

TESTIMONY IN SUPPORT OF SB 1280

TO: Senate Committee on Housing

FROM: Nikos Leverenz
Grants, Development & Policy Manager

DATE: February 11, 2021 (1:15 PM)

Chair Chang, Vice-Chair Kanuha, and Members of the Committee:

Hawai'i Health & Harm Reduction Center (HHRC) **supports** SB 1280, which would authorize general obligation bonds for the construction of a senior affordable housing project on property owned by the Hawaii Public Housing Authority. HHRC is member of Partners in Care (PIC), a coalition of more than sixty non-profit homeless providers and allied organizations.

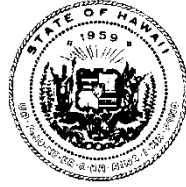
HHRC works with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those relating to substance use and underlying mental health conditions.

We share PIC's concerns about increasing homelessness for elders, who are vulnerable to COVID-19 and face significant health trauma from homelessness. Even in non-pandemic times, many elderly persons have a range of chronic health conditions that require regular medical care that can include daily medication. Housing instability is especially threatening for these persons.

As noted by other proponents of this project, it will create at least 250 jobs during construction and more after the project's completion. The project is also close to transit, shopping, and medical facilities. Tenants would also have opportunities to engage in classes and other social activities at a nearby senior center. [Maintaining regular social connections is an important factor in senior health and well-being, including mental health, cognitive function, and motor skills.](#)

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY
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POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING

Thursday, February 11, 2021
1:15 PM - Room 225, Hawaii State Capitol

In consideration of
SB 1280
RELATING TO HOUSING

Honorable Chair Chang, and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 1280, relating to housing.

The Hawaii Public Housing Authority (HPHA) **strongly supports** SB 1280, which authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund for construction of phase I of the HPHA's School Street Senior Affordable Housing Development.

The State of Hawaii is the owner of approximately 12.481 acres of land situated at Kalaepohaku and Kapalama, at N. School Street, Honolulu, Oahu. After extensive community outreach, consultations, and studies, the HPHA plans to redevelop an approximately 6.6-acre portion of the site to develop new, desperately needed affordable housing containing 800, age-restricted rental units for seniors. The housing units would remain affordable housing rental units in perpetuity. This much needed measure provides the gap financing necessary to begin construction of the initial phase of the project, which will deliver 250 units.

The proposed redevelopment is envisioned to be a cohesive community that combines residential and ancillary retail uses in a location convenient to nearby Downtown Honolulu's Primary Urban Center and existing concentrations of retail, commercial and medical facilities. No public housing will be included within the proposed project as all residential units will be designed and built as affordable senior rental housing, which will be targeted to senior households whose incomes are between 30% and 60% of AMI.

A Final Environmental Impact Statement (“FEIS”) was completed and submitted to the Office of Environmental Quality Control (“OEQC”) and the Governor on April 26, 2018. The FEIS was published in the May 8, 2018 edition of the OEQC’s The Environmental Notice Per HAR 11-200-23 (c) and the Governor accepted the FEIS on July 17, 2018. With environmental planning complete, a Master Development Agreement with RHF was subsequently negotiated and executed in November 2019.

Thanks to the legislative appropriation for the predevelopment, the HPHA and the developer RHF have made tremendous progress resulting in the Honolulu City Council adopting Resolution 20-251, CD-1, FD-1 approving the Project’s 201H zoning and entitlement application on November 5, 2020. The resolution included a condition that construction of the project commence no later than 24 months after the approval date of the resolution or the resolution would automatically be rendered null and void. This condition will be monitored very closely by the HPHA.

