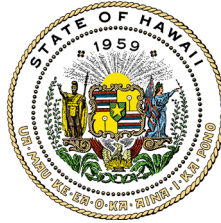


DAVID Y. IGE
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STATE OF HAWAII
EXECUTIVE OFFICE ON AGING
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Testimony COMMENTING on SCR153 SD1
REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND
TOURISM IN COORDINATION AND COOPERATION WITH THE EXECUTIVE OFFICE ON
AGING AND COUNTY OF HAWAII OFFICE OF AGING, TO CONDUCT A STUDY ON THE
NECESSITY AND FEASIBILITY OF ESTABLISHING A SENIOR LIVING CENTER IN THE
KA'U DISTRICT.

COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS
REPRESENTATIVE RYAN I. YAMANE, CHAIR
REPRESENTATIVE ADRIAN K. TAM, VICE CHAIR

Testimony of Caroline Cadirao
Director, Executive Office on Aging
Attached Agency to the Department of Health

Hearing Date: April 14, 2022
9:00 a.m.

Room Number: 329
Via videoconference

1 **EOA's Position:** The Executive Office on Aging (EOA), an attached agency to the Department
2 of Health, offers comments on SCR153 SD1, Requesting the Department of Business, Economic
3 Development, and Tourism in coordination and cooperation with the Executive Office on Aging
4 and County of Hawaii Office of Aging, to conduct a study on the necessity and feasibility of
5 establishing a senior living center in the Ka'u District.

6 **Fiscal Implications:** No appropriation is provided in this measure.

7 **Purpose and Justification:** The purpose of this resolution is to request the Department of
8 Business, Economic Development, and Tourism (DBEDT) in coordination and cooperation with
9 the Executive Office on Aging and County of Hawaii Office of Aging, to conduct a study on the
10 necessity and feasibility of establishing a senior living center in the Ka'u District. With Hawaii's
11 rapidly growing elder population supports and services are crucial in maintaining the quality of

1 life for our kupuna. The Executive Office on Aging (EOA) is the designated lead agency in the
2 statewide coordination of aging and caregiver support services for the State. The EOA supports
3 programs and projects that will provide support services to our elders, particularly in areas where
4 there is limited access to services. The EOA will collaborate with the Hawaii County Office of
5 Aging (HCOA) to offer services and supports to elders and caregivers in the Ka‘u District,
6 pending the availability of care providers, and defers to the 2021 study conducted by the DBEDT
7 on senior living at the state and county level:

8 [https://files.hawaii.gov/dbedt/economic/reports/Elderly_Population_in_Hawaii-](https://files.hawaii.gov/dbedt/economic/reports/Elderly_Population_in_Hawaii-Housing_with_Appendix_on_Kau_district_Dec2021.pdf)
9 [Housing_with_Appendix_on_Kau_district_Dec2021.pdf](https://files.hawaii.gov/dbedt/economic/reports/Elderly_Population_in_Hawaii-Housing_with_Appendix_on_Kau_district_Dec2021.pdf). On page 18-22 of the appendix the
10 report provides information and housing options for the Ka‘u District.

11 **Recommendation:** EOA supports the intent of SCR153 SD1 and defers to the DBEDT for the
12 necessity and feasibility of the study.

13 Thank you for the opportunity to testify.



DAVID Y. IGE
GOVERNOR

MIKE MCCARTNEY
DIRECTOR

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
MIKE MCCARTNEY
Director

Department of Business, Economic Development, and Tourism
before the

HOUSE COMMITTEE ON HEALTH, HUMAN SERVICES, & HOMELESSNESS

Thursday, April 14, 2022
9:00 AM

State Capitol, Conference Room 329 and Video Conference

In consideration of
SCR153, SD1

**REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,
AND TOURISM, IN COORDINATION AND COOPERATION WITH THE EXECUTIVE
OFFICE OF AGING AND COUNTY OF HAWAII OFFICE OF AGING, TO CONDUCT A
STUDY ON THE NECESSITY AND FEASIBILITY OF ESTABLISHING A SENIOR
LIVING CENTER IN THE KA'U DISTRICT.**

Chair Yamane, Vice Chair Tam and Members of the Committee.

The Department of Business, Economic Development & Tourism (DBEDT) appreciates the intent and offers comments regarding SCR153, SD1, which requests a study on the necessity and feasibility of a senior living center in the Ka'u District.

