

EXECUTIVE CHAMBERS  
HONOLULU

February 15, 2022

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

The Honorable Senator Joy A. San Buenaventura, Chair  
Senate Committee on Human Services

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **SB 3368 – RELATING TO HOMELESSNESS.**

Hearing: Thursday, February 15, 2022, 3:05 p.m.  
VIA VIDEO CONFERENCE

**POSITION:** The Governor's Coordinator on Homelessness appreciates the intent of this bill, respectfully offers comments, and defers to the Hawaii Public Housing Authority (HPHA) and the Hawaii Housing Finance and Development Corporation (HHFDC) on the implementation of the program and prioritization of federal low-income housing tax credits.

If this measure proceeds, the Coordinator suggests amendments and requests that this measure's passage does not replace or adversely impact priorities indicated in the executive budget request.

**PURPOSE:** The purpose of this bill is to authorize the issuance of general obligation bonds to the Hawaii Public Housing Authority (HPHA) for the development and construction of permanent supportive housing. The bill also requires the Hawaii Housing Finance and Development Corporation (HHFDC) to give priority of any competitive federal low-income housing tax credits to HPHA for construction of permanent supportive housing units.

As drafted, this bill is limited to addressing permanent supportive housing units for chronically homeless individuals and families. If this bill proceeds, the Coordinator suggests amendments to expand the scope to include supportive housing units for other vulnerable

populations that do not meet the U.S. Department of Housing and Urban Development definition of homelessness, such as individuals exiting correctional facilities, individuals with severe mental illness or developmental disabilities, and individuals stepping down from a higher level of care in institutional settings. The Corporation for Supportive Housing (CSH) estimates that 3,888 units are needed statewide for homeless and non-homeless individuals who require housing with integrated wraparound supportive services.

There is a limited supportive housing inventory for individuals exiting institutional settings who are not literally homeless. The lack of supportive housing specifically for individuals exiting the mental health and criminal justice systems strains the homeless system. For example, as of December 2021, the homeless system identified 2,100 homeless individuals and 542 families participating in the Continuum of Care Coordinated Entry System and on the By Name List for housing.<sup>1</sup> If the scope of this bill is expanded, the general obligation bonds could be used to support housing for homeless individuals and a wider range of vulnerable populations in need of wraparound social services to assist them in maintaining long-term, stable housing.

Additionally, the Coordinator notes ongoing funding will be required to support case management and supportive services for individuals with acute physical and behavioral health needs placed into supportive housing. For example, supportive housing programs administered by the City and County of Honolulu pay \$800 per month per household for case management services in addition to rental subsidy costs.

The need for supportive housing is especially critical given the ongoing COVID-19 pandemic and its impacts on low-income households. In January 2021, the Economic Roundtable released a report that projected the pandemic recession would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count also indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016.

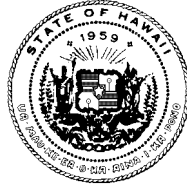
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<sup>1</sup> Please see page 3 of DHS Annual Housing First report at: [http://humanservices.hawaii.gov/wp-content/uploads/2022/01/12-28-21\\_CB\\_Section-346-378\\_Housing-First-combined-signed.pdf](http://humanservices.hawaii.gov/wp-content/uploads/2022/01/12-28-21_CB_Section-346-378_Housing-First-combined-signed.pdf)

The development of supportive housing units is just one piece of a more comprehensive effort to address homelessness and housing instability. In addition, the HICH prioritizes reducing upfront barriers to accessing existing rental housing inventory, scaling shallow rental subsidy programs, and expanding programs that assist key homeless sub-populations (e.g., unsheltered youth, adults with severe mental illness, etc.). For more information about the 2022 HICH policy priorities, please visit <https://homelessness.hawaii.gov/advocacy>.

Thank you for the opportunity to testify on this measure.

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 11, 2022

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

The Honorable Senator Joy A. San Buenaventura, Chair  
Senate Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **SB 3368 – RELATING TO HOMELESSNESS.**

Hearing: Tuesday, February 15, 2022, 3:05 p.m.  
Via Videoconference, State Capitol

**DEPARTMENT'S POSITION:** The Department of Human Services (DHS) supports the intent of this bill, requests clarification, and defers to impacted departments and offices. The Department lastly requests that any appropriation not reduce or replace priorities identified in the executive budget.