The Resolution also granted the Project’s residential units approximately \$9.9 million in fee waivers and other exemptions from statutes, ordinances, charter provisions, and rules relating to planning, zoning, construction standards for subdivision and development pursuant to HRS Sections 46-15.1 and 201H-38, including the following:

- ROH Sections 14-10.1, 14-10.2, and 14-10.3, to allow an exemption of wastewater system facility charges estimated at \$4,234,195.71.
- ROH Section 18-6.1-2, to allow an exemption of building permit, plan review and special assignment inspection fees estimated at \$1,837,440.64.
- Exemption from LUO Section 21-3.70-1(a) and Table 21-3, relating to permitted uses and structures in the R-5 Residential District, to allow the Project to have multifamily dwellings, office buildings, and commercial uses as permitted in the BMX-3 Community Business Mixed-Use District and Section 21-3.70-1(b) and (c) and Table 21-3.2, relating to development standards in the R-5 Residential District, to allow the Project to comply instead with the development standards applicable in the BMX-3 Community Business Mixed Use District.
- Exemption from LUO Section 21-3.70-1(b) and (c) and Table 21-3.2, relating to maximum building height in the R-5 District, to allow a Project maximum building height of 170 feet (instead of a maximum building height of 25 feet) and Section 21-6.20 and Table 21-6.1, relating to off-street parking for multifamily dwellings, to allow the Project to provide a minimum of 820 parking spaces (rather than the required minimum 1,200 parking spaces) including a minimum of 578 residential parking spaces, provided that the City and County of Honolulu Department of Planning and Permitting (DPP) may, upon request, approve further reductions in the required minimum number of residential parking spaces, but not below a minimum of 309.

- Exemption from LUO Section 21-6.100, relating to off-street loading spaces, to allow the Project to provide six (6) 8.5 x 19-foot loading spaces with a 10-foot vertical clearance, and three (3) 12 x 35-foot loading spaces with a 15-foot vertical clearance (rather than a required four (4) 8.5 x 19-foot loading spaces with a 10-foot vertical clearance, and five (5) 12 x 35-foot loading spaces with a 15-foot vertical clearance), exemption from the sign standards in LUO Article 7 to allow the Project to comply with a Project master sign plan ("MSP") approved by the DPP and exemption from LUO Section 21-6.150, relating to bicycle parking spaces, allowing the Project to provide 250 long-term and 65 short-term bicycle parking spaces (rather than the required 400 long-term and 80 short-term bicycle parking spaces).
- ROH Chapter 22, Article 7, to allow an exemption from park dedication requirements, totaling approximately 88,000 square feet of park space, or payment of an equivalent in-lieu fee, estimated at \$3,774,596.45.

City Council approval of the project's 201H application was subject to further terms and conditions, relating to signage, construction management, traffic management and parking management plans and reports, State Historic Preservation Division compliance and a requirement to enter into a development agreement with the Honolulu Department of Planning and Permitting for monitoring compliance with the resolution.

Community engagement was a hallmark of the predevelopment effort for the Project. The HPHA built into its master development agreement with RHF required community outreach at various milestones throughout the predevelopment process. This requirement was included to be certain that the community had adequate opportunity to provide input at important Project planning and decision milestones.

Over 18,000 postcards were mailed out to residents and other community stakeholders within a quarter mile of the project to announce these meetings. In addition, several presentations were made to neighborhood Board 14 at their monthly meetings.

Community engagement efforts continued during the 201H approval process with virtual updates provided to the public due to COVID-19 during the weeks of October 23rd and November 4th, 2020 and with members of the Lanakila Multi-purpose Senior Center (LMPSC) on November 24, 2020.

The next steps for the project are to secure financing including Low Income Housing Tax Credits (LIHTC), Hula-Mae Multi-family Bonds, senior debt and state provided gap financing. The HPHA expects the developer to file a consolidated application for LIHTC and Rental Housing Revolving fund with the HHFDC by February 17, 2021.

This Project is important for the community and the state as it will not only help alleviate the desperate need for affordable housing throughout the state, but is also conservatively

estimated to generate at least 250 jobs during construction with the value of labor estimated to be approximately \$45 million including general contractor and subcontractor staffing. In addition, there will be many more jobs generated off-site from vendors and suppliers, trucking, subcontractor main office support, food trucks, etc.

In SECTION 3 of the measure, please know that the HPHA would need a total of \$40 million for the construction of phase I and would not need another appropriation of the same sum for fiscal year 2022-2023.

