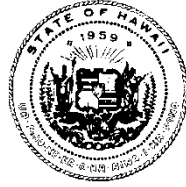


DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON GOVERNMENT OPERATIONS AND SENATE COMMITTEE ON HOUSING

Thursday, February 3, 2022
1:00 PM – Videoconference – Room 225, Hawaii State Capitol

In consideration of
SB 2506
RELATING TO THE DEPARTMENT OF HOUSING

Honorable Chair Moriwaki, Honorable Chair Chang, and Members of the Senate Committee on Government Operations, and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2506, relating to the department of housing.

The Hawaii Public Housing Authority (HPHA) **appreciates the intent** of SB 2506, which creates the Department of Housing. Places the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, the Office of Planning and Sustainable Development, and Hawaii Public Housing Authority under the Department of Housing for administrative purposes.

While the HPHA's development efforts are very important in combatting the State's housing crisis, please consider that the HPHA was strategically administratively attached to the Department of Human Services (DHS) to address the needs of the over 40,000 low-income families and individuals that both the HPHA and DHS serve. Grants and programs include but are not limited to:

- U.S. Department of Housing and Urban Development (HUD) Foster Youth to independence program which involves working with the Child Welfare Services Branch to provide qualified foster youth to receive a Section 8 voucher through the HPHA.

- HUD Mainstream program which involves working with the DHS Med-Quest Division to assist our qualified disabled families to receive a Section 8 voucher through the HPHA.
- Working with the DHS Homeless Branch to provide contract services for the Lieutenant Governor's Kauhale initiative on HPHA land in Kalaeloa.
- Working with the Governor's Coordinator on Homelessness and the Hawaii Interagency Council on Homelessness to coordinate housing efforts for our extremely low-income families and individuals.
- Working with DHS in sharing information to screen eligibility and continued occupancy of public housing and Section 8 applicants through the DHS Hawaii Automated Welfare Information (HAWI) system.
- Including the knowledge of DHS through the HPHA Board of Directors meetings. (The DHS Director is an Ex-officio member)

As you know, originally, the Hawaii Housing Authority (HHA) was a unified housing agency. It was divided into the Housing Finance and Development Corporation (HFDC), and a smaller HHA. The two were subsequently merged into the HCDCH in 1998. The suggestion from the Affordable Housing Task Force, pursuant to SCR 135, SD1, 2004, resulted in the Legislature following that suggestion and Act 196, SLH 2005, as amended by Act 180, SLH 2006, and separated the HCDCH to create the HPHA with enabling statutes to plan, develop, construct, and finance public housing projects, and to manage the State's subsidized housing, and the HHFDC as the affordable housing financing agency.

Combining the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, the Office of Planning and Sustainable Development, and Hawaii Public Housing Authority under the Department of Housing for administrative purposes would not lead to more efficiency nor cost savings. Instead, this will create an administrative burden to complete a formal structural change and reorganization that based on the consolidation of HHA and HFDC into the HCDCH, would take at least two years to complete.

Additionally, this measure would interfere with the HPHA's Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD), and federal and state mandated roles and responsibilities of the Agency's Board of Directors. HUD mandates that the HPHA Board of Directors (Board) is the "legally and financially responsible governing body of a Public Housing Authority (PHA) and the first line of accountability for the PHA's performance". The HPHA is a single purpose entity, governed by an eleven-member Board of Directors that are appointed by the governor (Chapter 356D-3 and 356D-4 Hawaii Revised Statutes), and it provides policy guidance to the Agency in accordance to federal and state law. Any conflict with this important role between the Board and the proposed State Director of Housing will interfere with the Board's obligations.

We respectfully request removing the HPHA from this measure.

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

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
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
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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 COMMITTEES ON HOUSING AND GOVERNMENT OPERATIONS
ON
SENATE BILL NO. 2506

February 3, 2022
1:00 p.m.
Room 225 and Videoconference

RELATING TO THE DEPARTMENT OF HOUSING

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

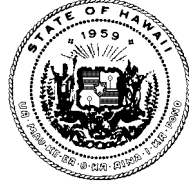
Senate Bill (S.B.) No. 2506 creates the Department of Housing and places the Hawai'i Community Development Authority (HCDA), Hawai'i Housing Finance and Development Corporation (HHFDC), Office of Planning and Sustainable Development (OPSD), and Hawai'i Public Housing Authority (HPHA) under the department for administrative purposes.

