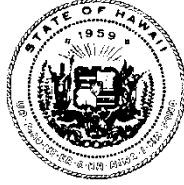


DAVID Y. IGE
GOVERNOR



DENISE ISERI-MATSUBARA
INTERIM 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 HOUSING

January 30, 2020 at 9:45 a.m.
State Capitol, Room 423

In consideration of
H.B. 1817
RELATING TO HOMELESSNESS.

HHFDC supports H.B. 1817 provided that its passage does not adversely impact priorities set forth in the Executive Supplemental Budget.

However, for the sake of clarity and efficiency, we respectfully request an amendment to the language of the appropriation so that the G.O. Bond funds are deposited into the Rental Housing Revolving Fund (RHRF) rather than the existing language on page 3, lines 9-10 of the bill. This is consistent with the legislative intent of this bill, because deposits into the RHRF by definition can only be used for the purposes of section 201H-202(d), HRS.

In 2018, HHFDC received \$200 million in General Funds for infusion into the RHRF to support affordable rental housing development statewide. Thanks to the Legislature's support of the RHRF, in Calendar Year 2019 HHFDC was able to make RHRF project awards totaling \$212,544,681 to 11 project applicants totaling 1,329 new rental units on Oahu, Maui and Hawaii. Of the awarded projects, 3 are elderly and the remainder are family.

Thank you for the opportunity to testify.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

January 30, 2020

TO: The Honorable Representative Tom Brower, Chair
House Committee on Housing

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

SUBJECT: **HB1817 – RELATING TO HOMELESSNESS**

Hearing: Thursday, January 30, 2020, 9:45 a.m.
Conference Room 423, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports this bill with amendments, provided that its passage does not replace or adversely impact budget priorities. Specifically, the Coordinator supports amendments to set aside a portion of funding to develop housing units prioritized for individuals and families transitioning out of homelessness.

PURPOSE: The purpose of the bill is to authorize the issuance of general obligation bonds and appropriate funds for capital improvement projects consistent with the purposes of the Rental Housing Revolving Fund.

The Hawaii Interagency Council on Homelessness (HICH), a 27-member advisory council chaired by the Coordinator, recently voted to prioritize sustained funding commitments for affordable rental housing as a part of its 2020 legislative priorities to address homelessness. In particular, the HICH recognized a need to develop site-based permanent supportive housing units that could be paired with supportive services to address the needs of chronically homeless households.

A 2018 analysis by the Corporation for Supportive Housing (CSH) projected a need for 1,808 new permanent supportive housing units or vouchers for chronically homeless

households on Oahu within the next 10 years.¹ The CSH analysis included a review of local data, and interviews with local housing developers and permanent supportive housing service providers. Based on its research, CSH estimated the capital cost per unit at \$234,115 for a one-bedroom unit, and \$284,456 for a two- to three-bedroom unit.

While the costs for permanent supportive housing are significant, such programs contribute to significant cost savings in other areas. For example, an analysis by the University of Hawaii Center on the Family, based upon reports of 107 Housing First clients participating in the Hawaii Pathways Project, found an estimated healthcare cost savings of \$6,197 per client per month for clients that were housed.² Permanent supportive housing programs may also realize cost savings related to reduced incarceration costs for participants that have frequent interaction with the criminal justice system.

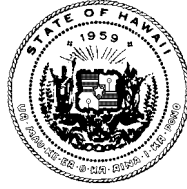
The Coordinator notes that, in addition to permanent supportive housing, there are a number of examples of housing projects in Hawaii that are specifically set aside for individuals and families transitioning out of homelessness. For example, the Kahauiki Village provides low-income rental units for formerly homeless families with minor children. Other examples are the City & County of Honolulu's Kauhale Kamaile and Beretania Hale projects that target households transitioning from homelessness, and utilize the revenue from rental income to fund on-site supportive services and cover ongoing operating costs.

