



STATE OF HAWAII

BARBARA E. ARASHIRO EXECUTIVE ASSISTANT

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

SENATE COMMITTEE ON WAYS AND MEANS

Thursday, April 1, 2021 9:30 AM - Room 211, Hawaii State Capitol

> In consideration of HB 1132, HD2, SD1 RELATING TO HOUSING

Honorable Chair Dela Cruz and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony concerning House Bill (HB) 1132, HD2, SD1 relating to housing.

The Hawaii Public Housing Authority (HPHA) **strongly supports** HB 1132, HD2, SD1, which authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund for construction of phase I of the HPHA's School Street Senior Affordable Housing Development.

The State of Hawaii is the owner of approximately 12.481 acres of land situated at Kalaepohaku and Kapalama, at N. School Street, Honolulu, Oahu. After extensive community outreach, consultations, and studies, the HPHA plans to redevelop an approximately 6.6-acre portion of the site to develop new, desperately needed affordable housing containing 800, age-restricted rental units for seniors. The housing units would remain affordable housing rental units in perpetuity. This much needed measure provides the gap financing necessary to begin construction of the initial phase of the project, which will deliver 250 units.

The proposed redevelopment is envisioned to be a cohesive community that combines residential and ancillary retail uses in a location convenient to nearby Downtown Honolulu's Primary Urban Center and existing concentrations of retail, commercial and medical facilities. No public housing will be included within the proposed project as all residential units will be designed and built as affordable senior rental housing, which will be targeted to senior households whose incomes are between 30% and 60% of AMI.

A Final Environmental Impact Statement ("FEIS") was completed and submitted to the Office of Environmental Quality Control ("OEQC") and the Governor on April 26, 2018. The FEIS was published in the May 8, 2018 edition of the OEQC's The Environmental Notice Per HAR 11-200-23 (c) and the Governor accepted the FEIS on July 17, 2018. With environmental planning complete, a Master Development Agreement with RHF was subsequently negotiated and executed in November 2019.

Thanks to the legislative appropriation for the predevelopment, the HPHA and the developer RHF have made tremendous progress resulting in the Honolulu City Council adopting Resolution 20-251, CD-1, FD-1 approving the Project's 201H zoning and entitlement application on November 5, 2020. The resolution included a condition that construction of the project commence no later than 24 months after the approval date of the resolution or the resolution would automatically be rendered null and void. This condition will be monitored very closely by the HPHA.

The Resolution also granted the Project's residential units approximately \$9.9 million in fee waivers and other exemptions from statutes, ordinances, charter provisions, and rules relating to planning, zoning, construction standards for subdivision and development pursuant to HRS Sections 46-15.1 and 201H-38, including the following:

- ROH Sections 14-10.1, 14-10.2, and 14-10.3, to allow an exemption of wastewater system facility charges estimated at \$4,234,195.71.
- ROH Section 18-6.1-2, to allow an exemption of building permit, plan review and special assignment inspection fees estimated at \$1,837,440.64.
- Exemption from LUO Section 21-3.70-1(a) and Table 21-3, relating to permitted uses and structures in the R-5 Residential District, to allow the Project to have multifamily dwellings, office buildings, and commercial uses as permitted in the BMX-3 Community Business Mixed-Use District and Section 21-3.70-1(b) and (c) and Table 21-3.2, relating to development standards in the R-5 Residential District, to allow the Project to comply instead with the development standards applicable in the BMX-3 Community Business Mixed Use District.
- Exemption from LUO Section 21-3.70-1(b) and (c) and Table 21-3.2, relating to maximum building height in the R-5 District, to allow a Project maximum building height of 170 feet (instead of a maximum building height of 25 feet) and Section 21-6.20 and Table 21-6.1, relating to off-street parking for multifamily dwellings, to allow the Project to provide a minimum of 820 parking spaces (rather than the required minimum 1,200 parking spaces) including a minimum of 578 residential parking spaces, provided that the City and County of Honolulu Department of Planning and Permitting (DPP) may,

upon request, approve further reductions in the required minimum number of residential parking spaces, but not below a minimum of 309.

