

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

HOUSE COMMITTEE ON FINANCE

March 03, 2022 at 2:00 p.m.
State Capitol, Room 308

In consideration of
H.B. 1744 HD1
RELATING TO HOMELESSNESS.

HHFDC offers comments on H.B. 1744 HD1, which authorizes HHFDC to consider any application for competitive federal low-income housing tax credits (LIHTC) from the Hawaii Public Housing Authority for the construction of permanent supportive housing units for chronically homeless individuals, families, and other vulnerable populations.

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. However, HHFDC has the following concerns:

HHFDC's primary financing tool is the LIHTC program. LIHTC awards are made in accordance with an Internal Revenue Code-mandated Qualified Allocation Plan (QAP), which ensures the most efficient use of government resources.

We would like to note that QAP *already* provides an incentive for housing units for persons with special needs (including the homeless) by awarding additional points to those proposals that set aside affordable rental units for them.

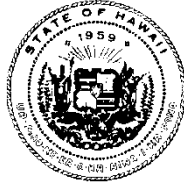
Diverting this resource may have adverse consequences on the bill's targeted population, especially in light of the limited private activity bond (PAB) cap available to use in conjunction with LIHTC. Since Section 4 of the bill authorizes the issuance of GO bonds for the development and construction of permanent supportive housing, it is unclear as to why LIHTC needed.

Appropriate sources of gap financing aimed at assisting the homeless are the HOME Investment Partnerships Program and the Housing Trust Funds, which are administered by the counties. We note that Section 3205 of the American Rescue Plan Act of 2021

(P.L. 117-2) appropriated \$5 billion for the Investment Partnerships Program for the purpose of providing homelessness assistance and supportive services.

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

HOUSE COMMITTEE ON FINANCE

Thursday, March 3, 2022
2:00 PM – Room 308, Hawaii State Capitol

In consideration of
HB 1744, HD1
RELATING TO HOMELESSNESS

Honorable Chair Luke, and Members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning House Bill (HB) 1744, HD1, relating to homelessness.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of HB 1744, HD1, which authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing to address the needs of chronically homeless individuals and families and other vulnerable populations, so long as it does not adversely affect the Governor's Supplemental Budget.

The HPHA views this measure to accomplish two things: Step 1 is for the HPHA to develop much needed housing, and Step 2 is for the HPHA to contract out management and supportive services needed for this population. Please know that the HPHA has the expertise and track record to collaborate with our Federal partners, sister State and County departments and agencies and non-profit community to develop and construct permanent supportive housing projects with a qualified developer/operating partner to include the full spectrum of our most disadvantaged populations that require wrap around services to address the most intense needs.

Over 17 years ago, Act 196 of 2005, as amended by Act 180 of 2006, the Housing and Community Development Corporation of Hawaii (HCDCH) was bifurcated into two separate agencies – HPHA and Hawaii Housing Finance and Development Corporation (HHFDC). At that time the primary purpose of the HPHA was to manage a variety of forms of housing assistance, including public housing, housing assistance payments, rental supplement, and homeless programs. However, the HPHA continued to pursue the redevelopment of its existing public housing stock as demonstrated through the submission

of applications to Federal grant programs such as the HOPE VI Revitalization Grant and the Choice Neighborhoods Initiative.

In 2005, the Hawaii State Legislature and the U.S. Department of Housing and Urban Development (HUD) had the foresight to support the HPHA's efforts to engage in public private partnerships to develop a variety of housing, including public housing, affordable housing, commercial and industrial.

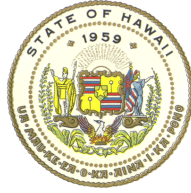
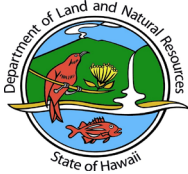
Today, as the HPHA continues to look towards the future, it continues to align itself with the current national trends in the redevelopment of its public housing inventory. As the affordable housing crisis has worsened across the nation, and has been magnified here in Hawaii, the Federal government continues to develop new tools and make funding available for PHAs to take advantage of redevelopment programs that were not available a decade and a half ago. These new programs, such as Mixed-Finance Redevelopment, emphasize the conversion of public housing and promotes the de-concentration of poverty. Through the redevelopment process, a mixture of public housing, affordable housing, market rate and commercial uses will be created to benefit the community.

