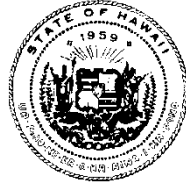


JOSH GREEN, M.D.
GOVERNOR



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

IN REPLY, PLEASE REFER TO:

Statement of
Hakim Ouansafi, Executive Director
Hawaii Public Housing Authority

Before the
HOUSE COMMITTEE ON FINANCE

Wednesday, February 28, 2024
12:00 PM – Room 308, Hawaii State Capitol

In consideration of
HB 2328, HD2
RELATING TO AFFORDABLE HOUSING

Honorable Chair Yamashita, and members of the House Committee on Finance, thank you for the opportunity to provide testimony on House Bill (HB) 2328, HD2, relating to affordable housing.

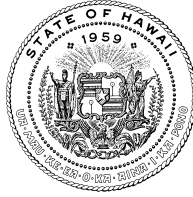
The Hawaii Public Housing Authority (HPHA) **supports** HB 2328, HD2, which appropriates funds to the Hawaii Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu, for affordable housing purposes. Requires units to be affordable to households having an income that does not exceed a percentage of the area median income.

The HPHA believes in increasing affordable housing to combat our current housing crisis and we support measures that promote the adaptive reuse of existing, underutilized buildings for affordable housing purposes. Please be advised that should this measure becomes law, consultant services, legal services, and other costs will be incurred prior to the purchase to ensure that taxpayer dollars are spent wisely. The HPHA will perform the necessary due diligence, prior to finalizing the purchase, including making sure that:

- 1- These properties can be converted into affordable housing at a reasonable cost.
- 2- Appraisals, inspections and cost comp analysis will be conducted to determine the fair value.

Please know that 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 related issues in Hawaii.

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



EXECUTIVE CHAMBERS
KE KE'ENA O KE KIA'ĀINA

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA

Testimony of **John Mizuno**
Governor's Coordinator on Homelessness
Before the
House Committee on Finance
February 28, 2024
12:00 p.m., Conference Room 308

In consideration of
House Bill No. 2328 HD2
RELATING TO AFFORDABLE HOUSING

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members,

I am writing in strong support of HB2328 HD2 which appropriates funds to the Hawai'i Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane for affordable housing purposes. It requires units to be affordable to households having income that does not exceed an unspecified percentage of the area median income.

The average area median income is **30% and below** for individuals experiencing homelessness in Hawai'i. I recommend that the percentage specified in section 2(b) reflect this, to ensure that units are affordable to those experiencing homelessness or at risk.

This measure will allow our state to reduce and prevent homelessness by investing and increasing our inventory of affordable housing. Thank you for the opportunity to testify in strong support of this bill.

Mahalo,

John Mizuno
Governor's Coordinator on Homelessness



DISABILITY AND COMMUNICATION ACCESS BOARD

1010 Richards Street, Rm. 118 • Honolulu, Hawai'i 96813
Ph. (808) 586-8121 (V) • Fax (808) 586-8129 • (808) 586-8162 TTY

February 28, 2024

TESTIMONY TO THE HOUSE COMMITTEE ON FINANCE

House Bill 2328 HD2 – Relating to Affordable Housing

The Disability and Communication Access Board (DCAB) offers comments on House Bill 2328 HD2 – Relating to Affordable Housing.

This bill addresses the housing crisis by appropriating funds to the Hawaii Public Housing Authority to acquire and renovate parcels and buildings located between Bethel Street, Pauahi Street, Fort Street, and Chaplain Lane in Honolulu, Oahu, for affordable housing purposes. It requires units to be affordable to households having an income that does not exceed an unspecified percentage of the area median income.

The housing crisis is magnified for people with disabilities as many units are not designed to be accessible. In addition to addressing the housing shortage, legislation should address the quantity of supportive housing units that are accessible to people with mobility and communication disabilities. The Americans with Disabilities Act Standards for Accessible Design (ADA Standards) specifies the minimum percentage of accessible housing units in public facilities. The ADA Standards only requires five percent of units to be accessible for mobility disabilities and two percent of units to be accessible for communication disabilities. The Fair Housing Act (FHA) design and construction requirements specifies the minimum number of adaptable housing units in public and private buildings containing four or more units. The FHA requires all dwelling units to be adaptable for mobility disabilities in buildings with an elevator, but only requires ground floor units to be adaptable for mobility disabilities in buildings without an elevator. The FHA does not require units to be adaptable for communication disabilities.