The HPHA very much appreciates the opportunity to provide the Committee with the HPHA's testimony in strong support of this project. We thank you very much for your dedicated efforts.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

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

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

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 SENATE COMMITTEE ON HOUSING
ON
SENATE BILL NO. 1280

February 11, 2021
1:15 p.m.
Room 225

RELATING TO HOUSING

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 1280.

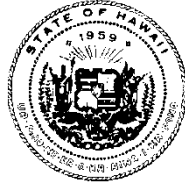
S.B. No. 1280 authorizes the issuance of \$40 million in general obligation bonds to be appropriated into the Rental Housing Revolving Fund (RHRF) for FY 22 for construction of Phase I of a Senior Affordable Housing Project on Hawai'i Public Housing Authority (HPHA) property on School Street, O'ahu; and appropriates \$40 million in general funds in FY 22 and FY 23 for the project.

B&F notes that this project is already accounted for in the Executive Budget submitted for FB 2021-23. If, however, this measure moves forward as a specific appropriation, B&F recommends that Section 3 of the bill be amended to appropriate general obligation bond funds to RHRF for FY 22 only.

B&F defers to the Hawai'i Housing Finance and Development Corporation and HPHA on coordination and implementation of this project.

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

SENATE COMMITTEE ON HOUSING

February 11, 2021 at 1:15 p.m.
State Capitol, Room 225

In consideration of
S.B. 1280
RELATING TO HOUSING.

The HHFDC *supports the intent* of S.B. 1280, provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. This bill makes a General Obligation bond appropriation of \$40,000,000 in FY2021-2022 into the Rental Housing Revolving Fund. It also makes a General Fund appropriation of \$40,000,000 in FY2021-2022 and \$40,000,000 in FY2022-2023 for construction of Phase I of the Hawaii Public Housing Authority's (HPHA) School Street elderly housing project.

We note that the Executive Biennium Budget includes a General Obligation Bond appropriation of \$25,000,000 in FY2022-2023 for infusion into the Rental Housing Revolving Fund and \$40,000,000 in FY2021-2022 for infusion into the Rental Housing Revolving Fund, earmarked for the HPHA's School Street elderly housing project.

Thank you for the opportunity to testify.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 1280: RELATING TO HOUSING

TO: Senate Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Thursday, 2/11/21; 1:15 pm; via videoconference**

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

Thank you for the opportunity to provide testimony **in strong support** of SB 1280, authorizing the issuance of general obligation bonds for the construction of an affordable senior housing project on School Street, Oahu. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners in Care (PIC). **This bill is a critical start to developing an exciting campus for seniors to live, learn and stay connected in our community.**

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 \$40 million in GO bonds for Phase 1 of this important senior housing project. The project would create 250 affordable rental units in an ideal location. It is on the property of the Hawaii Public Housing Authority's administrative offices, so no one will be displaced from current housing. It is also next to Catholic Charities Hawai'i's Lanakila Multi-purpose Senior Center which offers an exceptional opportunity to integrate housing with educational, recreational and service resources. Many studies have shown that being active and involved helps keep seniors healthy. This is the start of a redevelopment that will build 800 kupuna units by the end of Phase 3. Our state needs 1,967 units of senior housing by 2025.

Creating housing for our kupuna is even more critical now in the pandemic. Previous to this crisis, **studies had projected an almost 300% increase in elderly homelessness over the next 10 years.** Now older workers are being hit hard by the pandemic and the loss of jobs. We cannot afford to stop investing in senior housing. The Age Wave is hitting Hawai'i. We need to house our growing number of elders. Hawai'i's kupuna (aged 65+) **grew 33% from 2010 to 2018 (3.6% annually),** which is **over six times higher** than the rate of the general population. Safe and decent affordable housing becomes ever more critical as each year passes.

Hundreds of seniors come to Catholic Charities Hawai'i each year seeking housing. One 76 year old widow was facing homelessness after her husband died suddenly and she lost his income. Our Housing Assistance Program for elders helped her to obtain a rental in an affordable housing project with caring management. We need more buildings to house our vulnerable kupuna.

