

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 2, 2021 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 749
RELATING TO THE PUBLIC HOUSING AUTHORITY.

The HHFDC **opposes** S.B. 749. In 1997, the Legislature established the Housing and Community Development Corporation of Hawaii (HCDCH) by consolidating the Hawaii Housing Authority, Housing Finance and Development Corporation and Rental Housing Trust Fund Commission (Act 350, SLH 1997). The HCDCH commenced operations on July 1, 1998 and administered the state's public housing, homeless assistance, housing financing and housing development programs.

However, in 2005, the Legislature found that, "the burden of administering the public housing projects in the State has overshadowed the ability of the corporation to pay sufficient attention to the financing and development of affordable housing." Therefore, Act 196, SLH 2005, as amended by Act 180, SLH 2006, separated the housing financing and development functions from the HCDCH to create HHFDC.

HHFDC's mission is to focus on the financing and development of affordable housing. The HPHA's primary mission is to focus on administering public housing projects in the State. Therefore, we believe this bill is a step backwards in the efficient management of State housing functions.

Thank you for the opportunity to testify.

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

Tuesday, February 2, 2021
1:00 PM – Room 225, Hawaii State Capitol

In consideration of

SB 749

RELATING TO THE PUBLIC HOUSING AUTHORITY

Honorable Chair Chang and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 749, relating to the public housing authority.

The Hawaii Public Housing Authority (HPHA) **supports the intent** of SB 749 and offers the following comments and amendments. This measure allows the Hawaii Public Housing Authority to build non-subsidized housing.

Hawaii Revised Statutes §356D-1 currently defines “housing project” as 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 humbly recommends a new definition for “housing” to be created and replace “housing project” in the bill to prevent any unintended consequences that may prevent the HPHA from following the legislative intent of this measure.

"Housing" means any home, house, residence, building, apartment, living quarters, abode, domicile, or dwelling unit designed principally for the purpose of sheltering people and is unrestricted as to the affordability or the income level of its occupants."

The HPHA is here to assist the Legislature in this endeavor and looks at this measure as an opportunity to be a part of the overall solution needed to address all housing related issues in Hawaii.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding SB 749. We thank you very much for your dedicated support.



January 31, 2021

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

Comments in Opposition to SB 749 RELATING TO THE PUBLIC HOUSING AUTHORITY (Allows the Hawaii Public Housing Authority [HPHA] to build nonsubsidized housing.)

**Tuesday, February 2, 2021, at 1:00 p.m., Conference Room 225,
via Videoconference.**

The Land Use Research Foundation of Hawaii (LURF) is a private, non-profit research and trade association whose members include major Hawaii landowners, developers, and utility companies. LURF's mission is to advocate for reasonable, rational, and equitable land use planning, legislation and regulations that encourage well-planned economic growth and development, while safeguarding Hawaii's significant natural and cultural resources, and public health and safety.

LURF appreciates the opportunity to express comments in **opposition to SB 749**, which has the potential to cause confusion, duplicate government effort and costs, and distract the HPHA from its main kuleana.

SB 749. This bill would expand HPHA's kuleana to build nonsubsidized housing.

LURF's Position. LURF opposes expanding HPHA's powers to build nonsubsidized housing, based on the following:

- Combining State housing functions was tried before, and did not work. From 1998 to 2005, the State housing functions were combined into one department, Hawaii Community Development Corporation of Hawaii, however, that did not work. In 2005, the Legislature separated the housing functions and delegated subsidized housing to HPHA and the development of nonsubsidized housing to the Hawaii Housing Finance and Development Corporation (HHFDC).
- Building nonsubsidized housing is not HPHA's main kuleana or expertise, and HPHA should concentrate on their own kuleana.
- HPHA does not have the staff or experience in nonsubsidized housing.

Thank you for the opportunity to present testimony regarding this matter.

SB-749

Submitted on: 1/31/2021 5:53:55 PM

Testimony for HOU on 2/2/2021 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
cathy lee	Individual	Support	No

Comments:

I support SB479.

I testify in support of this bill and can't stress how critical this bill truly is. There is a common wisdom that all efforts to address our housing crisis are going to be revenue negative with the costs born by our collective government. This common wisdom is false. This common wisdom has led to learned helplessness and the sorry state we are in now.

The truth is that government housing projects in Hawaii to date have been revenue negative precisely because we asked them to be. We set out to build housing that would not draw a profit, achieved that goal spectacularly, then wondered why we felt disincentivized to build housing at all. If one sets out to achieve something, beware.. you may get there. Culture is the actions we take. The culture of revenue negative housing has damned us to this situation. It needs to die. It is not a championship culture. It is not a winning culture. It is failure and a massive waste of human life in the years spent for an individual to achieve housing security.

If you are apprehensive that housing can be revenue positive, I need to remind you of two things. First, Hawaii participates in a global housing market. People want to move here, and are willing to pay to do so. It is what drives up the cost of housing. It can also be what saves us.

Second, remember the nuances of difference between a government, a business, and a corporation. A business exists to make money. A corporation is different from a business. A corporation exists to organize and recruit capital to an institution. If that institution is a business, the capital is recruited in the furtherance of making more money. If that institution is a government the corporation exists to recruit capital to the funding of services to the populace. This bill is not asking to make the government operate like a business. This bill is asking to make the government operate like a corporation; gathering funding to serve the mission of government.

Returning to the point of our participation in a global market – These are people who want to buy shares in our community. If you as the government do not issue new shares, these people will not be able to buy in, and instead they will buy out existing owners. This buy out is the status quo of learned helplessness. I ask instead that you pass this bill and allow the offshore capital to buy in and fund our transit, our education, our housing for the truly poor, or whatever you designate. If in 2021 you fail to allow these people to pay for our government, the only thing they will pay for is the plane ticket to Vegas for the next displaced bought out resident.

Erik Horn,
Lifetime Kailua resident and voter,
In support of SB749