- Exemption from LUO Section 21-6.100, relating to off-street loading spaces, to allow the Project to provide six (6) 8.5 x 19-foot loading spaces with a 10-foot vertical clearance, and three (3) 12 x 35-foot loading spaces with a 15-foot vertical clearance (rather than a required four (4) 8.5 x 19-foot loading spaces with a 10-foot vertical clearance, and five (5) 12 x 35-foot loading spaces with a 15-foot vertical clearance), exemption from the sign standards in LUO Article 7 to allow the Project to comply with a Project master sign plan ("MSP") approved by the DPP and exemption from LUO Section 21-6.150, relating to bicycle parking spaces, allowing the Project to provide 250 long-term and 65 short-term bicycle parking spaces (rather than the required 400 long-term and 80 short-term bicycle parking spaces).
- ROH Chapter 22, Article 7, to allow an exemption from park dedication requirements, totaling approximately 88,000 square feet of park space, or payment of an equivalent in-lieu fee, estimated at \$3,774,596.45.

City Council approval of the project's 201H application was subject to further terms and conditions, relating to signage, construction management, traffic management and parking management plans and reports, State Historic Preservation Division compliance and a requirement to enter into a development agreement with the Honolulu Department of Planning and Permitting for monitoring compliance with the resolution.

Community engagement was a hallmark of the predevelopment effort for the Project. The HPHA built into its master development agreement with RHF required community outreach at various milestones throughout the predevelopment process. This requirement was included to be certain that the community had adequate opportunity to provide input at important Project planning and decision milestones.

Over 18,000 postcards were mailed out to residents and other community stakeholders within a quarter mile of the project to announce these meetings. In addition, several presentations were made to neighborhood Board 14 at their monthly meetings.

Community engagement efforts continued during the 201H approval process with virtual updates provided to the public due to COVID-19 during the weeks of October 23rd and November 4th, 2020 and with members of the Lanakila Multi-purpose Senior Center (LMPSC) on November 24, 2020.

The next steps for the project are to secure financing including Low Income Housing Tax Credits (LIHTC), Hula-Mae Multi-family Bonds, senior debt and state provided gap financing. The HPHA recently filed a consolidated application for LIHTC and Rental Housing Revolving fund with the HHFDC on February 17, 2021.

Senate Committee on Ways and Means April 1, 2021

This Project is important for the community and the state as it will not only help alleviate the desperate need for affordable housing throughout the state, but is also conservatively estimated to generate at least 250 jobs during construction with the value of labor estimated to be approximately \$45 million including general contractor and subcontractor staffing. In addition, there will be many more jobs generated off-site from vendors and suppliers, trucking, subcontractor main office support, food trucks, etc.

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



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The State Legislature
The Senate
Committee on Ways and Means
Thursday, April 1, 2021
9:30 a.m.

TO: The Honorable Donovan Dela Cruz, Chair

RE: H.B. 1132, HD2, SD1 Relating to Housing

Aloha Chair Dela Cruz and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a membership organization of people age fifty and over, with nearly 145,000 members in Hawai'i.

AARP Hawai'i supports H.B. 1132, HD2, SD1 which authorizes the issuance of general obligation bonds to be deposited into the rental housing revolving fund for the construction of Phase I of the School Street elderly housing project that is on Hawaii's Public Authority Housing property.

Hawaii continues to face major housing shortages including affordable homes for the kūpuna. People at low or fixed income are more vulnerable of becoming dependent on other family members for shelter, or face homelessness. AARP supports projects such as the School Street Phase I which will help increase the housing inventory as well as provide employment opportunities for the workforce. With the current low Interest rates, it is a good time for the issuance of general obligation bonds for the rental housing revolving fund.