Homelessness remains one of the most pressing challenges facing Hawaii. The lack of available and affordable rental inventory is a barrier to homeless individuals and families. This barrier cannot be addressed solely by an increased investment in services, such as Housing First or Rapid Re-Housing, and requires a similar level of investment in building new inventory to meet statewide demand.

Thank you for the opportunity to testify on this bill.

¹ See Housing Projections & Financial Modeling for Permanent Supportive Housing (PSH) on Oahu, 2018, Corporation for Supportive Housing: <https://homelessness.hawaii.gov/wp-content/uploads/2019/03/HI-ProjectionsFinancial-Modeling.-Focus-on-PSH-only.pdf>

² See Hawaii Pathways Project Final Report, 2018, University of Hawaii Center on the Family: http://uhfamily.hawaii.edu/publications/brochures/bb9f9_Hawaii_Pathways_Final_Report.pdf



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

January 28, 2020

TO: The Honorable Representative Tom Brower, Chair
House Committee on Housing

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 1817 – RELATING TO HOMELESSNESS**

Hearing: Thursday, January 30, 2020, 9:45 a.m.
Conference Room 423, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill and offers comments.

PURPOSE: The purpose of HB 1817 authorizes issuance of \$200,000,000 in general obligation bonds and appropriates funds for capital improvement projects consistent with the purposes of the rental housing revolving fund.

These proposed appropriations are new funds, and given the tight housing market at all price points, new funds are needed as there is no incentive for the market to create an inventory of low income housing. DHS supports solutions that increases the permanent low-income housing inventory.

DHS defers to the Department of Budget & Finance on the fiscal impact of such an issuance of bonds on the general fiscal health of the State. DHS further requests that the Legislature continue to fund restoration, renovation, and maintenance of existing public housing properties.

Thank you for the opportunity to provide testimony of this bill.

January 28, 2020

The Honorable Tom Brower, Chair

House Committee on Housing

State Capitol, Room 423

Honolulu, Hawaii 96813

RE: H.B. 1817, Relating to Homelessness

HEARING: Thursday, January 30, 2020, at 9:45 a.m.

Aloha Chair Brower, Vice Chair Matayoshi 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 10,000 members. HAR **supports** House Bill 1817, which authorizes the issuance of \$200,000,000 in general obligation bonds and appropriates funds for capital improvement projects consistent with the purposes of the Rental Housing Revolving Fund (RHRF).

We are in a severe housing shortage, with over 65,000 units needed in Hawai'i by 2025 according to the Department of Business, Economic Development and Tourism. Hawai'i needs more housing at all price points, including affordable rentals.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable housing such as the Rental Housing Revolving Fund Program which can help integrate the use of mixed-income and mixed-use projects, special purpose revenue bonds, low-interest loans, block grants, low-income housing tax credit programs and deferred loan programs to provide rental housing opportunities.

As such, HAR supports this measure as it provides much needed funding for affordable rental housing opportunities for Hawaii's residents and will help address the States unique challenges.

Mahalo for the opportunity to testify on this measure.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 1817: RELATING TO HOMELESSNESS

TO: Representative Tom Brower, Chair, Representative Scot Z. Matayoshi, Vice Chair; and Members, Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Thursday, 1/30/20; 9:45 am; CR 423**

Chair Brower, Vice Chair Matayoshi, and Members, Committee on Housing

Thank you for the opportunity to provide testimony **in strong support** of HB 1817, making an appropriation to the rental housing revolving fund for the construction of affordable rentals. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners in Care (PIC). **This bill is an important part of the shared vision of all Hawaii counties, PIC and the Hawaii Interagency Council on Homelessness.**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 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.

CCH strongly supports \$200 million to the Rental Housing Revolving Fund (RHRF). This fund works and is a critical pathway to create the rentals that can prevent homelessness in the long term. It needs major, consistent funding to achieve that State goal. Without sufficient affordable rental housing, the future of Hawaii is at risk and local residents face dire social and economic consequences. The legislature is focusing on the ALICE population. Most families with children that CCH sees, who face homelessness, are working. They are part of the ALICE cohort who hit a crisis and became homeless. Creating affordable rentals is one key factor of the cost of living over which the Legislature has some control. Funding the creation of units of rental housing, along with for-sale and other housing, is key to keeping our young people, especially those with college degrees, living in our state.