DBEDT did a study in 2021 on senior living at the state and county levels and the report is available at the following link:

https://files.hawaii.gov/dbedt/economic/reports/Elderly_Population_in_Hawaii-Housing_with_Appendix_on_Kau_district_Dec2021.pdf

The portion of the requested study that covers necessity of a senior living facility in Ka'u District is included on the following page of this testimony.

Thank you for the opportunity to provide comments.

Elderly Population and Housing Options in Ka‘u District

The Senate Resolution No 23, 2021 Legislative Session requested DBEDT to do a study regarding the necessity and feasibility of a senior living center to support the population of the Kau district. With limited information on the area, DBEDT does not have the capacity to conduct an analysis on the feasibility of a senior living center in the area. However, using statistics available from the U.S. Census Bureau about the area and the analysis done in the main sections of this report, this appendix provides a brief analysis of the elderly population and elderly living facilities in the Kau district to shed light on the necessity of a senior living center in the area.

The latest population data available for the Kau district are the counts of total housing units and the total population from the 2020 Decennial Census. Some important characteristics of the area are available from various tabulations by the U.S. Census Bureau based on the 2015-2019 American Community Survey. However, many detailed characteristics of the elderly population presented in the main sections of this report cannot be estimated for the Kau district because a small area like the Kau district is not identifiable in the Public Use Microdata Sample of the American Community Survey.

Size of elderly population in Kau district

The population in the Kau district increased by 528 persons from 2010 to 2020, a 6.2% increase during the ten years, an average increase of 0.6% per year. The growth of housing units in the area was slower. Total housing units in the area increased by 119 units from 2010 to 2020, a 4.0% increase for ten years or on average 0.3% increase annually. Either household size or housing occupancy rate had to increase to accommodate a population growth faster than housing growth. In the case of the Kau district, housing occupancy increased from 75.1% in 2010 to 81.5% in 2020, while the average household size decreased slightly from 2.68 in 2010 to 2.55 in 2020. Both population and housing growth in the Kau district between 2010 and 2020 were slower than the growths that the entire state and Hawaii County experienced between 2010 and 2020.

Table A-1. Housing units and population in Kau district from decennial censuses

	Kau district		% Change from 2010 to 2020		
	2010	2020	Kau district	Hawaii County	State of Hawaii
Total housing units	4,202	4,321	4.0%	7.7%	8.0%
Occupied housing	3,154	3,521	11.6%	8.8%	7.7%
Population	8,451	8,979	6.2%	8.4%	7.0%
Housing occupancy rate	75.1%	81.5%			
Average household size	2.68	2.55			

Source: U.S. Census Bureau, 2010 and 2020 Decennial Census

As of December 2021, detailed population counts from the 2020 Decennial Census were not available. Section two of this report estimated the number of the elderly population for the State of Hawaii and its counties by applying the shares of the elderly population among the total population projected in the latest DBEDT long-range projection for 2020 to the total population counts from the 2020 Decennial Census. The elderly population in the Kau district in 2020 was estimated similarly and presented in Table A-2. The proportion of the elderly population in the Kau district was slightly higher than in Hawaii County and the entire state in 2010. Also, Kau district had a thick layer of population aged 55-64 in 2010, who would have joined the elderly age group between 2010-2020 unless they moved out of the area before 2020. Assuming that there was no significant outflow of the population aged 55 and over from the area after 2010, it was estimated that there were about 2,000 elderly people in the Kau district in 2020.

Table A-2. Estimates of elderly population in Kau district in 2020

	2010			2020		
	Total population	65 and over	% of 65 and over	Total population	65 and over ¹	% of 65 and over ¹
State of Hawaii	1,360,301	195,138	14.3%	1,455,271	277,200	19.0%
Hawaii County	185,079	26,834	14.5%	200,629	44,050	21.9%
Kau District	8,451	1,266	15.0%	8,979	2,000	22.5%

¹ DBEDT estimates

Characteristics of overall and elderly population in Kau district

The latest characteristics of residents in the Kau district were available from the American Community Survey 5-year averages of the 2015-2019 period.¹ Table A-3 presents selected characteristics of residents in the Kau district in comparison with the state and Hawaii County. Compared with the state and Hawaii County, there were more people who identified as “other Pacific Islander alone” and “two or more races,” while the proportion of “Asian alone” was significantly lower. Although the percentage of foreign-born population was much lower than the state average, the percentage of population speaking a language other than English at home was much higher. More than one third of the population aged 5 and over in the Kau district was estimated to speak a language other than English at home. The overall level of education among the adult residents in the Kau district was lower than in the state. The percentage of those with a Bachelor’s degree among the population aged 25 and over was 18.1%, about 15% points lower than the statewide percentage.