B&F defers to each individual agency on the impacts this measure would have on their respective operations. However, B&F notes that the subject matter scope of some of the agencies named in the measure extend beyond the sole scope of housing, such as HCDA and OPSD. Further, S.B. No. 2506 places the named agencies under the proposed Department of Housing for administrative purposes. This proposal is not unlike the current organizational structure which places HCDA, HHFDC, and OPSD as administratively attached agencies to the Department of Business, Economic Development and Tourism, and HPHA as an administratively attached agency to the Department of Human Services.

B&F points out that S.B. No. 2506 does not include appropriation language for the salary of the Director of Housing, administrative support staff and their salaries, and any other related administrative costs. Finally, given the complexity and logistical challenges of transferring all the named agencies in S.B. No. 2506 into a single department, it is unrealistic that this can be completed by the July 1, 2022 effective date.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



CATHY BETTS
DIRECTOR

JOSEPH CAMPOS II
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 2, 2022

TO: The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing

The Honorable Senator Sharon Y. Moriwaki, Chair
Senate Committee on Government Operations

FROM: Cathy Betts, Director

SUBJECT: **SB 2506 – RELATING TO THE DEPARTMENT OF HOUSING.**

Hearing: Thursday, February 3, 2022, 1:00 p.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent, defers to the Hawaii Public Housing Authority and Hawaii Housing Finance and Development Corporation, and provides comments.

PURPOSE: The purpose of the bill creates the Department of Housing. Places the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, Office of Planning and Sustainable Development, and Hawaii Public Housing Authority under the Department of Housing for administrative purposes.

DHS appreciates the efforts to improve government efficiencies by combining programs with similar or related functional statements. However, given the pandemic and lack of human and fiscal resources to execute a detachment and consolidation of this magnitude, currently, DHS will not be able to implement the measure within the proposed timeframe.

From the DHS perspective, the effort to detach the Hawaii Public Housing Authority at this time would divert limited human resources from delivering necessary benefits and services

to Hawaii's residents who need these supports. DHS subsumes HPHA's human resources, budgetary, and other administrative supports. DHS would need to transfer these functions to another entity, which would be time-consuming and not without costs. Additionally, consolidation may trigger a reduction-in-force and a hiring freeze across the executive branch at precisely the time executive departments are trying to restore position funding and fill vacancies frozen during State Fiscal Year 2021.

Importantly, as DHS and HPHA serve many of the same people, HPHA and DHS have processes to facilitate information sharing to ease eligibility to HPHA services and provide HPHA assistance with its programmatic compliance and oversight. DHS will have to assess whether these agreements may need to be reviewed and revised if HPHA is detached to another entity.

Also, HPHA is primarily federally funded, and detaching and consolidating HPHA as proposed would not result in general fund savings.

DHS is working to integrate and coordinate services across departments and sectors, and we ask the Legislature's continued support of these efforts.

Thank you for the opportunity to provide testimony on this measure.



SENATE COMMITTEES ON HOUSING AND GOVERNMENT OPERATIONS
State Capitol, Via Videoconference
415 South Beretania Street
1:00 PM

February 3, 2022

RE: SB 2506, RELATING TO DEPARTMENT OF HOUSING

Chairs Chang & Misalucha, Vice Chairs Kanuha & Dela Cruz, and members of the committee:

My name is Daryl Takamiya, 2022 President of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii. Our members build the communities we all call home.

BIA-Hawaii is in strong support of SB 2506, Relating to Department of Housing. This bill would create the Department of Housing, comprising of the Hawaii Community Development Authority, the Hawaii Housing Financial Development Corporation, the Office of Planning and Sustainable Development, and the Hawaii Public Housing Authority.

The bill addresses a problem in government as it attempts to tackle the housing crisis in Hawaii. The state currently lacks a dedicated housing Department and Coordinator, who understands real estate development and the government land process. This has resulted in "silos" being created by agencies who have control of land (i.e. lease or Executive Order), but no understanding of the state's overall goal to increase the supply of housing at all price points. Agencies want to accommodate their own specific goals/mission on the lands they control right now. As a result, state land assets are redeveloped for uses that do not achieve a greater public purpose.

