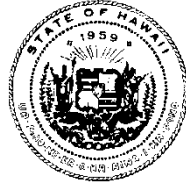


DAVID Y. IGE
GOVERNOR



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 GOVERNMENT OPERATIONS AND SENATE COMMITTEE ON HOUSING

Thursday, February 11, 2021
1:00 PM - Room 225, Hawaii State Capitol

In consideration of
SB 740
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) 740, relating to the department of housing.

The Hawaii Public Housing Authority (HPHA) **appreciates the intent** of SB 740, which creates the department of housing. Places the Hawaii community development authority, Hawaii housing finance and development corporation, the office of planning, 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.

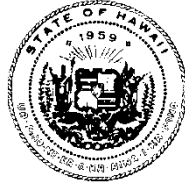
- Working with the DHS Homeless Branch to provide contract services for the Lieutenant Governor's Kauhale initiative on HPHA land in Kalaeloa.
- Working with the Governor's Coordinator on Homelessness and the Hawaii Interagency Council on Homelessness to coordinate housing efforts for our extremely low-income 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 may know, originally, the Hawaii Housing Authority (HHA) was a unified housing agency. It was divided into the Housing Finance and Development Corporation (HFDC), which assumed the housing finance, development, and land reform functions, and a smaller HHA, which retained the public housing and housing management functions. The two were subsequently merged into the HCDCH in 1998. The suggestion from the Affordable Housing Task Force, pursuant to SCR 135, SD1, 2004, was to split off the housing finance functions into a separate agency, or conversely, split off the public housing side. The Legislature followed that suggestion and Act 196, SLH 2005, as amended by Act 180, SLH 2006, and separated the HCDCH to create the HPHA and the HHFDC.

Combining the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, the Office of Planning, 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. There are also several measures that look to create a "Housing Coordinator" that could assist in coordinating the housing efforts of the State.

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



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 GOVERNMENT OPERATIONS
SENATE COMMITTEE ON HOUSING**

February 11, 2021 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 740
RELATING TO THE DEPARTMENT OF HOUSING.

The HHFDC ***offers the following comments and concerns*** on S.B. 740, which creates a new Department of Housing and attaches the Hawaii Community Development Authority (HCDA), HHFDC, the Hawaii Public Housing Authority (HPHA) and the Office of Planning (OP) to this new department for administrative purposes.

HHFDC provides financing and development tools to promote the development of workforce housing. HPHA provides public housing and housing assistance to lower-income households. HCDA provides moderate-income housing through its Reserved Housing Program. OP has a broader role with responsibilities over statewide planning as set forth in Chapter 225M, HRS.

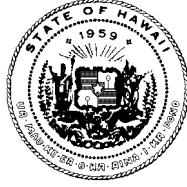
We would like to note that the bill's effective date of July 1, 2021 leaves very little time to establish the new Department of Housing. Combining these agencies under the Department of Housing for administrative purposes by that date will create an administrative burden to complete a formal structural change and reorganization that based on previous consolidations would take at least two years to complete.

We further note that if not all of the agencies referenced in this bill can feasibly be consolidated under the new Department of Housing, the entire concept should be reconsidered. There are other alternatives to promote coordination, such as the measures that create a Housing Advocate or Housing Coordinator, previously heard by the Committee on Housing.

Thank you for the opportunity to testify.

LATE

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 10, 2021

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

The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing

FROM: Cathy Betts, Director

SUBJECT: **SB 740 – RELATING TO THE DEPARTMENT OF HOUSING.**

Hearing: Thursday, February 11, 2021, 1:00 p.m.
Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of the measure, 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, the Office of Planning, 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 conditions and lack of human and fiscal resources to execute such a task, a detachment and consolidation could not be implemented in the timeframe provided.

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

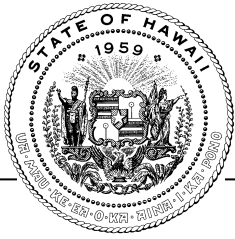
services to Hawaii's residents who need these supports. HPHA's human resources, budgetary, and other administrative supports are subsumed by DHS. These functions would all need to be transferred to another entity, which would be time consuming and not without costs.

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, as well as to 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 a 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. Prior to embarking upon such a dramatic change as proposed, DHS is willing to engage in discussion and planning as to the most efficient way to identify redundancies and address points of the system that can be better coordinated or consolidated.

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



**OFFICE OF PLANNING
STATE OF HAWAII**

LATE

DAVID Y. IGE
GOVERNOR

MARY ALICE EVANS
DIRECTOR
OFFICE OF PLANNING

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Statement of
MARY ALICE EVANS
Director, Office of Planning
before the
**SENATE COMMITTEE ON GOVERNMENT OPERATIONS
AND
SENATE COMMITTEE ON HOUSING**

Thursday, February 11, 2021

1:00 PM

Via Videoconference

in consideration of
SB 740
RELATING TO THE DEPARTMENT OF HOUSING.

Chairs Moriwaki and Chang, Vice Chairs Dela Cruz and Kanuha, and Members of the Senate Committees on Government Operations and Housing.