Many indicators tell us that the Kau district is an economically distressed area. The unemployment rate in the Kau district during the 2015-2019 period was more than three times higher than the statewide rate, while the labor force participation rate of the area was about 20 percentage points lower. Reflecting the high unemployment rate in the area, both the percentage of households receiving food stamps or SNAP benefit and the percentage of people living in poverty were more than three times higher than the statewide percentages. Probably due to Social Security benefits, the poverty rate among the elderly population was much lower than the poverty rate of all residents in the area. However, the elderly poverty rate in the Kau district was still about twice as high as the statewide elderly poverty rate.

¹ Analysis using Public Use Microdata Sample (PUMS) of American Community Survey provides more flexibility. However, areas with population smaller than 50,000 are not identifiable in PUMS, and therefore cannot be analyzed using PUMS.

Table A-3. Selected characteristics of Kau district, 2015-2019 average

	Statewide	Hawaii County	Kau district
Race			
White alone	25.0%	33.3%	31.1%
Asian alone	37.8%	22.5%	15.3%
Native Hawaiian alone	6.2%	9.2%	4.5%
Other Pacific Islander alone	2.7%	2.7%	8.4%
Other races alone	4.4%	3.4%	2.4%
Two or more races	23.9%	28.9%	38.3%
Social characteristics			
Foreign born (% of total population)	18.5%	12.7%	13.5%
Speak other than English (% of population age 5 and over)	26.6%	25.5%	35.0%
Education-with BA degree (% of population age 25 and over)	33.0%	29.4%	18.1%
Economic characteristics			
Labor force participation rate	65.4%	58.4%	46.4%
Unemployment rate	4.3%	6.2%	14.9%
Food stamp/SNAP benefit receivers (% of total households)	10.8%	19.7%	34.9%
People living in poverty			
- % among all population	9.4%	15.6%	33.7%
- % among elderly population	8.1%	9.8%	16.9%
Housing characteristics			
Owner occupancy rate (homeownership)	58.9%	67.7%	75.2%
Living alone (% of total elderly population)	19.0%	22.1%	32.4%
Median household income	\$81,275	\$62,409	\$33,091
Median value of house	\$615,300	\$350,000	\$166,400
Median rent	\$1,617	\$1,180	\$952
Gross rent \geq 35% of household income (% of renter households)	45.6%	42.8%	71.3%

Source: U.S. Census Bureau, American Community Survey 2015-2019, Table DP02-05

One area where the Kau district did better than other areas was homeownership. Overall homeownership of the area was estimated at 75.2% during the 2015-2019 period, 16.3% points higher than the statewide homeownership and 7.5% points higher than the homeownership in Hawaii County. Relatively low housing prices in the Kau district may be employed to explain the high homeownership in the area. Median home value in the Kau area was about one fourth of the statewide median value and about one half of the median value for Hawaii County.

Median rent was also lower in the Kau district, but the difference was not as much as the difference in the value of houses.

Necessity of supports for elderly population in Kau district

The size of the elderly renters living in poverty in the Kau district was estimated using our estimate of the elderly residents in the area for 2020 and the housing characteristics of the area from the 2015-2019 American Community Survey (Table A-4). The characteristics of Hawaii County was used with an adjustment for the known difference between the Kau district and Hawaii County, if the characteristic is not available for the Kau district. It was estimated that about 340 elderly residents in the Kau district lived in poverty in 2020, of which 64 elderly residents were estimated as renters.

Table A-4. Estimates of the elderly living in poverty in Kau district in 2020

	Estimates for 2020	Assumption employed
Total elderly residents	2,000	22.5% of total residents
- Elderly living alone	650	32.4% of total elderly residents
- Elderly renters	210	10.4% of total elderly residents ¹
- Elderly living in poverty	340	16.9% of the elderly population
- Elderly renters living in poverty	64	30.5% of elderly renters ²

1. Percentage of renters among the elderly population in Hawaii county during the 2015-2019 period, 17.9%, adjusted for the difference in the homeownership in Hawaii county and the homeownership in the Kau district
 2. Poverty rate of the elderly residents in the Kau district during the 2015-2019 period, 16.9%, adjusted for the difference in the poverty rate of overall elderly population and the poverty rate of the elderly renters in Hawaii county for the same period.