HPHA's desire is not to remain a static agency, sitting on the sidelines while these opportunities pass by. Our mission and fiduciary responsibility are to constantly look to the future and to challenge ourselves to make the most of the land, financial and human resources we have to contribute to resolving the housing crisis. This bill is crucial for us to take this opportunity and to step up and collaborate with other departments and agencies to use their expertise, so that we can make a dent in what is needed for our community.

While we are not a homeless agency, 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 and homeless 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.

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the House Committee on
FINANCE**

**Thursday, March 3, 2022
2:00 PM**

State Capitol, Conference Room 308, Via Videoconference

**In consideration of
HOUSE BILL 1744, HOUSE DRAFT 1
RELATING TO HOMELESSNESS**

House Bill 1744, House Draft 1 proposes to: (1) Authorize the issuance of general obligation bonds for the development and construction of permanent supportive housing to address the needs of chronically homeless individuals and families and other vulnerable populations; and (2) Permit the Hawaii Housing Finance and Development Corporation (HHFDC) to consider an application for any competitive federal low-income housing tax credits from the Hawaii Public Housing Authority (HPHA) for construction of permanent supportive housing units. **The Department of Land and Natural Resources (Department) supports the intent of this measure and offers the following comments.**

The proposed bill specifically prescribes that the Department shall assist HPHA by “providing suitable public lands” for this project. The Department is willing to work with HPHA to identify “suitable public lands” under the Department’s management that meets appropriate and mutually acceptable criteria relating to this measure.

The Department notes that its commercial and industrial properties in the urban areas support and fund the public trust natural and cultural resource management purposes of the Department. The revenues collected by the Department’s Land Division cover the entire annual operating budget for the Land Division, the Department’s Office of Conservation and Coastal Lands, and the Dam Safety and Mineral Resources Programs of the Department. The revenues fund over 80 Department staff positions, including 5 positions within the Commission on Water Resource Management, and provide funding support to the Division of State Parks and various resource protection programs administered by the Division of Forestry and Wildlife such as the protection of threatened and endangered species, removal of invasive species, wildland firefighting and lifeguard services.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

HB-1744-HD-1

Submitted on: 3/2/2022 9:44:12 AM

Testimony for FIN on 3/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kevin Moore	DLNR	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.

HB-1744-HD-1

Submitted on: 3/2/2022 9:45:03 AM

Testimony for FIN on 3/3/2022 2:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Russell Tsuji	DLNR	Comments	Yes

Comments:

I am available for questions to DLNR. Please allow me Zoom access.



EXECUTIVE CHAMBERS
HONOLULU

March 3, 2022

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Health, Human Services, and Homelessness

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 1744 HD1 – RELATING TO HOMELESSNESS.**

Hearing: Thursday, March 3, 2022, 2:00 p.m.
VIA VIDEO CONFERENCE

POSITION: The Governor's Coordinator on Homelessness supports the intent of this bill and respectfully offers comments. If this measure proceeds, the Coordinators requests that the measure's passage does not replace or adversely impact priorities indicated in the executive budget request.

PURPOSE: The purpose of this bill is to authorize the issuance of general obligation bonds to the Hawaii Public Housing Authority (HPHA) for the development and construction of permanent supportive housing to address the needs of chronically homeless individuals and families and other vulnerable populations. The bill permits the Hawaii Housing Finance and Development Corporation (HHFDC) to consider an application for any competitive federal low-income housing tax credits to HPHA for construction of permanent supportive housing units.

The Coordinator appreciates the amendments of the House Committees on Health, Human Services and Homelessness and Housing to expand the purpose of the supportive housing units to meet the needs of other vulnerable populations, in addition to chronically homeless individuals and their families.

There is a limited supportive housing inventory for individuals with acute needs who require supportive housing that provides ongoing rental subsidy and wraparound social service supports. As of December 2021, the homeless system identified 2,100 homeless individuals

and 542 families participating in the Continua of Care Coordinated Entry System and on the By Name List for housing.¹ The Corporation for Supportive Housing (CSH) also estimates that 3,888 supportive housing units are needed statewide for homeless and non-homeless individuals who require housing with integrated social services, including individuals stepping down from higher levels of care in institutional settings or exiting from correctional facilities. The proposed general obligation bonds would be a critical tool to close the housing gap for homeless individuals and other vulnerable populations statewide.