**PURPOSE:** The purpose of this measure authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing. Directs the Housing Finance and Development Corporation to prioritize the construction of permanent supportive housing for any available federal low-income housing tax credits.

The DHS agrees there is a need for significant public financing of permanent supportive housing since the free market is not generating the essential inventory despite the need.

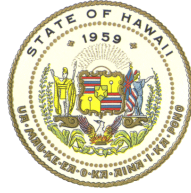
The Department requests clarification of section 3 (d) as to whether the section applies only to the developed units' brick and mortar maintenance and operation costs. The DHS Homeless Programs Office administers the State's Housing First program that provides

supportive services for the Housing First clients. If section 3(d) applies to both brick and mortar and supportive services to tenants, then DHS respectfully suggests an amendment to include the Homeless Programs Office as follows,

(d) The Hawaii public housing authority and the homeless programs office may partner with other appropriate government and non-government entities to ensure that sufficient and appropriate services are accounted for in the development and operation of permanent supportive housing units.

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

DAVID Y. IGE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committees on  
HOUSING  
and  
HUMAN SERVICES**

**Tuesday, February 15, 2022  
3:05 PM**

**State Capitol, Conference Room 225, Via Videoconference**

**In consideration of  
SENATE BILL 3368  
RELATING TO HOMELESSNESS**

Senate Bill 3368 proposes to: (1) Authorize the issuance of general obligation bonds for the development and construction of permanent supportive housing; and (2) Direct the Hawaii Housing Finance and Development Corporation (HHFDC) to prioritize the construction of permanent supportive housing for any federal low-income housing tax credits. **The Department of Land and Natural Resources (Department) supports the intent of this measure and offers the following comments.**

The proposed bill specifically prescribes that the Department shall assist the Hawaii Public Housing Authority (HPHA) by “providing suitable public lands” for this project. The Department is willing to work with HPHA to identify suitable public lands under the Department’s management that meets appropriate and mutually acceptable criteria relating to this measure.

The Department notes that its commercial and industrial properties in urban areas support and fund the public trust natural and cultural resource management purposes of the Department. The revenues collected by the Department’s Land Division cover the entire annual operating budget for the Land Division, the Department’s Office of Conservation and Coastal Lands, and the Dam Safety and Mineral Resources Programs of the Department. The revenues fund over 80 Department staff positions, including 5 positions within the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, wildland firefighting and lifeguard services.

Thank you for the opportunity to comment on this measure.

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

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  
AND  
SENATE COMMITTEE ON HUMAN SERVICES**

February 15, 2022 at 3:05 p.m.  
State Capitol, Room 225

In consideration of  
**S.B. 3368**  
**RELATING TO HOMELESSNESS.**

HHFDC offers comments with requested amendments on S.B. 3368, which authorizes the issuance of general obligation (GO) bonds for the development and construction of permanent supportive housing units. Additionally, the bill directs HHFDC to prioritize the construction of permanent supportive housing for any available Federal Low-Income Housing Tax Credits (LIHTC).

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.

However, HHFDC has strong concerns related to section 2 of this bill, which requires that the allocation of LIHTC be prioritized for permanent supportive housing. HHFDC's primary financing tool for the development of affordable housing is the LIHTC program. LIHTC awards are made in accordance with an Internal Revenue Code-mandated Qualified Allocation Plan, which ensures the most efficient use of government resources.

We would like to note that the existing QAP *already* provides an incentive for housing units for persons with special needs (including the homeless) by awarding extra points to those proposals that set aside affordable rental units for such persons.

Diverting this resource may have adverse consequences on the bill's targeted population, especially in light of the limited private-activity bond (PAB) cap available to use in conjunction with LIHTC. Since Section 4 of the bill authorizes the issuance of GO

bonds for the development and construction of permanent supportive housing, it is unclear as to why LIHTC needed.

Appropriate sources of gap financing aimed at assisting the homeless are the HOME Investment Partnerships program and the Housing Trust Fund, which are administered by the counties. We note that Section 3205 of the American Rescue Plan Act of 2021 (P.L. 117-2) appropriated \$5 billion for the HOME Investment Partnerships Program (HOME) for the purpose of providing homelessness assistance and supportive services. If the committee desires to provide housing for the chronic homeless, a better option may be the Rental Assistance Demonstration program. RAD is designed to preserve and improve public housing properties and address the \$26 billion-dollar nationwide backlog of deferred maintenance. RAD allows public housing agencies to leverage public and private debt and equity in order to reinvest in the public housing stock.

