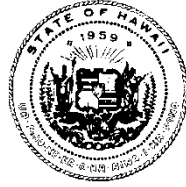


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Statement of  
**Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**SENATE COMMITTEE ON WAYS AND MEANS**

**Friday, February 18, 2022**

**10:10 AM – Videoconference – Room 211, Hawaii State Capitol**

In consideration of

**SB 2251, SD1**

**RELATING TO THE PUBLIC HOUSING AUTHORITY**

Honorable Chair Dela Cruz, and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2251, SD1, relating to the public housing authority.

The Hawaii Public Housing Authority (HPHA) **supports, with amendments**, the enactment of SB 2251, SD1, which allows the HPHA to develop mixed-income and mixed-financed housing projects, provided that no such projects shall be constructed on vacant ceded land on or after January 1, 2022.

Concentrating public housing for extremely low-income families in dense urban areas has shown to not be an effective use of scarce affordable housing resources, and a shift has been made to instead create financially viable and socially stable mixed-income housing by the U.S. Department of Housing and Urban Development (HUD).

The Mixed-Income, and Mixed-Finance redevelopment model is a proven and successful redevelopment model nationwide and supported and encouraged by the federal government which provide the HPHA with over \$140 million or 87% of its total yearly funding to house our most disadvantaged populations. The model is an attractive option, and beyond the social good that comes with preserving housing units for occupancy by extremely low-income families, it also contributes to the economic and social diversity and stability of the overall community.

Households with affordable rents based on Area Median Incomes, and higher income families paying market rate rents not only diversify these Mixed-Income developments economically, but market rate units also support the lower income units while providing a taxpayer benefit by reducing the gap financing needed from the Legislature to underwrite these developments.

Additionally, following the conversion of a federal public housing property into a mixed finance redevelopment, the HPHA will be required to execute a Mixed Finance Annual Contributions Contract with HUD. Under this agreement, the HPHA would be required to ensure that sufficient reserves are maintained to support the operation and maintenance of the project units. This component is vital to ensure the affordable housing units in the project remain affordable throughout the life of the Master Development Agreement, and not just for a limited period of time.

Moreover, Mixed-Income, and Mixed-Financed redevelopment projects are typically executed through public private partnerships, better positioning HPHA properties to access the private capital and financing necessary to revitalize them into vibrant communities for our future generations.

The HPHA has identified several properties within its portfolio located in close proximity to the planned Honolulu Rail System stations currently being developed by The Honolulu Authority for Rapid Transportation (HART), that could immediately benefit from this initiative, as well as identifying additional HPHA properties with the potential for redevelopment on our neighbor islands. Undertaking redevelopment of these assets would not only allow the HPHA to rehabilitate functionally obsolete public housing units but would eliminate expensive repair and maintenance expenses required to maintain these units, while also significantly expanding the inventory of critically needed affordable housing units across the state.

This is not an attempt to build million-dollar condos, but it is a necessary step to not concentrate poverty and give an opportunity to people of all income levels to live side by side in a community that does not isolate the poor. This will have so many positive outcomes for the children, the schools they attend, and create an environment that exemplifies the Aloha Spirit.

After review with the Department of the Attorney General to remove any ambiguity regarding the term "housing projects" in Section 1 of the measure, the HPHA would like to propose the following amendments:

- At the end of Section 1 of the measure, add the definition of "housing project":

For the purposes of this section:

"Housing project" means any home, house, residence, building, apartment, living quarters, abode, domicile, or dwelling unit designed principally for the purposes of sheltering people.

- Add a new section to the measure that deletes the term "housing project" in the definition of "public housing project" in section 356D-1, Hawaii Revised Statutes, so that the term "public housing project" would read as follows:

"Public housing project" [~~,"housing project";~~] or "complex" means a housing project directly controlled, owned, developed, or managed by the authority pursuant to any federally assisted housing as defined in title 24 Code of Federal Regulations section 5.100, but does not include state low-income housing projects as defined in section 356D-51.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony. We thank you very much for your dedicated support.

**Kūpuna for the Mo'opuna**  
*committed to the well-being of Hawai'i for the next generations to come*  
kupuna4moopuna@gmail.com



SB 2251 SD1 - RELATING TO THE PUBLIC HOUSING AUTHORITY.

**OPPOSE**

Committee on Ways and Means 2/18/2022 @ 10:10am

**We OPPOSE SB 2251 SD1.**

The SD1 amendment is an improvement but this measure still leaves open the possibility that developed lands held, set aside or transferred to the Hawai'i Public Housing Authority may be encumbered for 99-year leases for mixed-use housing projects. We oppose 99-plus-year leases on our ceded lands!

The State has a fiduciary duty as trustee of our public lands: "shall be held by the State as a public trust for native Hawaiians and the general public."

**PUBLIC TRUST**

**Section 4.** The lands granted to the State of Hawaii by Section 5(b) of the Admission Act and pursuant to Article XVI, Section 7, of the State Constitution... **shall be held by the State as a public trust for native Hawaiians and the general public.**

Mahalo,  
Kūpuna for the Mo'opuna  
Pana'ewa, Hawai'i



**STOP LEGAL THIEVERY**

*Ua mau ke ea o ka 'āina i ka pono!*