Thank you very much for the opportunity to support H.B. 1132, HD2, SD1.

Sincerely,

Keali'i Lopez, AARP Hawai'i

State Director

2700 Waialae Avenue Honolulu, Hawaii 96826 808.356.2200 • HawaiianHumane.org

Date: March 29, 2021

To: Chair Senator Donovan M. Dela Cruz

Vice Chair Senator Gilbert S.C. Keith-Agaran

and Members of the Committee on Ways and Means

Submitted By: Stephanie Kendrick, Public Policy Advocate

Hawaiian Humane Society, 808-356-2217

RE: Testimony in support of HB 1132: Relating to Housing

Thursday, April 1, 2021, 9:30 a.m., Capitol Room 211

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

On behalf of the Hawaiian Humane Society, thank you for considering our support for House Bill 1132, HD2, SD1, which authorizes the issuance of general obligation bonds to be appropriated into and out of the rental housing revolving fund for construction of phase I of a senior affordable housing project on Hawaii public housing authority property on School Street, 'Oahu.

The Hawaiian Humane Society has been a voting member of Partners in Care for the past four years. We joined the organization with the goal of better understanding the needs of homeless and low-income pet owners, partnering with other organizations that serve these vulnerable populations and collecting data to inform our policies and decision making. We have deep respect for the work being done by our local human social service agencies.

Many of the pet owners served by Hawaiian Humane's Pet Kōkua program for low-income resident are seniors. Their animal companions provide them a vital buffer from social isolation. Housing insecurity can be particularly tragic for our kūpuna, and their numbers are growing rapidly. Between 2010-18, Hawai'i's 65+ population grew by 33 percent, more than six times faster than the general population. We need more affordable senior housing to meet this need. I would ask the ccommittee to note its preference that these units be pet friendly so that our kūpuna can enjoy the comfort of their beloved family members.

Please pass HB 1132, HD2, SD1, and invest in the affordable, pet-friendly housing that our community so desperately needs. Mahalo for your consideration.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 1132 HD2 SD1: RELATING TO HOUSING

TO: Senate Committee on Ways & Means

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

Hearing: Thursday, 4/1/21; 9:30 am; via videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in strong support** of HB 1132 HD2 SD1, authorizing the issuance of general obligation bonds for the construction of an affordable senior housing project on School Street, Oahu. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners in Care (PIC). **This bill is a critical start to developing an exciting campus for seniors to live, learn and stay connected in our community.**

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 \$40 million in GO bonds for Phase 1 of this important senior housing project. The project would create 250 affordable rental units in an ideal location. This is the start of a redevelopment that will build 800 kupuna units by the end of Phase 3. Our state needs 1,967 units of senior housing by 2025. It is on the property of the Hawaii Public Housing Authority's administrative offices, so no one will be displaced from current housing. It is also next to Catholic Charities Hawai'i's Lanakila Multi-purpose Senior Center which offers an exceptional opportunity to integrate housing with educational, recreational and service resources. Many studies have shown that being active and involved helps keep seniors healthy.

Creating housing for our kupuna is even more critical now in the pandemic. Previous to this crisis, **studies had already projected an almost 300% increase in elderly homelessness over the next 10 years.** Now older workers are being hit hard by the pandemic and the loss of jobs. We cannot afford to stop investing in senior housing. The Age Wave is hitting Hawai`i. We need to house our growing number of elders. Hawai`i's kupuna (aged 65+) **grew 33% from 2010 to 2018 (3.6% annually),** which is **over six times higher** than the rate of the general population. Safe and decent affordable housing becomes ever more critical as each year passes.

Hundreds of seniors come to Catholic Charities Hawai'i each year seeking housing. *One 76 year old widow was facing homelessness after her husband died suddenly and she lost his income.*Our Housing Assistance Program helped her to obtain a rental in an affordable housing project with caring management. We need more buildings to house our vulnerable kupuna.

