

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
HONOLULU, HAWAII 96813
PHONE: (808) 587-0620
FAX: (808) 587-0600

IN REPLY PLEASE REFER TO:
23:PECB/xxx

Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

January 31, 2023 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 864
RELATING TO HOUSING.

HHFDC ***supports*** S.B. 864, which authorizes the issuance of general obligation bonds to HHFDC and HPHA to support the development of affordable housing.

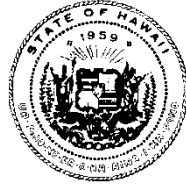
HHFDC's Rental Housing Revolving Fund (RHRF) provides loans to fill financing gaps to enable the development, preservation, or rehabilitation of affordable rental housing projects. Infusion of additional funds into RHRF is needed to continue to the pipeline of affordable rental housing.

HHFDC's Dwelling Unit Revolving Fund may be used to help finance infrastructure improvements that facilitate housing development and mixed-use transit-oriented development projects.

We appreciate the Legislature's strong support for these financing programs over the years as these programs require regular and predictable infusions to ensure that the pipeline of affordable housing continues.

Thank you for the opportunity to provide testimony.

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
SENATE COMMITTEE ON HOUSING

Tuesday, January 31, 2023
1:00 PM – Room 225, Hawaii State Capitol

In consideration of
SB 864
RELATING TO HOUSING

Honorable Chair Chang and members of the Senate Committee on Housing, thank you for the opportunity to provide testimony on Senate Bill (SB) 864.

The Hawaii Public Housing Authority (HPHA) **strongly supports** SB 864 which authorizes the issuance of general obligation bonds to be appropriated for the purpose of financing the HPHA's programs to develop affordable rental and for-sale housing throughout the State.

Facing an aging public housing inventory with a capital improvement backlog upwards of \$800M, the HPHA continues to work expeditiously towards redeveloping and replacing its functionally obsolete public housing units. By funding the development of additional affordable and for-sale housing units, the HPHA can make huge strides in addressing Hawaii's affordable housing crisis.

The HPHA will integrate all newly developed housing units into mixed-income, mixed-use communities. This will be in addition to the one-for-one replacement of public housing units which will adhere to low-income affordability requirements set by the U.S. Department of Housing and Urban Development (HUD). Not only will this provide greater housing stability to our local families struggling to get by, it will benefit the overall social fabric of our

neighborhoods. Through the reduction of poverty-concentration, low-income households are empowered through easier access to better schools, healthcare, and job opportunities.

Earlier this month, the HPHA published a Request for Qualifications (RFQ), seeking a Master Developer for its upcoming Ka Lei Momi Project. This ambitious public-private partnership (PPP) aims to construct 10,000 new affordable units over the next decade. With access to federal tools and programs like Rental Assistance Demonstration (RAD), Choice Neighborhood Initiative (CNI), Section 18 Demolition/Disposition, and Moving to Work (MTW), the HPHA is well-positioned to utilize mixed-finance strategies through a PPP where these new affordable units are so desperately needed.

The HPHA's upcoming redevelopment activities include the second phase of the Kuhio Park Terrace Low-Rises and Kuhio Homes redevelopment project and the first phase of the Mayor Wright Homes redevelopment project. The Kuhio Park terrace Low-Rises and Kuhio Homes redevelopment project will look to replace 174 public housing units with a total of 650 total units, and the Mayor Wright Homes redevelopment project will look to replace 364 public housing units with a total of 2,448 units.

The HPHA appreciates the opportunity to provide testimony to the Committee in strong support of this measure. We thank you very much for your dedicated efforts.

January 31, 2023

The Honorable Stanley Chang, Chair

Senate Committee on Housing

State Capitol, Conference Room 225 & Videoconference

RE: Senate Bill 864, Relating to Housing

HEARING: Tuesday, January 31, 2023, at 1:00 p.m.

Aloha Chair Chang, Vice Chair Kanuha, and Members of the Committee:

My name is Lyndsey Garcia, Director of Advocacy, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 11,000 members. HAR **supports** Senate Bill 864, which authorizes the issuance of general obligation bonds for the Hawaii Housing Finance and Development Corporation and Hawaii Public Housing Authority's programs to develop affordable rental and for sale housing in the State. Appropriates funds.

According to the Department of Business Economic Development and Tourism's 2019 report on Housing Demand in Hawai'i, the state needs up to 45,497, housing units to meet demand in Hawai'i by 2030.¹ Ultimately, we have a housing supply problem, and investment is needed to meet our State's housing challenges.

The Hawai'i Public Housing Authority ("HPHA") manages federal and state public housing programs, including developing mixed-income and mixed-financed housing projects, pursuant to Act 251, that passed the Legislature last year. The Hawai'i Housing Finance and Development Corporation ("HHFDC") oversees affordable housing finance and development in Hawai'i. Both agencies are crucial to the development of affordable rentals and housing in the State and authorizing the issuance of general obligation bonds will allow both agencies to help increase the supply of affordable rentals and for sale housing in the State.

For the foregoing reasons, Hawai'i REALTORS® supports this measure. Mahalo for the opportunity to testify.

¹ <https://files.hawaii.gov/dbedt/economic/reports/housing-demand-2019.pdf>



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 864: RELATING TO HOUSING

TO: Senate Committee on Housing

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

Hearing: **Tuesday, 1/31/23; 1:00 PM; CR 225 & via videoconference**

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

We appreciate the opportunity to provide testimony **in support of SB 864**, which authorizes GO bonds for the Hawai'i Housing Finance and Development Corporation (HHFDC) and the Hawai'i Public Housing Authority (HPHA) to develop affordable rental and for sale housing in the State. 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 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.

This is the year for the Legislature to fulfill the hopes and dreams of our residents for affordable housing. Our high housing costs are driving our workers to move out of the state just when we need them the most. Our high housing costs are creating family instability and more educational threats when families move, disrupting the education of their children. Our high housing costs are creating homelessness, including a projected 300% for elders over the next 10 years. We need to take action now to create the thousands of affordable rental units needed.

This bill would support the HHFDC's efforts to create affordable housing partnering with many non-profit and for-profit developers across the state. The HPHA plans to create 10,000 affordable housing units in the redevelopment of its projects on state land. This bill would also provide critical funding to start this process and make projects pencil out.

We urge the legislature to create multiple paths to create affordable housing for our state. The effort needed is so huge that one entity cannot achieve the critical mass needed to end or at least significantly address the affordable housing shortage in Hawai'i.

We urge your support of this bill and the overall issue of affordable housing. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.





Monday, January 30, 2023

Aloha Chair Chang, Vice Chair Kanuha, and Members of the Committee,

I'm writing to you in support of SB864, which would authorize the issuance of bonds to fund the Hawai'i Housing Finance and Development Corporation and Hawai'i Public Housing Authority's programs to develop affordable rental and for sale housing.

More affordable housing is desperately needed in the state of Hawai'i, where the average renter spends 42% of their income on rent and the median price of a single-family home is nearly \$1 million. We need a multifaceted approach to solving the housing crisis, and ensuring abundant funding for HHFDC and HPHA is a key part of the solution.

I urge your support for this bill. Thank you for the opportunity to testify.

Mahalo,
Matt Popovich

Hawai'i YIMBY | hawaiiyimby.com
matt@hawaiiyimby.com

LATE

SB-864

Submitted on: 1/30/2023 7:36:03 PM

Testimony for HOU on 1/31/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nikos Leverenz	Testifying for Hawaii Health & Harm Reduction Center	Support	Written Testimony Only

Comments:

Hawai'i Health & Harm Reduction Center supports SB 864.

HHHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.

PARTNERS IN CARE

Oahu's Continuum of Care

LATE

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

TESTIMONY IN SUPPORT OF SB 864: RELATING TO HOUSING

TO: Senate Committee on Housing
FROM: Partners In Care
Hearing: **Tuesday, 1/31/23; 1:00 PM; CR 225 & via videoconference**

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

Thank you for the opportunity to provide testimony **in strong support** of SB 864, which authorizes GO bonds for the Hawai'i Housing Finance and Development Corporation (HHFDC) and the Hawai'i Public Housing Authority (HPHA) to develop affordable rental and for sale housing in the State. Partners In Care (PIC), is a coalition of more than 60 non-profit homelessness providers and concerned organizations. We urge your continued prioritization of GO bond funding for affordable rental production to prevent homelessness and give hope to the people of Hawai'i.

Hawai'i is approaching a new height in its housing crisis. It needs to develop thousands of units of affordable rental housing. 60% of Hawaii's families pay more than one-third of their income on rent. Hit hard by the pandemic, many remain in financial jeopardy. Growing homelessness is a real concern. Building affordable rentals builds resiliency for the future, as well as bringing hope to Hawaii's families. HHFDC's Rental Housing Revolving Fund (RHRF) is the major pathway for the State to promote the development of affordable rental units. RHRF has build thousands of units, yet 20,000 rentals are still needed by 2025 for Hawaii's lower income families.

The Hawai'i Public Housing Authority has old rental buldings located on state land usually in excellent locations for work, play and community services. Their plan to redevelop many of these buildings would result in thousands of new additional units, as well as replacing the current subsidized units on a 1-1 basis. General Obligation (GO) bonds are essential to move forward on this state priority for new affordable rental units.

Housing is healthcare—and can prevent much more expensive options to combat homelessness as well as prevent premature institutionalization of Hawai'i kupuna. Partners In Care urges your strong support for GO bond funding for affordable rentals. Besides the important economic impact, this funding will provide hope to our struggling families, elders and disabled persons.

Partners In Care urges your support for a strong allocation to both HHFDC and HPHA to increase the State's capacity to develop thousands of units of additional housing.

Mahalo

SB-864

Submitted on: 1/27/2023 9:04:17 PM

Testimony for HOU on 1/31/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ashleigh Loa	Individual	Support	Written Testimony Only

Comments:

I support SB864.