This project is shovel ready and would create an estimated 250 jobs during construction plus many others off-site, as well as hundreds of permanent jobs after completion. This job creation gives a big economic boost to our economy. We urge your support for \$40 million in GO bonds for construction of this project. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eumoku Street, Honolulu, HI 96822
Phone (808) 373-0356 • bettylou.larson@CatholicCharitiesHawaii.org





To: Senator Stanley Chang, Chair
Senator Dru Mamo Kanuha, Vice-Chair
Committee on Housing

Hrg: February 11, 2021 at 1:15pm, Room 225

From: Paula Arcena, Vice President, External Affairs
Trish La Chica, Community and Government Relations Manager, External Affairs

RE: **SB1280, Relating to Housing - Support**

AlohaCare appreciates the opportunity to provide testimony in support of **SB1280**, which would authorize general obligation bonds to fund the construction of phase 1 of a senior affordable housing project on School Street, Oahu.

Founded in 1994, AlohaCare is a community-rooted, non-profit health plan serving 73,000 Medicaid and dual-eligible health plan members on all islands. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating access to quality health care for all. We believe that health is about supporting whole-person care, including access to housing and food security, to build a stronger, healthier Hawaii.

AlohaCare believes this measure helps to fund affordable senior housing units to house our vulnerable kupuna. Housing costs make up the majority of an individual's monthly costs and access to affordable, safe, and healthy housing is an important determinant of health that helps to keep a person healthy and well. The proposed project, which will be located next to the Lanakila Multi-Purpose Senior Center will also provide an opportunity for senior residents to access educational and recreational services that will have a positive impact on their well-being.

AlohaCare appreciates the Legislature's commitment to increase the availability of affordable housing units, particularly when median single-family home values have [reached a record high](#) of \$880,000. AlohaCare supports efforts that enable Hawaii's seniors to age in place and this measure addresses the high housing costs that pose a problem for our seniors who wish to retire in the islands.

We are grateful to the Committee for hearing SB1280 and the opportunity to testify.

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 SB 1280: Relating to Housing

TO: Senate Committee on Housing

FROM: Partners In Care (PIC)

Hearing: **Thursday, 2/11/21; 1:15 pm; via videoconference**

Chair Chang, Vice Chair Kanuha, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in strong support** of SB 1280, authorizing GO bonds for the construction of Phase 1 of a senior affordable housing project on Hawaii Public Housing Authority property on School Street, Oahu. 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 and particularly for this much needed senior housing project.

Partners in Care is very concerned about increasing homelessness for elders. Vulnerable elders on walkers sometimes come into emergency shelters. Besides being the most vulnerable to the COVID-19 pandemic, elders face significant health trauma from homelessness. **Studies predict an almost 300% increase in elderly homelessness over the next 10 years.** Moreover, the overall elderly population is growing extremely fast. From 2010 to 2018, Hawai'i's seniors (aged 65+) grew by 33%, over six times higher than the general population. Housing is healthcare—and can prevent much more expensive institutionalization.

We cannot afford to stop investing in affordable housing development, and by investing in this project now, the legislature will be strengthening our economy. This project is shovel ready and could break ground by the end of 2021 or early 2022 if funded. It will create at least 250 jobs during construction and hundreds of permanent jobs after completion including vendors. The next 2-3 years are critical to the economic recovery of Hawai'i. Funding this shovel ready project will give a boost of the economy sooner vs later.

This affordable senior housing project is in an ideal location for elders, close to transit, shopping, and medical facilities. Since there are no residential units on this site currently, there would be no displacement of residents. The elderly tenants who move in would be able to take advantage of the many classes, special events, and opportunities to build friendships at the senior center, right next door. This would help to build a supportive community at this site, not only housing units.

Partners In Care urges you to pass this bill with strong support. It will bring economic, social, and health benefits to the State of Hawai'i and its citizens. Top State priorities to create affordable housing and to end homelessness would be addressed by this funding.