If this measure proceeds, the Coordinator notes ongoing funding will be required to support case management and supportive services for individuals with acute physical and behavioral health needs placed into supportive housing. For example, supportive housing programs administered by the City and County of Honolulu pay \$800 per month per household for case management services in addition to rental subsidy costs.

The need for supportive housing is especially critical given the ongoing COVID-19 pandemic and its impacts on low-income households. In January 2021, the Economic Roundtable released a report that projected the pandemic recession would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count also indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016.

Finally, the Coordinator notes that the development of supportive housing units is just one piece of a more comprehensive effort to address homelessness and housing instability. In addition, the HICH prioritizes reducing upfront barriers to accessing existing rental housing inventory, scaling shallow rental subsidy programs, and expanding programs that assist key homeless sub-populations (e.g., unsheltered youth, adults with severe mental illness, etc.). For more information about the 2022 HICH policy priorities, please visit

<https://homelessness.hawaii.gov/advocacy>.

Thank you for the opportunity to testify on this measure.

¹ Please see page 3 of DHS Annual Housing First report at: http://humanservices.hawaii.gov/wp-content/uploads/2022/01/12-28-21_CB_Section-346-378_Housing-First-combined-signed.pdf

PARTNERS IN CARE

Oahu's Continuum of Care

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

TESTIMONY IN SUPPORT OF HB 1744 HD1: RELATING TO HOMELESSNESS

TO: House Committees on Finance

FROM: Partners In Care

Hearing: Thursday, 3/3/22 2:00 PM; via videoconference

Chair Luke, Vice Chair Yamashita, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support** of **HB 1744 HD1**, which authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing for chronically homeless individuals and families and other vulnerable populations. Partners In Care (PIC), a coalition of more than 60 non-profit homelessness providers and concerned organizations, works on Oahu to end homelessness.

Partners In Care directly places many homeless into permanent housing. We have just successfully placed 300 families into permanent housing. Often the most difficult to place are the chronically homeless. They cannot just be put into housing. In order to successfully maintain their housing they require a range of intensive and ongoing services. These services are essential to help them make the difficult transition from living on the streets to living in an apartment with all its rules and responsibilities. Moreover, continuing services are needed to address their mental health, substance abuse, functional disabilities or other chronic health conditions. This is what permanent supportive housing successfully provides to this vulnerable population.

Building housing units that the chronically homeless can access is the first step. The lack of landlords willing to work with our clients limits our effectiveness. The proposed funding for construction of permanent support housing would lead to partnerships of developers and experienced service providers to produce rental units. More units dedicated to the chronically homeless will result in our ability to transition many more of the chronically homeless off our streets and into permanent supportive housing. These are often the most visible of the homeless and impact the community and State services the most.

This initiative must be a priority for the State in order for Hawai'i to achieve ending homelessness. The 2020 Point in Time count conducted by Partners In Care on Oahu found that one in four of the homeless adults were chronically homeless. Without addressing the special needs of the chronically homeless, long term homelessness will continue to create burdens on the healthcare systems, emergency services and create other costs for the State and Counties.

This initial investment in housing can produce models to solve homelessness for chronically homeless individuals and families as well as other vulnerable populations. We urge your strong support for this bill.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 1744 HD1: RELATING TO HOMELESSNESS

TO: House Committee on Finance
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Thursday, March 3, 2022; 2:00 PM via videoconference**

Chair Luke, Vice Chair Yamashita, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support** of **HB 1744 HD1**, which authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing for chronically homeless individuals and families and other vulnerable populations. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC).

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 a long history of working in the areas of affordable housing and homelessness.

If Hawai'i is to end homelessness, it must create units to house our chronically homeless people. It remains difficult to locate landlords to house this population. We must start now to develop housing and create new models and new partnerships with housing developers.