HHFDC respectfully recommends an **amendment** to remove item 2 from the purpose section. Under section 2, we request that the bill require that HHFDC shall consider these applications for LIHTC, not give priority to them. This change would facilitate fair and competitive evaluation in the LIHTC award process and ensure that scarce financing resources are deployed in the most efficient manner.

Thank you for the opportunity to testify.





**STATE OF HAWAII**  
**STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 586-0554  
email: [state.procurement.office@hawaii.gov](mailto:state.procurement.office@hawaii.gov)  
<http://spo.hawaii.gov>

TESTIMONY  
OF  
BONNIE KAHAKUI, ACTING ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE  
ON  
HOUSING  
AND  
HUMAN SERVICE

February 15, 2022; 3:05 P.M.

SENATE BILL 3368  
RELATING TO HOMELESSNESS

Chair Chang, Chair San Buenaventura, Vice Chair Kahua, Vice Chair Ihara, and members of the committee, thank you for the opportunity to submit testimony on SB3368. The State Procurement Office (SPO) opposes the exemption language on page 3, SECTION 3, lines 16-19 set forth below.

“(a) To promote the quick construction of permanent supportive housing units authorized under this Act, the Hawaii public housing authority shall be exempt from chapter 103D, Hawaii Revised Statutes.”

Procurement protests are among the top reasons why agencies and vendors claim projects are delayed. However, to avoid long procurement delays, the passage ACT224, SLH 2021, gives agencies a time limit for a written decision to uphold or deny the protest within seventy-five (75) calendar days of receipt of the protest; and an extension, not to exceed forty-five (45) calendar days.

In addition, Act 188, SLH 2021, requires that agencies are to award contracts to responsible bidders or offerors to increase accountability, enhance performance, and utilize taxpayer dollars more efficiently by considering a contractor's past performance in the procurement process.

The SPO objects to the procurement exemption and testifies that CONSTRUCTION for this program should be conducted within the procurement code.

A recent article by Gordian, a pioneer in construction innovation, explains why government procurement is important.

“3 Reasons Federal Construction Procurement Can Be Slow”

*The article states that, “The great irony is that government construction procurement is slow for good reasons. Even though they can be frustrating, the guardrails are there for our protection.*

<https://www.gordian.com/resources/3-reasons-for-slow-federal-construction-procurement/>

The article further explains that if there are no rules to follow purchases will be left up to the individual’s discretion of cost, quality, and timeliness, resulting in inconsistent products across the board, and without procedures about how goods and services are to be purchased, **corruption would have space to take hold.** While the article centers around the Federal Acquisition Regulations (FAR) Compliance, our state’s procurement code have rules and regulations to ensure that purchases are conducted in an ethical manner.

HRS Chapter 103D, the Hawaii Public Procurement Code (Code), is the single source of public procurement policy to be **applied equally and uniformly, while providing fairness, open competition, a level playing field,** government disclosure and transparency in the procurement and contracting process vital to good government.

Public procurement’s primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both HRS chapter 103D and 103F conveys a sense of disproportionate equality in the law’s application.

Exemptions to the code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code’s procurement integrity laws.

The National Association of State Procurement Officials state: “Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments.”

When public bodies, are removed from the state's procurement code it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

# PARTNERS IN CARE

*Oahu's Continuum of Care*

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*Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.*

## TESTIMONY IN SUPPORT OF SB 3368: RELATING TO HOMELESSNESS

TO: Senate Committees on Housing, and Human Services  
FROM: Partners In Care  
Hearing: **Tuesday, 2/15/22; 3:05 pm; via videoconference**

Chair Chang, Chair San Buenaventura, and Members, Committees on Housing and Human Services:

Thank you for the opportunity to provide testimony **in strong support** of **SB 3368**, which authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing for chronically homeless individuals and families, and gives first priority for competitive federal low-income housing tax credits for the construction of permanent supportive housing units. Partners In Care (PIC), a coalition of more than 60 non-profit homelessness providers and concerned organizations, works on Oahu to end homelessness.