Our kupuna are also at great risk as housing prices increase. One 76 year old widow was facing homelessness after her husband died suddenly and she lost his income. Our Housing Assistance Program for elders helped her to obtain a rental in an affordable housing project with caring management. With large increases in elderly projected for our State, we must build affordable units to house them. We must prevent the projected **300% increase in elder homelessness.**

The Rental Housing Revolving Fund has created 8,361 units of affordable rentals, as of December 2019. The need remains high. The state's allocation of \$200 million in 2018 for RHRF was a bold and unprecedented commitment to our fight to end homelessness. Hawai'i's people, communities, and especially our most vulnerable, depend on all of us to end this crisis.

We urge your support for HB 1817 to make a bold appropriation for the construction of affordable rentals. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



Catholic
Charities
USA



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





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 1817: Relating to Homelessness

TO: Committee on Housing
FROM: Partners in Care (PIC)
HEARING: **Thursday, January 30, 2020; 9:45 am; Conference Room 423**

Dear Chair Brower, Vice Chair Matayoshi, and members of the House Committee on Housing:

Thank you for the opportunity to provide testimony in support of HB 1817, which authorizes funding for the Rental Housing Revolving Fund (RHRF). Partners in Care (PIC), a coalition of more than 60 non-profit homelessness providers and concerned organizations, **strongly supports this bill as part of the shared priorities of all Hawaii counties, PIC and the Hawaii Interagency Council on Homelessness (HICH).**

The strength and health of Hawai'i's people and communities depend on all of us coming together to turn around a housing problem that's been growing for decades. In 1970, the state of Hawai'i issued a report declaring a "housing crisis" in Hawai'i. Year after year it's gotten worse as increases in housing costs have outpaced increases in wages. In Honolulu, for example, in 1968, 23 percent of renters were cost-burdened, meaning they were paying more than 30 percent of their income for rent.. According to the most recent available data, the percentage has ***more than doubled; 57% of Hawai'i's renters are now cost-burdened.*** More and more families are unable to afford housing and still have enough left for food and basic necessities.

Partners in Care strongly supports designating \$200 million for the development of affordable rental units. Turning around a housing and homelessness crisis that's been growing for 50 years will be difficult, and will require a shared vision and taking bold action. In 2018, legislators made an unprecedented commitment of \$200 million for the RHRF. This level of investment needs to become the new normal. Steady and predictable funding is needed. Our tax base is threatened as more young workers between 18 and 34 move out of state due to the cost of living. Three years of declining population does not bode well for our future economic growth or stability. Addressing the need for affordable rentals would be a big step forward to providing relief in the cost of living. It also could provide a path to home ownership as young families may be able to save for a down payment and improve their credit over time while living in an affordable rental unit vs a higher priced market unit.

The Rental Housing Revolving Fund has consistently produced affordable units for seniors, families and individuals. Since inception, the RHRF has made awards to 98 rental projects totaling 8,361 units. Recently, from 2011 to December 2019, 4,791 units have been created with this funding.

We must continue investing in the RHRF if we finally want to gain ground on Hawai'i's housing and homeless crisis. We urge you to pass \$200 million for the RHRF. If you have questions, please contact our Advocacy Chair, Gavin Thornton at gavin@hiappleseed.org.

PARTNERS IN CARE, OAHU'S CONTINUUM OF CARE

200 North Vineyard • Suite 210 • Honolulu, Hawaii 96817 • www.PartnersinCareOahu.org

HB-1817

Submitted on: 1/28/2020 10:28:19 PM

Testimony for HSG on 1/30/2020 9:45:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Partners In Care & Hawaii Kai Homeless Task Force	Support	No

Comments: