

February 20, 2019

LATE

The Honorable Donovan Dela Cruz, Chair
Senate Committee on Ways and Means
State Capitol, Room 211
Honolulu, Hawaii 96813

RE: S.B. 387, SD1, Relating to Teacher Rental Housing

HEARING: Wednesday, February 20, 2019, at 10:05 a.m.

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee,

I am Ken Hiraki Government Affairs Director, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 9,500 members. HAR **supports** Senate Bill 387, SD1, which authorizes the Hawai'i Housing Finance and Development Corporation to assist the Department of Education in developing teacher housing projects.

This measure also requires the Department of Education to lease land and contract with private entities for the development, revitalization, maintenance, and management of teacher housing. The Department of Education may lease teacher housing to other eligible tenants if occupancy of teacher housing falls below 95%. Authorizes issuance of general obligation bonds for deposit into the Dwelling Unit Revolving Fund. Appropriates funds.

According to a 2017 study by the Joint Center for Housing Studies of Harvard University, Honolulu had the 4th highest rent amongst the 100 largest cities in the United States. As a State, Hawai'i has the highest cost burden at 50.8% of Hawaii's renters. Cost burdened households pay more than 30% of their income for housing, including utilities. Of that share, 27.1% are severely cost-burdened, where they spend more than 50% of their income on housing. As such, many of our Hawai'i residents, including teachers, cannot afford the high costs of housing and living in Hawai'i.

This measure allows for the Department of Education to lease its land and contract with private entities for the development of teacher housing. As such, we believe this is a creative approach to help teachers with Hawaii's high costs of housing, which in turn will help with teacher retention and recruitment.

Mahalo for the opportunity to testify.

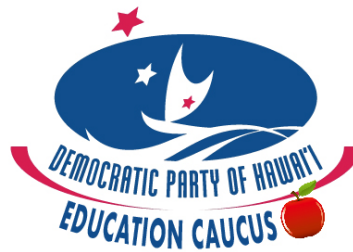
SB-387-SD-1

Submitted on: 2/19/2019 8:44:57 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments:



SENATE BILL 387, SD 1, RELATING TO TEACHER RENTAL HOUSING

FEBRUARY 20, 2019 · SENATE WAYS AND MEANS
COMMITTEE · CHAIR SEN. DONOVAN DELA CRUZ

POSITION: Support.

RATIONALE: The Democratic Party of Hawai'i Education Caucus supports SB 387, SD 1, relating to teacher rental housing, which authorizes the Hawaii Housing Finance and Development Corporation to assist the Department of Education in developing teacher housing projects; authorizes the Hawaii Housing Finance and Development Corporation to, in addition, contract or sponsor with any state department or agency; requires the Department of Education to lease land and contract with private entities for the development, revitalization, maintenance, and management of teacher housing; permits the Department of Education to lease teacher housing to other eligible tenants if occupancy of teacher housing falls below ninety-five per cent; and authorizes issuance of general obligation bonds for deposit into the dwelling unit revolving fund.

Currently, Hawai'i teachers experience the lowest salaries for their profession in the nation, when those salaries are adjusted for the cost of living. At the same time, island housing and rental prices are continuing to skyrocket. According to the Honolulu Board of Realtors, the median single-family home price in Honolulu hit a record \$812,500 in September of 2018, for example, while an analysis of rental values performed by ATTOM Data Solutions released earlier this year found that Honolulu's rentals are the second-least affordable in the country relative to wages.

The average Hawai'i public school teacher earns approximately \$58,000, which, on O'ahu qualifies as "low income", per the U.S. Department of Housing and Urban Development. Until teacher pay is significantly increased—as it should be—we believe housing assistance may help curb Hawai'i's teacher shortage crisis, which now stands at 1,029 positions statewide.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON WAYS AND MEANS

February 20, 2019 at 10:00 a.m.
State Capitol, Room 211

In consideration of
S.B. 387, S.D. 1
RELATING TO TEACHER RENTAL HOUSING.

HHFDC supports S.B. 387, S.D. 1, to the extent that it does not replace priorities set forth in the Executive Biennium Budget. HHFDC has the necessary development tools and expertise to collaborate with other State departments and agencies to develop affordable housing -- in this case for teachers employed by the Department of Education.

Thank you for the opportunity to provide written comments on this bill.

SB-387-SD-1

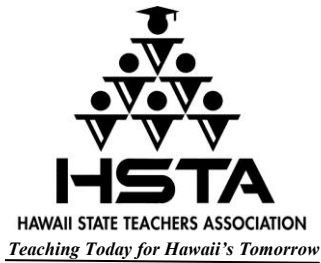
Submitted on: 2/19/2019 9:24:38 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Gilbreath	Testifying for Hawaiian Community Assets	Support	No

Comments:

Our organization is the State's largest HUD-approved housing counseling agency. The majority of our client households earning \$75,000 annually or less, including the public and charter school teachers we serve with group education and counseling. We strongly support this bill, which would assist the State in retaining high quality teachers by providing them access to a program that would increase housing affordability for this key constituency.



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee
President
Osa Tui Jr.
Vice President
Logan Okita
Secretary-Treasurer
Wilbert Holck
Executive Director

TESTIMONY BEFORE THE SENATE COMMITTEES ON
WAYS AND MEANS

RE: SB 387 - RELATING TO TEACHER RENTAL HOUSING

WEDNESDAY, FEBRUARY 20, 2019

COREY ROSENLEE, PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

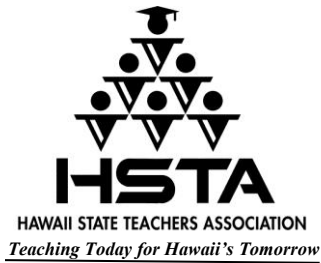
Chair Dela Cruz, and Members of the Committees:

The Hawaii State Teachers Association **supports SB 387, SD1** relating to teacher rental housing.

Hawai'i continues to suffer from a shortage of qualified teachers, especially in our hard-to-fill schools. According to the DOE's STRIVE HI accountability reports, for the 2017-2018 schoolyear, the state saw 1,011 State Approved Teacher Education programs (SATEP) vacancies, up from 920 SATEP vacancies in 2016-2017, including a slight increase in SPED SATEP vacancies, from 290 in 2016-2017 to 311 in 2017-2018, and now 352 SPED SATEP vacancies for 2018-2019 as report to the BOE by the HIDEOE.

Last year in 2018-2019 we saw yet another increase in SATEP vacancies of 1,029 teachers. As we have noted to the Board of Education at previous hearings, SPED teacher attrition has led to a situation in which 1 out of every 6 SPED teachers have not completed a state-sanctioned teacher training program. Our teacher shortage problem is further clarified in the DOE's 2016-2017 Employment Report, which shows that teacher resignations increased from 781 in 2015-2016 to 850 in 2016-2017 and 1,114 in 2018-2019, with only 294 due to retirement. Similarly in-state SATEP hires decreased from 404 to 387 from 2016-2018, while out-of-state SATEP hires increased from 508 to 572. Teacher attrition is worse in high-poverty areas. In the Nanakuli-Waianae Complex Area, for example, an astounding 18 out of 19 SPED teachers hired for the 2017-2018 school year did not have a special education license.

Financial incentives are a key strategy for the recruitment and retention of teachers, particularly given that Hawai'i's teacher salaries continue to trail the nation when adjusted for cost of living. IF we concentrate on retaining our



1200 Ala Kapuna Street ♦ Honolulu, Hawaii 96819
Tel: (808) 833-2711 ♦ Fax: (808) 839-7106 ♦ Web: www.hsta.org

Corey Rosenlee
President

Osa Tui Jr.
Vice President

Logan Okita
Secretary-Treasurer

Wilbert Holck
Executive Director

teachers, the HDOE would not have to focus so much on the recruitment of teachers. To recruit and retain effective educators, policymakers must find ways to lessen the financial burden of being a public school teacher. Establishing a housing voucher program is a good first step.

In the islands, where new housing rarely becomes available, the percentage of renters who face cost burdens—financial handicaps incurred by people spending over 30 percent of their income on housing—is roughly 57 percent, according to the National Low Income Housing Coalition. Many of those cash-strapped renters are state educators, who are chronically underpaid. To make ends meet, many teachers are forced to pick up second and third jobs, live in cramped studio apartments, and cut back on necessities like medical and dental care. Thus they cannot devote their full attending to their students and the preparation of lessons and grading that they usually complete after school once their students have left for the day. Instead, they are rushing off to their second or even third jobs when they would much rather concentrate on their teaching duties and their students.

Thus, increasing the amount of affordable housing rental units for public school teachers would especially assist hard-to-fill schools in attaining sustainable and stable residency, while staving off crushing debt burdens that are exasperated by current high rental units available for teachers.

To take care of the needs of Hawaii's hardworking teachers, the Hawaii State Teachers Association asks your committee to **support** this bill.

SB-387-SD-1

Submitted on: 2/16/2019 10:33:07 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl	Individual	Support	No

Comments:

I believe that having help for teachers will be a huge asset for them. Having gone through the process of renting here in Hawai`i for many years, it can be daunting. Paying out application fees for every rental possibility, waiting with 4 or 5 other possible renters to look at the apt. and then waiting through, losing fees etc. when trying to prepare for working in the classroom is a daunting endeavor. Any help will be great that can be offered.



LATE

STATE OF HAWAII
DEPARTMENT OF EDUCATION
P.O. BOX 2360
HONOLULU, HAWAII 96804

Date: 02/20/2019
Time: 10:05 AM
Location: 211
Committee: Senate Ways and Means

Department: Education

Person Testifying: Dr. Christina M. Kishimoto, Superintendent of Education

Title of Bill: SB 0387, SD1 RELATING TO TEACHER RENTAL HOUSING.

Purpose of Bill: Authorizes the Hawaii Housing Finance and Development Corporation to assist the Department of Education in developing teacher housing projects. Authorizes the Hawaii Housing Finance and Development Corporation to, in addition, contract or sponsor with any state department or agency. Requires the Department of Education to lease land and contract with private entities for the development, revitalization, maintenance, and management of teacher housing. Permits the Department of Education to lease teacher housing to other eligible tenants if occupancy of teacher housing falls below ninety-five per cent. Authorizes issuance of general obligation bonds for deposit into the dwelling unit revolving fund. Appropriates funds. (SD1)

Department's Position:

The Department of Education (Department) supports the intent of SB 0387, SD1, which authorizes the Hawaii Housing Finance and Development Corporation (HHFDC) to assist the Department in developing teacher housing projects. The Department defers to HHFDC regarding implementation concerns related to this proposal.

With regard to the changes proposed to Chapter 302A, Hawaii Revised Statutes, the Department does not have the expertise or capacity to implement the proposed changes at this time. Respectfully, the Department believes further changes to Chapter 302A, HRS should wait until the pilot programs pursuant to Section 302A-1151.1, HRS are completed.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at www.hawaiipublicschools.org.