This project is shovel ready and would create an estimated 250 jobs during construction plus many others off-site, as well as hundreds of permanent jobs after completion. This job creation gives a big economic boost to our economy. We urge your support for \$40 million for construction of this project. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.







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 1132 HD2 SD1: Relating to Housing

TO: Senate Committee on Ways and Means

FROM: Partners In Care (PIC)

Hearing: Thursday, 4/1/21; 9:30 am; via videoconference

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in strong support** of HB 1132, HD2, SD1, authorizing GO bonds for the construction of Phase 1 of a senior affordable housing project on Hawaii Public Housing Authority property on School Street, Oahu. Partners In Care (PIC), a coalition of more than 60 non-profit homelessness providers and concerned organizations, urges your continued prioritization for GO bond funding for affordable rental production and particularly for this much needed senior housing project.

Partners in Care is very concerned about increasing homelessness for elders. Vulnerable elders on walkers sometimes come into emergency shelters. Besides being the most vulnerable to the COVID-19 pandemic, elders face significant health trauma from homelessness. **Studies predict a 300% increase in elderly homelessness over the next 10 years.** Moreover, the overall elderly population is growing extremely fast. From 2010 to 2018, Hawai'i's seniors grew by 33%, over six times higher than the general population. Housing is needed now to address this dramatic increase of elders.

We cannot afford to stop investing in affordable housing development, and by investing in this project now, the legislature will be strengthening our economy. This project is shovel ready and could break ground by the end of 2021 if funded. It will create at least 250 jobs during construction and hundreds of permanent jobs after completion including vendors. The next 2-3 years are critical to the economic recovery of Hawai'i. Funding this shovel ready project will give a boost of the economy sooner rather than later.

This affordable senior housing project is in an ideal location for elders, close to transit, shopping, and medical facilities. Since there are no residential units on this site currently, there would be no displacement of residents. The elderly tenants who move in would be able to take advantage of the many classes, special events, and opportunities to build friendships at the senior center, right next door. This would help to build a supportive community at this site, not only housing units.

Partners In Care urges you to pass HB 1132 HD2 SD1 with strong support. It will bring economic, social, and health benefits to the State of Hawai`i and its citizens. Top State priorities to create affordable housing and to end homelessness would be addressed by this funding.

HB-1132-SD-1

Submitted on: 3/25/2021 7:44:03 PM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christy MacPherson	Individual	Support	No

Comments:

I strongly support HB1132, HD2 SD1. We need adequate affordable housing for our kupuna and we are far behind in building enough. This project is shovel ready and we've been talking about it for years. It's time to get it started.

HB-1132-SD-1

Submitted on: 3/27/2021 8:24:04 AM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ellen Godbey Carson	Individual	Support	No

Comments:

I support this use of bonds to help increase our affordable housing supply and RHRF funding. We are in critical need of more affordable housing.

<u>HB-1132-SD-1</u> Submitted on: 3/29/2021 11:13:12 AM

Testimony for WAM on 4/1/2021 9:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John D. Smith	Individual	Support	No

Comments:

I support

Dolores Foley, PhD Pacific Academic Consultants 1389 Akalani Loop Kailua, Hawaii 96734

TO: The Honorable Nadine Nakamura, Chair

RE: H.B. 1132 Relating to Housing

Aloha Chair Nakamura and Members of the Committee:

My testimony is in support of H.B. 1132, HD2 which authorizes the issuance of general obligation bonds to be deposited into the rental housing revolving fund for the construction of Phase I of the School Street elderly housing project that is on Hawaii's Public Authority Housing property. Building more housing is a priority for the state and this bill supports this priority. There is a long waitlist for these affordable housing units for Hawaii's kūpuna. While the State is facing revenue challenges as a result of the pandemic, it still remains important to invest in projects that can address our tight housing supply while stimulating our economy with more construction jobs.

Thank you very much for the opportunity to support H.B. 1132

Sincerely.

Nolnes Faley