Partners In Care directly places many homeless into permanent housing. We have successfully placed almost 300 families into permanent housing. Often the most difficult to place are the chronically homeless. They cannot just be put into housing. In order to successfully maintain their housing they require a range of intensive and ongoing services. These services are essential to help them make the difficult transition from living on the streets to living in an apartment with all its rules and responsibilities. Moreover, continuing services are needed to address their mental health, substance abuse, functional disabilities or other chronic health conditions. This is what permanent supportive housing successfully provides to this vulnerable population.

Building housing units that the chronically homeless can access is the first step. The lack of landlords willing to work with our clients limits our effectiveness. The proposed funding and priority for construction of permanent support housing would lead to partnerships of developers and experienced service providers to produce rental units. More units dedicated to the chronically homeless will result in our ability to transition many more of the chronically homeless off our streets and into permanent supportive housing.

**This initiative must be a priority for the State in order for Hawai'i to achieve ending homelessness.** The 2020 Point in Time count conducted by Partners In Care on Oahu found that one in four of the homeless adults were chronically homeless. Without addressing the special needs of the chronically homeless, long term homelessness will continue to create burdens on the healthcare systems, emergency services and create other costs for the State and Counties.

This initial investment in housing can produce models to solve homelessness for chronically homeless individuals and families. We urge your strong support for this bill.



## CATHOLIC CHARITIES HAWAI'I

### TESTIMONY IN SUPPORT OF SB 3368: RELATING TO HOMELESSNESS

TO: Senate Committees on Housing and Human Services  
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i  
Hearing: **Tuesday, 2/15/22; 3:05 PM; via videoconference**

Chair Chang, Chair San Buenaventura, and Members, Committees on Housing and Human Services:

Thank you for the opportunity to provide testimony **in strong support** of **SB 3368**, which authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing for chronically homeless individuals and families. The bill also gives first priority for any competitive federal low-income housing tax credits to the Hawai'i Public Housing Authority for construction of permanent supportive housing units. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC).

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 a long history of working in the areas of affordable housing and homelessness.

Catholic Charities Hawaii's Housing First program has seen the critical need to link housing with ongoing support services. Chronic homelessness is what many people see on the streets of Hawai'i. The public feels that nothing is being done to solve homelessness, even though homeless service providers place hundreds of homeless families, elders and singles each year into permanent housing in the community. However, chronic homelessness is often more visible to the public and more disturbing. This unaddressed problem of chronic homelessness is also very costly to the State, since health care, emergency services, public safety costs and other costs are high when individuals remain homeless for years and years.

**Permanent supportive housing is a proven solution.** It integrates housing with best-practice supportive services. These enable the residents who have long-term disabilities such as mental illness, physical disabilities, developmental disabilities, substance abuse disorders and chronic health conditions to maintain stable housing in the community. While the upfront cost is significant, it results in great healthcare and other cost savings that, over time, outweigh the costs of construction and services for this population.

The long term impact of this bill would be great. The initial funding of the proposed \$25,100,000 could create hundreds of units of permanent supportive housing. The 2020 Oahu Point in Time count found 4,448 homeless persons, and nearly one in four homeless adults were chronically homeless. Targeting funding to house this high need population could result in a significant portion of them being able to leave the streets and be successful in housing.

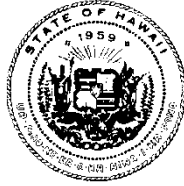
We urge your support for this bill. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org) if you have any questions.



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



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 HOUSING  
&  
SENATE COMMITTEE ON HUMAN SERVICES**

**Tuesday, February 15, 2022  
3:05 PM – Room 225, Hawaii State Capitol**

In consideration of  
**SB 3368**

**RELATING TO HOMELESSNESS**

Honorable Chair Chang, Honorable Chair San Buenaventura and Members of the Senate Committee on Housing, and Members of the Senate Committee on Human Services, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 3368, relating to homelessness.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of SB 3368, which authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing to address the needs of chronically homeless individuals and families, so long as it does not adversely affect the Governor's Supplemental Budget.

The HPHA views this measure to accomplish two things: Step 1 is for the HPHA to develop much needed housing, and Step 2 is for the HPHA to contract out management and supportive services needed for this population. Please know that the HPHA has the expertise and track record to collaborate with our Federal partners, sister State and County departments and agencies and non-profit community to develop and construct permanent supportive housing projects with a qualified developer/operating partner to include the full spectrum of our most disadvantaged populations that require wrap around services to address the most intense needs.

