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GOVERNOR



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STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

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Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

April 14, 2023 at 11:00 a.m.
State Capitol, Room 312

In consideration of
S.C.R. 54

**URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING
TAX CREDIT PROGRAM.**

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. Furthermore, HHFDC agrees that supportive housing is an innovative solution to house special needs populations, which includes the chronically homeless, individuals with disabilities, transitioning from incarceration, and those suffering from substance abuse.

HHFDC offers the following comments on S.C.R. 54, which urges HHFDC to amend the 2023-2024 Qualified Allocation Plan (QAP) for LIHTC to facilitate supportive housing development.

We note that it is too late to amend the 2023-2024 QAP. However, the QAP scoring criteria in the QAP already does favor projects that provide supportive housing. For example, presently points are awarded to projects that include special needs housing, have project-based rental assistance subsidies, that serve a greater percentage of low-income units, and are sponsored by an experienced developer. Supportive housing projects would score highly for each of these criteria, increasing their likelihood of receiving LIHTC funding.

Thank you for the opportunity to provide testimony.



SCR54 Support Supportive Housing

COMMITTEE ON HOUSING

Rep. Troy N. Hashimoto, Chair

Rep. Micah P.K. Aiu, Vice Chair

Friday, Apr 16, 2023 11:00: Room 312

Hawaii Substance Abuse Coalition Supports SCR54:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery services.

HSAC believes that the HHFDC could really help to promote Supportive Housing as part of Hawaii's low-income housing tax credit.

Supportive Housing (SH) is community-based housing targeted to low-income households with that combines housing with case management and wrap around care.

The Hawai'i Supportive Housing Work Group was formed by the Hawaii Interagency for Homelessness through funding by the 2022 Hawaii State Legislature to establish a broad stakeholder group that could benefit from supportive housing, by pairing a housing unit with a rental subsidy and supportive services that fit the residents' needs.

- **This combination enables housing stability for community members with higher needs who may not be able to stay housed with a housing unit alone.**
- Local and national studies demonstrate the benefits of supportive housing on individual residents, our public systems, and our entire community.

SH is not formal treatment but has elements similar to treatment in that they involve peer support and other addiction recovery aids.¹ It's important to have various housing options for people because recovery is unique to each person.

SAMHSA's Definition for Homeless towards Recovery²

1. Choice - Making informed, healthy choices that support physical and emotional wellbeing.

¹ SAMHSA Affordable Housing Models and Recovery <https://www.samhsa.gov/homelessness-programs-resources/hpr-resources/affordable-housing-models-recovery>

² SAMHSA's Working Definition of Recovery. <http://store.samhsa.gov/shin/content//PEP12-RECDEF/PEP12-RECDEF.pdf>

2. Home—A stable and safe place to live.
3. Purpose—Meaningful daily activities, such as a job, school, volunteerism, family caretaking, or creative endeavors, and the independence, income and resources to participate in society.
4. Community—Relationships and social networks that provide support, friendship, love, and hope.

Supportive Housing (SH) helps to develop and provide housing and related supportive services for higher needs people moving from homelessness to independent, supportive living.³ Program funds help homeless people live in a stable place, increase their skills and their income, and gain more control over the decisions that affect their lives.

Services include housing subsidies, transitional housing, outreach, case management, childcare, social skills development, job training/placement, health care, and transportation. Medicaid or Supplemental Security Income (SSI) can help with funding. Supportive housing combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities including substance use disorders and mental health disorders.

Study after study has shown that supportive housing not only **resolves homelessness** and increases housing stability, but also improves health and **lowers public costs by reducing the use of publicly-funded crisis services, including shelters, hospitals, psychiatric centers, jails, and prisons.**

- The SH model has been demonstrated to permanently keep the majority of persons who enter the program from ever becoming homeless again.
- A primary goal is to address those significant challenges to help people avoid future episodes of homelessness.
- It's a higher level than a shelter that often limits the hours when a person can be onsite resulting in homeless individuals wandering through the neighborhood during the day.

Core Components

Supportive housing links decent, safe, affordable, community-based housing with flexible, support services designed to help the individual stay housed and live a more productive life in the community. There is no single model for supportive housing's design.

We appreciate the opportunity to provide testimony and are available for further questions.

³ HUD Exchange SHP Supportive Housing Program <https://www.hudexchange.info/programs/shp/>



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF: SCR 54: URGING THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO PROMOTE SUPPORTIVE HOUSING IN THE STATE'S LOW-INCOME HOUSING TAX CREDIT PROGRAM.

TO: House Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Friday, 4/14/23; 11:00 am; CR 312 & via videoconference**

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

We appreciate the opportunity to provide testimony **in support of SCR 54**, which urges the Hawai'i Housing Finance and Development Corporation to promote supportive housing in the State's Low Income Tax Credit program. 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 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 long been a supporter of funding to create substantial rental housing in our State.

CCH strongly supports Permanent Supportive Housing which addresses the growing wave of people with special needs who would benefit from supportive living to live safe and dignified lives. By linking affordable housing with access to services, supportive living can serve a wide range of special need populations. Studies have shown that this type of housing can generate significant cost savings to public systems.

The Low Income Housing Tax Credit Program (LIHTC) is a major resource to create affordable rentals. However, few projects have come to the Hawai'i Housing Finance and Development Corporation and been funded for special need populations. With LIHTC funding, special need units can only serve the stated population and vacant units must be held open until there is an eligible special need applicant. Units are restricted to the special need population for a long affordability period, often over 60 years. In order to reduce risk and encourage more development, the resolution proposes to allow developers to exert their best efforts to restrict units to special need tenants but would allow them to rent to other income-eligible tenants after making reasonable attempts to rent the unit, or the next available unit, to a special needs tenant.

Catholic Charities Hawai'i participates in the QAP discussions and process. In the next round, the HHFDC can consider this proposed change and get further input from developers who may apply to the LIHTC program. This process allows HHFDC to receive a wide range of input from the community and developers.

We support making the selection criteria more flexible as proposed in this resolution. With the long affordability period, this change may encourage more production of these units. If you have any questions, please contact our Legislative Liaison, Betty Lou Larson at (808) 527-4813.



LATE

SCR-54

Submitted on: 4/14/2023 9:13:49 AM

Testimony for HSG on 4/14/2023 11:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Crystal Caday Bargayo	Individual	Support	Written Testimony Only

Comments:

I am in support of SCR54. I've worked with families in low-income housing and having support is a great help. It would also benefit the property owner. The support will be a have a wealth of resources that can help the families. Having a Community Health Worker on various properties will be beneficial.