The Office of Planning (OP) has **strong concerns** regarding SB 780, which proposes to consolidate various State agency functions, including the Office of Planning, in a new Department of Housing.

The persistent lack of affordable housing in Hawai'i warrants unity of purpose in addressing the State's affordable housing shortfall. However, the Office of Planning has a much broader mandate and mission than housing, including: the administration of federal funds and functions under the State's Coastal Zone Management Act; management and maintenance of the State's Statewide Geographic Information System; support of statewide economic development planning required for U.S. Economic Development Administration grant programs; and statewide coordination of sustainability efforts.

OP's wide-ranging planning functions require that our activities promote balance among competing demands for development and natural resource protection. Even in its support for statewide transit-oriented development (TOD), OP must promote and advocate for the achievement of TOD objectives beyond housing. For these reasons, we believe it would be detrimental to its mandates and mission for OP to be subsumed in the new department.

Thank you for the opportunity to testify on this measure.



CATHOLIC CHARITIES HAWAII

COMMENTS ON SB 740: RELATING TO THE DEPARTMENT OF HOUSING

TO: Senate Committee on Housing

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

Hearing: Thursday, 2/11/21; 1:00 pm; via videoconference

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

Thank you for the opportunity to provide Comments on SB 740, which creates the department of housing, and places the Hawai'i Community Development Authority, Hawai'i Housing Finance and Development Corporation, Office of Planning, and Hawai'i Public Housing Authority under the department for administrative purposes. 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 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.

Catholic Charities Hawai'i as well as our non-profit housing corporations, Catholic Charities Housing Development Corporation has worked with the departments above for many years. Some of our staff have been on the boards of directors for some of these departments. We have seen that these department face major challenges in creating housing for the people of Hawai'i. We have seen more collaboration and working together of these housing departments. There is regular communications towards the goal of how to produce affordable housing.

We are concerned that merging these entities may add an additional layer of bureaucracy. This could have the unintended consequence of slowing efforts down instead of speeding them up. Each department also has somewhat different missions and target groups. Each has to address their own issues. However, sometimes in the past when departments had been merged, the challenges of one agency could overwhelm the overall department. Our staff experienced this when HPHA and HHFDC were one department. Once separated, they both could focus on their own challenges with much more success and we have seen much forward movement.

We support the intent of this bill for these critical housing entities to work together and collaborate for the overall state mission of creating affordable housing. These departments are collaborating now and we urge them to continue to find ways to increase information sharing and collaboration to create overall state strategies to meet the housing needs of their target groups.

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



February 10, 2021

PUBLIC TESTIMONY SB 740

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-740

Submitted on: 2/10/2021 12:51:32 PM

Testimony for GVO on 2/11/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Homelani Schaedel	Individual	Support	No

Comments:

Given the State' Budget deficit which will impact affordable housing funding, consolidating the State's Housing Agencies will align resources to address our affordable housing crisis. This action will also direct funding to one department to serve the general public.

LATE

SB-740

Submitted on: 2/10/2021 6:12:54 PM

Testimony for GVO on 2/11/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nani Medeiros	Individual	Oppose	No

Comments:

(The Zoom option was not available at the time I submitted this, but would appreciate being able to participate if possible.)

Good afternoon Chair Moriwaki, Chair Chang, Vice-Chairs Dela Cruz and Kanuha and members of the committees. I oppose Senate Bill 740, which creates the Department of Housing, and places the Hawaii Community Development Authority, Hawaii Housing Finance and Development Corporation, the State Office of Planning, and the Hawaii Public Housing Authority under it for administrative purposes.

I served on the Affordable Housing Task Force (AHTF) in 2004 as the Governor's representative, pursuant to S.C.R. 135, S.D. 1 and worked with over 120 government, professional and community stakeholders to develop solutions to Hawaii's affordable housing shortage, with respect to both the ownership and rental markets. One of the most important recommendations that came from the AHTF report to the Legislature was to separate the Housing and Community Development Corporation of Hawaii (HCDCH) into two separate agencies. The HHFDC would focus on financing and development of affordable housing, while the HPHA would provide public housing and housing rental assistance to our State's most vulnerable populations. This was done to establish an affordable housing finance agency that had no other duties but to act as a facilitator to bring the parties together to lower the costs for developers to provide this housing. At the time, the administration of the public housing and rental assistance programs for low-income families were under a Corrective Action Order from the U.S. Department of Housing and Urban Development (HUD).

After a thorough examination of the issues at hand, the Affordable Housing Task Force recommended to the Legislature to statutorily separate the HCDCH and placed them in the Department of Economic Development and Tourism and the Department of Human Services because those departments were best suited to carry out the missions of HHFDC and the HPHA. I understand the intent of this bill, but going back in history

shows that consolidating all of the aforementioned agencies would in itself add more bureaucracy by adding another layer of administrative oversight as established by Hawaii Revised Statutes §26-35, along with amending administrative processes needed to consolidate Hawaii Administrative Rules changes, amend agency structures, amend legal documents such as land titles, rental leases, contracts with HUD, Memorandum of Understanding/Agreements, etc...

Thank you for the opportunity to testify.