We would suggest that the Department be provided with enough authority to break down the agency silos and move projects forward that will increase the supply of housing at all price points.

We are in strong support of SB 2506, and appreciate the opportunity to express our views on this matter.

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CATHOLIC CHARITIES HAWAII

COMMENTS on SB 2506: RELATING TO THE DEPARTMENT OF HOUSING

TO: Senate Committees on Housing and Government Operations

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawaii

Hearing: Thursday, 2/3/22; 1:00 pm; via videoconference

Chair Chang, Chair Moriwaki, and Members, Committees on Housing and Government Operations:

Thank you for the opportunity to provide **COMMENTS on SB 2506**, which creates the Department of Housing and places the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, Office of Planning and Sustainable Development and Hawaii Public Housing Authority under the Department of Housing for administrative purposes. I am Rob Van Tassell, with Catholic Charities Hawaii.

Catholic Charities Hawaii (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawaii 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 Hawaii. Catholic Charities Hawaii has a long history of working in the areas of affordable housing and homelessness.

Catholic Charities Hawaii has many concerns about merging these four organizations under one Department of Housing. The intent of this bill is to ameliorate the redundancies and bureaucracies that exist among these four agencies that hinder solving our state's housing crisis. While we support increased coordination between these agencies, it seems that adding another layer of bureaucracy to the existing bureaucracies may have unintended consequences. Each agency has a critical role in moving the state forward in its efforts to solve the housing crunch. Each has a major role that is unique and works with its board and stakeholders to achieve this goal. Adding a Director of Housing may slow down the housing development process due to more bureaucracy.

We have long been a strong advocate for the creation of more affordable housing. We fear the time and effort that it would take to achieve a huge merger like this, would detract from the current efforts to create housing. Hawaii is just coming out of the pandemic which showed very clearly the critical need of Hawaii's people for housing. We cannot lose the traction created over the last few years to move ahead at full speed to meet the State's goals for affordable housing.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



SB-2506

Submitted on: 2/1/2022 3:11:01 PM

Testimony for HOU on 2/3/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gerard Silva	Individual	Oppose	No

Comments:

Get Ride of all of the other Departments and have only one Department of Houseing and we will save alot of Money!!

February 3, 2022

PUBLIC TESTIMONY SB 2506

Aloha Senate Committee Members of Government Operations and Senate Committee Housing Members,

As the Resident Advisory Board Chair for HPHA (RAB), I appreciate & understand your intent for combing the various agencies under a single housing department for administrative purposes. However, I Strongly Disagree.

Looking at the past of Public Housing, we were part of other housing agencies. We also gained a long list of issues that have plagued HPHA & it's purpose for serving and meeting the needs of our state's low-income residents. I don't think they intended for this to occur but separating public housing and attaching it to DHS was the best thing done as both agencies service the low-income population of our state.

It has been a long road, a lot of headaches and head butting but we have finally reached the point where we can move on as public housing was intended for.

Looking at the past year with covid and the economy, DHS & HPHA have done an amazing job of meeting the needs of our most vulnerable residents. That itself says a lot.

MAHALO,

DESIREE KIHANO

SB 2506 TESTIMONY

To: Senate Committee on Housing
Senate Committee on Government Operations
Hearing on Feb. 3, 2022 at 1:00 p.m.

From: John Kawamoto

Position: Support

The various housing functions of State government are disconnected from each other because the responsibility and authority for these different functions are placed in different departments. These functions would be better coordinated if they were transferred to a single new department that is responsible for housing. Another benefit is that consolidation would facilitate the creation of a unified housing strategy for the State.

This bill proposes to create this new department, and for that reason I support the bill.

SB-2506

Submitted on: 2/2/2022 1:44:39 PM

Testimony for HOU on 2/3/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Gerald Gordner	Individual	Support	No

Comments:

I am a researcher in urban planning and land use policy and I strongly support SB2506.

The state government's approach to housing has been halting and uncoordinated in the face of an urgent and mounting need for many thousands of units. This is, in part, a structural problem. The authority for housing policy is fragmented between different agencies with different rules and regulations and no clear incentive to cooperate. SB2506 is necessary to unite these entities behind common leadership and goals. The cost of continued inaction can be measured in the median home price and the net loss in residents. We cannot afford to wait any longer.