Over 17 years ago, Act 196 of 2005, as amended by Act 180 of 2006, the Housing and Community Development Corporation of Hawaii (HCDCH) was bifurcated into two separate agencies – HPHA and Hawaii Housing Finance and Development Corporation (HHFDC). At that time the primary purpose of

the HPHA was to manage a variety of forms of housing assistance, including public housing, housing assistance payments, rental supplement, and homeless programs. However, the HPHA continued to pursue the redevelopment of its existing public housing stock as demonstrated through the submission of applications to Federal grant programs such as the HOPE VI Revitalization Grant and the Choice Neighborhoods Initiative.

In 2005, the Hawaii State Legislature and the U.S. Department of Housing and Urban Development (HUD) had the foresight to support the HPHA's efforts to engage in public private partnerships to develop a variety of housing, including public housing, affordable housing, commercial and industrial.

Today, as the HPHA continues to look towards the future, it continues to align itself with the current national trends in the redevelopment of its public housing inventory. As the affordable housing crisis has worsened across the nation, and has been magnified here in Hawaii, the Federal government continues to develop new tools and make funding available for PHAs to take advantage of redevelopment programs that were not available a decade and a half ago. These new programs, such as Mixed-Finance Redevelopment, emphasize the conversion of public housing and promotes the de-concentration of poverty. Through the redevelopment process, a mixture of public housing, affordable housing, market rate and commercial uses will be created to benefit the community.

HPHA's desire is not to remain a static agency, sitting on the sidelines while these opportunities pass by. Our mission and fiduciary responsibility are to constantly look to the future and to challenge ourselves to make the most of the land, financial and human resources we have to contribute to resolving the housing crisis. This bill is crucial for us to take this opportunity and to step up and collaborate with other departments and agencies to use their expertise, so that we can make a dent in what is needed for our community.

While we are not a homeless agency, the HPHA stands ready to assist the Legislature in this endeavor and looks at this measure as an opportunity to be part of the overall solution needed to address all housing and homeless related issues in Hawaii.

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

**SB-3368**

Submitted on: 2/10/2022 1:27:25 PM

Testimony for HOU on 2/15/2022 3:05:00 PM

| <b>Submitted By</b> | <b>Organization</b>        | <b>Testifier Position</b> | <b>Remote Testimony Requested</b> |
|---------------------|----------------------------|---------------------------|-----------------------------------|
| Kevin Carney        | Testifying for EAH Housing | Oppose                    | No                                |

Comments:

Aloha Senate Committee on Housing and Senate Committee on Human Service, I am Kevin Carney, Vice President of EAH Housing submitting testimony in opposition to SB 3368. This bill authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing (PSH). It directs the Hawaii Housing Finance and Development Corporation to prioritize the construction of PSH for any available federal low-income housing tax credits.

The primary reason for our opposition is the prioritization of PSH for available federal low-income housing tax credits. EAH is a strong supporter of PSH and a developer and manager of PSH. Our California portfolio includes 1,640 units of PSH with another 1,000 units in our development pipeline. However, PSH requires more than money to build it. It requires free land, leasehold or fee, project based Section 8 and a strong self supporting resident services provider to make it work. PSH as important as it is in helping the homeless to transition out of homelessness only serves a small segment of our population.

The greater demand for housing is with those at incomes at or below 60% of the area median income. These are our kupuna, single moms and young working families struggling to make ends meet in becoming productive members of our society. And, the primary source of equity for building housing to serve these income levels is the Low-Income Housing Tax Credit Program. In creating a priority for PSH you are taking away housing from a much larger portion of our population.

EAH wants to be part of the solution to homelessness but we do not believe SB 3368 is the path to follow.

Sincerely,

Kevin R. Carney (PB) NAHP-E

Vice President, Special Projects

EAH Housing

808-523-8826



[www.eahhousing.org](http://www.eahhousing.org)



STANFORD CARR DEVELOPMENT, LLC

\*February 14, 2022

Honorable Stanley Chang, Chair  
Honorable Dru Mamo Kanuha, Vice Chair  
Senate Committee on Housing

Honorable Joy A. San Buenaventura, Chair  
Honorable Les Ihara, Jr., Vice Chair  
Senate Committee on Human Services  
Hawaii State Capitol  
Honolulu, Hawaii 96813

Subject: SB 3368 Relating to Homelessness  
Hearing: February 15, 2022 at 3:05PM  
State Capitol, Room 225 Via Videoconference

Dear Chair Chang, Chair San Buenaventura, Vice Chairs and Committee Members:

I am writing to express **opposition** for SB 3368 with respect to the language that will prioritize competitive federal low-income housing tax credits (LIHTC) for the construction of permanent supportive housing units to meet the needs of chronically homeless individuals.

