

SB2561

Measure Title:	RELATING TO RENTAL HOUSING.
Report Title:	Affordable Rental Housing Goal; Special Action Team on Rental Housing; Appropriation (\$)
Description:	Establishes a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26. Establishes a temporary special action team on rental housing to recommend actions by the governor to achieve the goal. Places the team under the lieutenant governor's office for administrative purposes and designates the lieutenant governor as special action team chair. Makes an appropriation.
Companion:	
Package:	None
Current Referral:	HOU, WAM
Introducer(s):	TOKUDA, BAKER, CHUN OAKLAND, DELA CRUZ, ENGLISH, GALUTERIA, INOUE, KIDANI, KOUCHI, NISHIHARA



STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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IN REPLY REFER TO:

Statement of
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

February 11, 2016 at 3:00 p.m.
State Capitol, Room 225

In consideration of
S.B. 2561
RELATING TO RENTAL HOUSING.

The HHFDC **supports the intent** of S.B. 2561, provided that its passage does not replace or adversely affect priorities set forth in the Executive Supplemental Budget request. HHFDC is willing to participate in any initiative that seeks collaborative solutions to the shortage of affordable housing statewide.

We note that Section 4 of the measure defines “affordable rental housing unit” as a privately-owned residential unit that meets certain criteria including that the owner “charge a monthly rent, excluding utility expenses, for the unit that does not exceed thirty per cent of the family’s monthly income.” (See page 5, lines 16-18.) Because rent subsidies are not provided, we suggest that calculation of the monthly rent be based on guidelines provided by the U.S. Department of Housing and Urban Development for Multifamily Tax Subsidy Projects (MTSP)¹. Pursuant to section 42 of the IRC, a residential unit is rent-restricted if the gross rent does not exceed 30 percent of the imputed income limitation applicable to such unit. In the case of a unit which does not have a separate bedroom (e.g., studio), the applicable imputed income limitation is 1 individual. In the case of a unit which has 1 or more separate bedrooms, the applicable imputed income limitation is 1.5 individuals for each separate bedroom (e.g., 3 individuals for a 2-bedroom unit).

Thank you for the opportunity to testify.

¹ These MTSP projects are financed with tax exempt housing bonds issued to provide qualified residential rental development under section 142 of the Internal Revenue Code (IRC) and low-income housing projects funded with tax credits authorized under section 42 of the IRC, both of which are subject to HUD-determined income limits.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

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1002 NORTH SCHOOL STREET
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BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING

February 11, 2016 3:00 P.M.
Room 225, Hawaii State Capitol

In consideration of
SB 2561
RELATING TO RENTAL HOUSING.

Honorable Chair Harimoto and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony regarding Senate Bill (SB) 2561, relating to rental housing.

The Hawaii Public Housing Authority (HPHA) supports this measure that establishes a goal of developing or vesting the development of at least 22,500 affordable rental housing units ready for occupancy between 01/01/17 and 12/31/26; establishes a temporary special action team on rental housing to recommend actions by the governor to achieve the goal; places the team under the lieutenant governor's office for administrative purposes and designates the lieutenant governor as special action team chair; and makes an appropriation.

The HPHA recognizes the challenges of providing affordable housing in the State of Hawaii based on the large number of applications we receive for the public housing and Section 8 programs, and our ever growing waiting lists. Through a coordinated interdepartmental effort that sets forth specific targets and goals, the State is certain to make progress in alleviating the housing crisis.

The HPHA appreciates the opportunity to provide the Senate Committee on Housing with the HPHA's testimony regarding SB 2561. We thank you very much for your dedicated support.

DAVID Y. IGE
Governor

SHAN S. TSUTSUI
Lieutenant Governor

LUIS P. SALAVERIA
Director

MARY ALICE EVANS
Acting Deputy Director



LAND USE COMMISSION
Department of Business, Economic Development & Tourism
State of Hawai'i

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Statement of
Daniel E. Orodenker
Executive Officer
Land Use Commission
Before the
Senate Committee on Housing
Thursday February 11, 2016
3:00 PM
State Capitol, Conference Room 225

In consideration of
SB 2561
RELATING TO RENTAL HOUSING

Chair Harimoto, Vice Chair Galuteria, and members of the Committee on Housing:

The Land Use Commission strongly supports the intent of SB 2561. The Commission has long felt that the shortage of rental homes in the State is a cause for concern that requires a multi-agency coordinated approach.

The LUC recognizes there may be many opinions on how to achieve this goal. Whatever help the LUC can provide in supporting the increase of rental housing we will be more than happy to provide.

Thank you for the opportunity to testify on this matter.

From: mailinglist@capitol.hawaii.gov
To: [HOU Testimony](#)
Cc: mquinn7@hawaii.edu
Subject: Submitted testimony for SB2561 on Feb 11, 2016 15:00PM
Date: Tuesday, February 09, 2016 4:10:11 PM

SB2561

Submitted on: 2/9/2016

Testimony for HOU on Feb 11, 2016 15:00PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Quinn	Individual	Comments Only	No

Comments: Hawaii is a very expensive place to live. This bill largely provides a partial solution to the problem of high rent prices by creating more affordable housing opportunities to low income families. SB 2561 establishes a goal for rental housing, and establishes an action team. A bill such as this one is particularly pressing considering the amount of homeless in Hawaii. When rentals are unaffordable, homelessness increases. This connection is obvious, and while there are many causes of homelessness, affordable rentals is one that is undeniable. Rather than the awful "Sit/Lie" bill, it is much more beneficial to a health community to create housing/rental alternatives and options for low income, and no income people to have. This is an issue that relates to so many other issues. According to HOPE Services Hawaii, there are 12-15,000 people homeless in Hawaii in any given year. Affordable housing is not an issue that only affects adults either, 11% of the homeless population are children. When the parents of children can't afford rent, their children are homeless. As stated in the bill, "Affordable housing is unprofitable, the market won't address the need by itself." It is clear that this is something the state government needs to step in on. Instead of more luxury housing options for outsiders who do not live in Hawaii to move here, we need affordable housing for the lower to middle class people who are already here. This is a good bill, as it establishes a special action team that will take the necessary steps to make more affordable housing happen as soon as possible. The state of Hawaii needs to pass it, and more like it in the future to make Hawaii a more healthy community, and better place to live now and in the future. A community is only as healthy as it's poorest citizens.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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