelter that often limits the hours when a person can be onsite resulting in homeless individuals wandering through the neighborhood during the day.

Core Components

Supportive housing links decent, safe, affordable, community-based housing with flexible, support services designed to help the individual stay housed and live a more productive life in the community. There is no single model for supportive housing's design.

There are three approaches to operating and providing supportive housing:⁴

RECDEF/PEP12-RECDEF.pdf

³ HUD Exchange SHP Supportive Housing Program <https://www.hudexchange.info/programs/shp/>

⁴ Unites States Interagency Council on Homelessness: Supportive Housing. <https://www.usich.gov/solutions/housing/supportive-housing/>

1. **Purpose-built or single-site housing:** Apartment buildings designed to primarily serve tenants with the support services typically available on site.
2. **Scattered-site housing:** People lease apartments in private market or general affordable housing apartment buildings using rental subsidies. They can receive services from staff who can visit them in their homes as well as provide services in other settings.
3. **Unit set-asides:** Affordable housing owners agree to lease a designated number or set of apartments to tenants who have exited homelessness or who have service needs, and partner with supportive services providers to offer assistance to tenants.

We appreciate the opportunity to provide testimony and are available for further questions.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF: HCR 138 / HR 140: URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING TAX CREDIT PROGRAM.

TO: House Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii
Hearing: **Wednesday, 3/22/23; 10:00 AM; CR 312 & via videoconference**

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

We appreciate the opportunity to provide testimony **in support of HCR 138/ HR 140**, which urge the Hawai'i Housing Finance and Development Corporation to promote supportive housing in the State's Low Income Tax Credit program. I am Rob Van Tassell, with Catholic Charities Hawai'i.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 75 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 long been a supporter of funding to create substantial rental housing in our State.

CCH strongly supports Permanent Supportive Housing which addresses the growing wave of people with special needs who would benefit from supportive living to live safe and dignified lives. By linking affordable housing with access to services, supportive living can serve a wide range of special need populations. Studies have shown that this type of housing can generate significant cost savings to public systems.

The Low Income Housing Tax Credit Program (LIHTC) is a major resource to create affordable rentals. However, few projects have come to the Hawai'i Housing Finance and Development Corporation and been funded for special need populations. With LIHTC funding, special need units can only serve the stated population and vacant units must be held open until there is an eligible special need applicant. Units are restricted to the special need population for a long affordability period, often over 60 years. In order to reduce risk and encourage more development, the resolution proposes to allow developers to exert their best efforts to restrict units to special need tenants but would allow them to rent to other income-eligible tenants after making reasonable attempts to rent the unit, or the next available unit, to a special needs tenant.

Catholic Charities Hawai'i supports making the selection criteria more flexible as proposed in this resolution. With the long affordability period, this change may encourage more production of these units. This is an appropriate time to ask HHFDC to consider this issue since they are currently in the process of making revisions, which are done every 2 years.

If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.



Hearing Date: MARCH 22 at 10:00 am

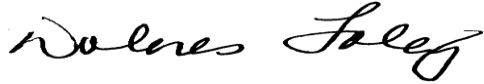
RE:HR 140/HCR138

Submitted by Dolores Foley

TESTIMONY ON RELATING TO SUPPORTIVE HOUSING

Dolores Foley supports HR140/HCR 138 1, which seeks to establish a supportive housing pilot program for individuals with special needs within the Office of Homelessness and Housing solutions and appropriate funds to support these purposes and the positions that will be needed to carry out this measure.

Mahalo for the opportunity to testify

A handwritten signature in black ink that reads "Dolores Foley". The signature is written in a cursive, flowing style.

Dolores Foley

DATE: March 20, 2023

FROM: Ann S. Yabusaki, Ph.D.

TO: Representative Troy N. Hashimoto, Chair
Representative Miah P.K. Aiu, Vice Chair
Members of the House Housing Committee

RE: **Support of HCR 138** URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING TAX CREDIT PROGRAM.

I am writing in strong support of HCR 138.