Catholic Charities Hawaii's Housing First program has seen the critical need to link housing with ongoing support services. Chronic homelessness is what many people see on the streets of Hawai'i. The public feels that nothing is being done to solve homelessness, even though homeless service providers place hundreds of homeless families, elders and singles each year into permanent housing in the community. However, chronic homelessness is often more visible to the public and more disturbing. The ongoing problem of chronic homelessness is also very costly to the State, since health care, emergency services, public safety costs and other costs are high when individuals remain homeless for years and years.

Permanent supportive housing is a proven solution. It integrates housing with best-practice supportive services. These enable vulnerable populations who have long-term disabilities such as mental illness, physical disabilities, developmental disabilities, substance abuse disorders and chronic health conditions to maintain stable housing in the community. While the upfront cost is significant, it results in great healthcare and other cost savings that, over time, outweigh the costs of construction and services for these populations.

The long term impact of this bill would be great. Targeting funding to house this high need population could result in many of them being able to leave the streets and be successful in housing.

We urge your support for this bill. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or alohabettylou@hotmail.com if you have any questions.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822
Phone (808) 373-0356 • bettylou.larson@CatholicCharitiesHawaii.org





TESTIMONY IN SUPPORT OF HB 1744, HD 1

TO: Chair Luke, Vice Chair Yamashita, & Finance Committee Members

FROM: Nikos Leverenz
Grants & Advancement Manager

DATE: March 3, 2022 (2:00 PM)

Hawai'i Health & Harm Reduction Center (HHRC) **supports** HB 1744, HD 1, which authorizes the issuance of general obligation bonds for the development and construction of permanent supportive housing (PSH) to address the needs of chronically homeless individuals and families.

Building the housing stock available for PSH will help ameliorate the difficulty many of those from under-resourced communities have in obtaining safe and stable housing. HHRC underscores the language in the bill's finding that PSH "integrates permanent, affordable rental housing with best practice community-based supportive services to allow individuals and households who have serious and long-term disabilities such as mental illnesses, developmental disabilities, physical disabilities, substance use disorders, and chronic health conditions to maintain stable housing in the community."

HHRC Executive Director Heather Lusk currently serves as Board Chair of [Partners in Care O'ahu](#), a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O'ahu's continuum of care for homeless persons. HHRC provides homeless outreach and housing placement navigation services in urban Honolulu and the Upper Windward Coast, including North Shore.

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

Thank you for the opportunity to testify on this measure.

To: Honorable Sylvia Luke, Chair, and the Members of the Finance Committee

Hawai`i State Capitol
415 South Beretania Street
Honolulu, Hawai`i 96813

Subject: **TESTIMONY IN SUPPORT**

Dear Chair Luke and Committee Members:

I am Nuurah Parsons, Graduate Social Work student at University of Hawai`i Manoa. I am a community member, and in strong **support** of House Bill 1744 Relating to Homelessness. The bill, if enacted, would allow for the issuance of general obligation bonds for the development and construction of permanent supportive housing for chronically homeless individuals and families. The intended number of units provided will be nine-hundred-four. The bill also gives first priority for any competitive federal low-income housing tax credits to the Hawai`i Public Housing Authority for construction of permanent supportive housing units.

The legislature, time and again, has identified the issue of homelessness to be one of the major challenges to Hawai`i. The lack of affordable housing in Hawai`i drives the issue of homelessness in addition to other factors. Nearly one in four homeless adults were considered chronically homeless during the 2020 Homelessness Point in Time Count. Community members who are identified as chronically homeless have needs that could be addressed effectively by permanent supportive housing and decrease the burden on other homelessness support services. As Hawai`i continues to navigate the ongoing COVID-19 pandemic it will be important to maintain efforts to reduce the number of individuals experiencing homelessness and the number of individuals who utilize congregate shelter settings for temporary respite. Increasing access to this housing option would allow for those who do have serious and long-term disabilities to afford and maintain stable housing within the community- without stigma, which leads to less chronically homeless individuals being unhoused. Long-term solutions, like increasing access to permanent supportive housing, allows for material opportunities to consistently reduce the number of community members experiencing homelessness.

In closing, I strongly support House Bill 1744 Relating to Homelessness. In expanding the options for permanent supportive housing in Hawai`i, the legislature would be promoting long-term solutions and a continued path toward reducing homelessness in Hawai`i. I urge the committee to pass H.B. No. 1744. Thank you for this opportunity to submit testimony.

Nuurah Parsons