According to the U.S. Census Bureau's 2021 Disability Characteristics for the State of Hawaii, 19.1 percent of Hawaii's residents that are sixty five years and older have mobility difficulty, 12.6 percent have hearing difficulty, and 4.7 percent have vision difficulty. The following adjustments that exceed minimum accessibility and adaptability requirements would provide Hawaii residents with disabilities the opportunity to live independently:

- In public facilities with residential dwelling units, at least twenty percent, but no fewer than one unit, of the total number of residential dwelling units shall provide mobility features that comply with applicable technical requirements in the ADA Standards.
- In public facilities with residential dwelling units, at least thirteen percent, but no fewer than one unit, of the total number of residential dwelling units shall provide communication features that comply with applicable technical requirements in the ADA Standards.

- In multi-story buildings with four or more residential dwelling units, an elevator shall connect each story and all dwelling units shall comply with the FHA design and construction requirements.

Investing in accessible housing would ensure that more residential units would be available for individuals with disabilities and their families.

Thank you for considering our position.

Respectfully submitted,



KIRBY L. SHAW
Executive Director

HB-2328-HD-2

Submitted on: 2/26/2024 4:48:55 PM

Testimony for FIN on 2/28/2024 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chris Abe	Individual	Oppose	Written Testimony Only

Comments:

The Civil Beat article by Ben Lowenthal about this bill and proposed development makes a very good point. It appears the the state wants to build more affordable housing by destroying a little niche of quaint, historically significant and unique buildings in the heart of downtown. it's an area that has eclectic and charming businesses from gay night clubs to art spaces to hip bars. We should not be razing history and character down to build more ugly, dystopic-looking glass and concrete towers, despite the need for more affordable housing.

Do better by finding a different parcel to develop. Or amend the bill and require the preservation of the buidling facades and current lessees rights upon reopening. The government is, once again, paving paradise/historyt to put ugly concrete tower blocks like the communist soviet union did. Also, I have strong doubts about the qualify of the affordable units and actual affordability. Do better and stop destroying our city's culture for developers to charge money to stack more concrete.

Testimony
RE: Relating to
Affordable Housing
HB2328

Dear Chair, Members House Finance Committee

1. The Hawaii Public Housing Authority has announced an ambitious and much needed program to acquire and/or renovate properties for the purpose of addressing the crisis over the lack of affordable, permanent rental units statewide with particular emphasis in the urban core of Honolulu.
2. Recently Governor Josh Green and Homeless Coordinator John Mizuno opened Ka Malu Koolau, the latest Kauhale in Kaneohe. As you are aware, Kauhale are communal living spaces with shared bathrooms and kitchens.

The Governor and Mr. Mizuno stated their intention of expanding the concept into existing apartment, commercial, or office buildings to create residential reuse of such assets – urban villages.

3. The Bethel Street Block described in HB2328 offers an exceptional opportunity to create literally dozens of such units at a fraction of the cost of a standard development. The existing Buildings will be converted from existing commercial space to residential use. Existing business activity at street level will be maintained and enhanced with expansion encouraged.
4. The result will be a rejuvenated community which will revitalize the Ft. St. Mall area and spark a rebirth of urban life in the Chinatown area.
5. Successfully coming to grips with cost factors in providing truly affordable units for the income disadvantaged was given vivid prominence recently when we learned a developer of affordable housing at the 80% AMI and above level has had to ask the State to provide subsidies in the millions of dollars to enable the project to succeed in the face of high interest rates and construction costs. Trying to crate affordable housing from scratch particularly for sale is a perilous challenge for any developer.
6. If we are to confront the cost realities of providing safe, practical rental spaces transposing existing commercial and retail assets is the key. We can stop storing people and actually house them.
7. The asking price of \$30m for the properties reflects the market value for commercial and retail usage. The State, of course, has other purposes in mind. The prospect of truly affordable permanent rental units is before you in HB2328.
8. I ask that the Finance Committee forward the bill to enable the Public Housing Authority, the State Homeless Coordinator and the Senate to explore the merits of the issue as the legislative process moves forward.