While the intent of SB 3368 is appreciated, substantive amendments are requested to delete the priority language, increase the amount of general obligation bonds needed to fund the development and construction of permanent supportive housing units, and leverage the bonds with federal programs, such as HOME Investment Partnerships, Housing Trust Fund, Emergency Solutions Grants, and Community Development Block Grants, that target housing solutions for persons experiencing homelessness.

As a founding board member and director of HomeAid Hawaii, Stanford Carr Development participated in a leadership role and constructed two homes within the 37 tiny home structures of the *Kamaoku* kauhale project located on Hawaii Public Housing Authority (HPHA) land and leased to U.S. Vets for the programmatic operations. We fully appreciate and understand first-hand the collaborative effort required to properly address the comprehensive housing and human services needs of chronically homeless households. As noted within the bill, much more than a housing agency is necessary to address the behavioral and mental health complexities associated with homelessness. It takes a village.

Honorable Stanley Chang, Chair  
Honorable Dru Mamo Kanuha, Vice Chair  
Honorable Joy A. San Buenaventura, Chair  
Honorable Les Ihara, Jr., Vice Chair  
Page 2

February 14, 2022

The LIHTC program provides equity and leverages federal and state tax credits with private activity bonds and other public and private subsidies to ensure the affordability of rental units for families earning 60% or less of area median income. The competitive 9% tax credits allocated to the State on a per capita basis lacks capacity to meet existing developer demand for building new affordable rental housing. By redirecting the competitive LIHTC equity toward permanent supportive housing, it will result in a zero net gain to the inventory of affordable rentals. In addition, the proposed policy is detrimental to the Hawaii Housing Finance and Development Corporation's annual Consolidated Application process. By diverting the competitive LIHTC funds, the State risks exacerbating the problem of homelessness by reducing the overall availability of affordable rental housing inventory. Instead, new moneys are needed to facilitate a priority for permanent supportive housing.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr', with a stylized flourish at the end.

Stanford S. Carr  
President



## HAWAII LABORERS-EMPLOYERS COOPERATION AND EDUCATION TRUST

650 Iwilei Road, Suite 285 · Honolulu, HI 96817 · Phone: 808-845-3238 · Fax: 808-845-8300

THE SENATE  
THE THIRTY-FIRST LEGISLATURE  
REGULAR SESSION OF 2022

### COMMITTEE ON HOUSING

Senator Stanley Chang, Chair  
Senator Dru Mamo Kanuha, Vice Chair

### COMMITTEE ON HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair  
Senator Les Ihara, Jr., Vice Chair

### NOTICE OF HEARING

DATE: Tuesday, February 15, 2022  
TIME: 3:05 p.m.  
PLACE: Conference Room 225  
State Capitol  
415 South Beretania Street

### TESTIMONY ON SB3368

TO THE HONORABLE CHAIR STANLEY CHANG, CHAIR JOY A. SAN BUENAVENTURA, VICE CHAIR DRU MAMO KANUHA, VICE CHAIR LES IHARA, JR., AND MEMBERS OF THE COMMITTEES:

Hawaii LECET is a labor-management partnership between the Hawaii Laborers' International Union of North America, Local 368, its' 5000+ members and its' 250+ unionized contractors. The Laborers' International Union of North America is the largest construction union in the United States.

Hawaii LECET **opposes** SB3368, which would utilize general obligation bonds to develop housing for homeless individuals and families, at the expense of disapplying proper and ethical procurement policies. SB3368 as it is currently written allows for the exemption of Chapter 103D Hawaii Public Procurement Code and the requirements of ethical public procurement in order to promote quick construction of permanent supportive housing.

Hawaii LECET supports utilization of the Hawaii Public Procurement Code for all government projects and therefore opposes SB3368. Thank you for your consideration.