I am a psychologist who works with individuals and families affected by Fetal Alcohol Spectrum Disorders (FASD). FASD is a developmental disorder related to alcohol consumption during pregnancy. Some of my clients are indigent (because they may not know how to budget or understand money), some have difficulty holding jobs because of limited reasoning and judgment skills, some have difficulty caring for themselves because they do not understand the need for hygiene and the need to take medication. These adults rely on their families for help even as they want independence. They have few or no services from the state or communities and can end up homeless in need of mental health, substance abuse, medical, and other social services.

Low-income housing with supportive staff 24/7 would be ideal for all individuals with developmental disabilities, such as individuals affected by FASD. Although people affected or at risk of FASD are very different, we do know that with proper supervision and oversight, they can thrive, contribute to society, and have happy, meaningful lives.

I urge you to please consider this resolution for the safety and compassion of all who need extra support and only want a better life.

Thank you.

HCR-138

Submitted on: 3/20/2023 4:13:22 PM

Testimony for HSG on 3/22/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kenichi Yabusaki	Individual	Support	Written Testimony Only

Comments:

DATE: March 20, 2023

FROM: Kenichi Yabusakii, Ph.D.

TO: Representative Troy N. Hashimoto, Chair

Representative Miah P.K. Aiu, Vice Chair

Members of the House Housing Committee

RE: **Support of HCR 138** URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING TAX CREDIT PROGRAM.

I am writing in strong support of HCR 138.

I am a retired biochemist. I've researched Fetal Alcohol Spectrum Disorders (FASD). FASD is a developmental disorder related to alcohol consumption during pregnancy. FASD is a permanent brain condition (life-long) most likely from incomplete neuronal development where brain impulses are "derailed" and result in behavioral symptoms from a brain that "CAN'T" versus a "normal" brain that "CAN BUT WON'T". Consequently, individuals affected by FASD have difficulty holding jobs because of limited reasoning and judgment skills, some have difficulty caring for themselves because they do not understand the need for hygiene and the need to take medication. These adults rely on their families for help even as they want independence. They

have few or no services from the state or communities and can end up homeless in need of mental health, substance abuse, medical, and other social services.

Low-income housing with supportive staff 24/7 would be ideal for all individuals with developmental disabilities, such as individuals affected by FASD. Although people affected or at risk of FASD are very different, we do know that with proper supervision and oversight, they can thrive, contribute to society, and have happy, meaningful lives.

Please consider this resolution for the safety and compassion of all who need extra support and only want a better life.

Thank you.

Kenichi Yabusaki, Ph.D.

HCR-138

Submitted on: 3/20/2023 4:38:15 PM

Testimony for HSG on 3/22/2023 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cindy Fowler	Individual	Support	Written Testimony Only

Comments:

Aloha-

My name is Cindy Fowler and I'm a resident of Kauai. I'm writing as a mother, an advocate and a taxpayer. I raised my daughter in Colorado; she is now 25 years old and lives in a small group home called a PCA in Colorado (personal care attendant) in a residential area of the suburb where she grew up. I desperately want for her to live here in Hawaii with me, but she requires 24/7 support and she has a good quality of life there- I will not bring her here until the services can equal that which she has had the right to use since she was 19years old.

Hawaii has to do better for individuals with intellectual and developmental disability. Families should not have to have few to no resources once their child ages out of the school system and there are limited vocational and living opportunities available. Parents should not have to quit jobs to become full time caregivers once their children turn 22 and do not have the IQ/ability to be able to work. There are numerous inclusive communities around the US that Hawaii could use as models. With our climate, agricultural and farming resources, communities could be created on each island that would provide housing/day program/vocational options for residents, provide caregiving jobs to members of the community, create opportunities for inclusion at many levels with potential small business and grant options that could be A part of the community, and create an environment of safety and productivity for families that have carried the heavy load (at times) of caregiving 24/7. I would welcome the opportunity to be involved with the bill at any level.

thank you for your time and attention,

Cindy Fowler

Kapaa, HI