9. Fee simple purchase of this size and magnitude which creates the possibility for permanent affordable rental units is unprecedented in urban Honolulu and unlikely to be duplicated. The site begs for adaptive reuse.
10. It will be a crown jewel in the inventory of truly affordable rental housing so desperately needed today in Hawaii.

Neil Abercrombie
Governor 2010 - 2014

HB-2328-HD-2

Submitted on: 2/27/2024 4:27:04 PM

Testimony for FIN on 2/28/2024 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Casey Ishitani	Individual	Oppose	Written Testimony Only

Comments:

I am strongly opposing this Bill as it will have extremely negative impacts on the local Honolulu arts, music and LGBTQ+ scene.

There are several businesses present that provide services for communities that are marginalized and have be relegated to limited spaces in Honolulu. Each of these businesses brings much needed commerce and foot-traffic to the Downtown Honolulu area, needed now more than ever after the effects of the pandemic. These spaces support local performers, service industry professionals, business owners and artists, who would otherwise take their abilities and monetary value to The Continent after the failings of The State of Hawaii to retain them.

Replacing these existing businesses with hypothetical “affordable housing” and wayward discussions of mixed-use areas would monumentally degrade faith in local government to maintain and retain residents who are currently occupying and thriving in the community. Hawaii’s economy is already suffering from the loss of local talent to The Continent and this Bill would only further drive more away.

It should also be noted that residents have little faith in “affordable housing” measures due to a lack of transparency regarding vacancies in existing residential buildings. By not providing a specific number of spaces while proposing even more potentially vacant properties at the cost of existing businesses, the House has essentially told local residents to give up an area that provides services that they cannot replace.

The housing crisis is a continued issue in the islands, but it cannot be solved with the gentrification of necessary venues for music, art, food and LGBTQ+ safe spaces. This Bill will only make the housing crisis worse and erode trust in The Hawaii State Legislature. Do not pass this Bill.

HB-2328-HD-2

Submitted on: 2/27/2024 5:58:02 PM

Testimony for FIN on 2/28/2024 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jesse	Individual	Oppose	Written Testimony Only

Comments:

We do not need to put affordable housing in such a historic area. That part of the downtown area has and continues to be, a place where people who love and support the community spend their time. The bars, business' and restaurants there are all loved and frequented by myself and so so many others. To simply tear down such a historic place is sad because it starts the process of erasing its history and pricing the ACTUAL community out of the neighborhood. Please do not make this mistake become a reality. I oppose this "affordable housing" bill 100%

HB-2328-HD-2

Submitted on: 2/27/2024 8:00:20 PM

Testimony for FIN on 2/28/2024 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Amelia Keefe	Individual	Oppose	Written Testimony Only

Comments:

There is a lot of housing available already in Hawai'i that could be made into affordable housing. Building new spaces that get rid of local venues is not the solution.

HB-2328-HD-2

Submitted on: 2/27/2024 8:48:19 PM

Testimony for FIN on 2/28/2024 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
rose elovitz	Individual	Oppose	Written Testimony Only

Comments:

i oppose HB2328

HB-2328-HD-2

Submitted on: 2/27/2024 9:43:17 PM

Testimony for FIN on 2/28/2024 12:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Noah Swanson	Individual	Oppose	Written Testimony Only

Comments:

I truly think that passing this bill would be horrendous for multiple reasons. It will nearly destroy all of Chinatown's culture and businesses that add to the melting pot of cultures that exist in Chinatown. Replacing landmark establishments alongside important social spaces like Scarlet or Proof Social Club, will ruin people's desire to spend anytime in Chinatown and ruin its rich history. Please consider not passing this bill, mahalo.