With respect,

Hawaii Laborers-Employers Cooperation & Education Trust



17 West Lockwood Avenue  
St. Louis, MO 63119

p: 314-968-2205

## Testimony of Sugar Creek Capital

Senate Committee on Housing  
The Honorable Stanley Chang, Chair  
The Honorable Dru Mamo Kanuha, Vice Chair

Senate Committee on Human Services  
The Honorable Joy A. San Buenaventura, Chair  
The Honorable Les Ihara, Jr., Vice Chair

**RE: S.B. 3368, RELATING TO HOMELESS**

**Tuesday, February 15, 2022  
3:05 p.m**

Aloha Chair Chang, Chair Kim and Members of the Committees:

Sugar Creek Capital submits testimony in **opposition** to SB 3368.

Sugar Creek Capital specializes in state low-income housing tax credit investments that benefit working families and fixed-income seniors across the State of Hawai'i and the country.

Sugar Creek Capital agrees with the use of general obligation bonds for permative supportive housing and encourages increased G.O. bond appropriations in this area. However, we have concerns about the impacts this bill may have on HHFDC's primary financing tool, which is the Low-Income Housing Tax Credit. (LIHTC).

We do not support changes that may divert credits or otherwise affect the current process in which HHFDC's Qualified Allocation Plan process is utilized to award proposed housing projects objectively and transparently.

The statutory changes being proposed in SB 3368 undermines the very flexibility that is behind the success of the LIHTC program in addressing multiple important housing needs.

We humbly ask that you defer this measure.

Mahalo for the opportunity to provide testimony.



Mobile: 808.428.8717  
Email: lindaschatz@schatzcollaborative.com  
Schatzcollaborative.com

February 14, 2022

Committee on Housing  
The Honorable Stanley Chang, Chair  
The Honorable Dru Mamo Kanuha, Vice Chair  
Committee on Human Services  
The Honorable Joy A. San Buenaventura, Chair  
The Honorable Les Ihara, Jr., Vice Chair  
State Capitol  
Honolulu, HI 96813

**SUBJECT: Opposition to SB3368**

Dear Committee Members,

My name is Linda Schatz and I am the principal of Schatz Collaborative LLC, a real estate development company. Schatz Collaborative LLC has been developing in Hawaii since 2016 with financial and development partners from the Western United States. We focus on multi-family workforce and market rate rentals and specialize in retail development. Our company has also consulted and managed the planning of many master planned communities on Oahu and Hawaii Island for land developers.

**Schatz Collaborative LLC opposes SB3368.**

While I am in support of using GO bonds to provide permanent supportive housing, I am not in support of prioritizing low-income housing tax credits (LIHTC) for this purpose, therefore I cannot support this bill. Permanent supportive housing is critical, but it can be supported by other funding mechanisms such as HOME, HOME ARPA, Housing Trust Funds, and GO Bonds. Affordable housing cannot and its main source of funding is LIHTC, Rental Housing Revolving Fund, and Private Activity Bonds. All are limited resources. LIHTC should be awarded based on HHFDC's QAP process which transparently vets housing projects. HHFDC's process ensures taxpayer funds are spent efficiently. To prioritize permanent supportive housing would only take up a very scarce resource to house local households especially when there are other funding mechanisms that can support this need.

Thank you again for the opportunity to submit this testimony. If there are any questions, or if additional information is needed, please do not hesitate to contact me at (808)428-8717.

Warmest Regards,

A handwritten signature in black ink that reads "Linda Schatz".

Linda Schatz  
Principal

**SB-3368**

Submitted on: 2/10/2022 1:43:25 PM

Testimony for HOU on 2/15/2022 3:05:00 PM

| <b>Submitted By</b> | <b>Organization</b> | <b>Testifier Position</b> | <b>Remote Testimony Requested</b> |
|---------------------|---------------------|---------------------------|-----------------------------------|
| Lorna Holmes        | Individual          | Support                   | No                                |

Comments:

Construction of badly needed public housing is an urgent necessity. Please pass this bill and act on it to get housing built.

Mahalo,

Lorna Holmes 96817

SB 3368 TESTIMONY

To: Senate Committee on Housing  
Senate Committee on Human Services  
Hearing on Feb. 15, 2022 at 3:05 p.m.

From: John Kawamoto

Position: Support

Housing prices have steadily increased for decades in Hawaii, while wages have stagnated. Fewer and fewer people can afford housing, and as a result, homelessness has continued to grow. This bill funds the development of permanent supportive housing for chronically homeless people. Thomas Jefferson once said, "The measure of society is how it treats the weakest members." This bill elevates our entire society.