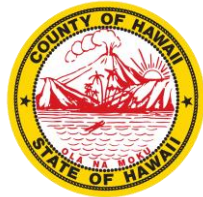
According to the May-2021 inventory list of affordable rental housing from the Hawaii Housing Finance and Development Corporation, there were three affordable rental housing projects in the Kau district (Naalehu and Pahala area) with a total of 37 units in the projects. Among them, 32 one-bedroom units were for elderly renters with a requirement that “at least one household member must be at age 62 or older.” These two rental housing projects can accommodate up to 64 elderly residents at a lower-than-market price if all units are occupied by two persons. However, an estimated 32.4% of the elderly residents in the Kau district lived alone during the 2015-2019 period, and, in general, the percentage of those living alone is higher among renters. Other than these two affordable rental housing projects, there were no other living facilities exclusively intended for elderly residents in the Kau district. No adult residential care home nor assisted living facility was registered in the Kau district. The area has one skilled nursing facility with a capacity of 15 beds, but it is not a facility exclusively for elderly residents.

Table A-5. Affordable rental housing in Kau district

	All affordable rental housing			Reserved for the elderly		
	Number of housing projects	Units		Number of housing projects	Units	
		Number	Share (%)		Number	Share (%)
State total	359	26,167	100%	117	8,135	100%
Hawaii County	66	2,850	10.9%	26	943	11.6%
Kau district	3	37	0.1%	2	32	0.4%

The current capacity of 32 affordable rental housing units for elderly renters in the Kau district is not enough to accommodate the estimated number of elderly residents living in poverty in the area, if some units are occupied by a single elderly resident. Also, as discussed in the section four of this report, the poverty of the elderly population tends to be underestimated under the official poverty measure because the measure does not include the costs of non-food basic needs, such as housing costs and out-of-pocket medical costs. A study has shown that the poverty rate of the elderly population in Hawaii could be almost twice as high as the official rate, if measured using the supplemental measure that factors in geographical differences in living costs and the basic needs other than food consumption. This is more likely to happen among elderly renters in the Kau district. The median rent in the Kau district during the 2015-2019 period was about 81% of the median rent in Hawaii County while the median household income of the area was only about 53% of the median household income in Hawaii County. The percentage of the households with gross rent higher than 35% of their household income was 71.3% in the Kau district, about 25-29% points higher than the statewide percentage and the percentage for Hawaii County, indicating that the actual size of the elderly residents struggling financially and in critical need of assistance in the Kau district may be much bigger than the size estimated using the official poverty measure.

Maile Medeiros David
Council Chair
Council District 6
(Portion N. S. Kona/Ka'ū /Volcano)



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HAWAI'I COUNTY COUNCIL

County of Hawai'i
West Hawai'i Civic Center, Bldg. A
74-5044 Ane Keohokalole Hwy.
Kailua-Kona, Hawai'i 96740

April 12, 2022

Honorable Ryan I. Yamane, Chair
Honorable Adrian K. Tam, Vice Chair
Committee on Health, Human Services & Homelessness
Conference Room 329 & Via Videoconference

Re: SCR153 SD1 – Requesting the Department of Business, Economic Development,
And Tourism; Executive Office of Aging; and County of Hawai'i Office of Aging
To conduct a study on the necessity and feasibility of a senior living center in the
Ka'ū District.

Honorable Chair Yamane and Vice Chair Tam:

On behalf of myself and as Councilmember representing the rural districts of South Kona, Ka'ū and Volcano Village (Council District 6), I express my strong support of SCR153 SD1 relating to the need to conduct a study as to the necessity and feasibility of having a senior living center in the Ka'ū District.

As you may know, many of the Ka'ū residents face cultural, financial, and geographical barriers that prevent them from accessing health services in rural areas especially the many seniors in my Council District. The study will determine the necessity and feasibility of having a senior living center in the Ka'ū District.

Mahalo a nui loa for your favorable consideration.

Very truly yours,

Maile David

Maile David, Council Member
Council District 6, S. Kona, Ka'ū, and Volcano Village

Mitchell D. Roth
Mayor



William H. Farr
Executive on Aging

County of Hawai'i OFFICE OF AGING

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April 13, 2022

Representative Ryan I. Yamane, Chair
Representative Adrian K. Tam, Vice-Chair
Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

**Re: Support of SCR153 SD1, To Conduct a Study on the Necessity and Feasibility of
Establishing a Senior Living Center in the Kau District.
9:00 A.M., April 14, 2022, Conference Room 329 VIA Videoconference**

Dear Representative Yamane and Members of the Committee on Health, Human Services, & Homelessness:

The Hawaii County Office of Aging supports the intent of SCR153 SD1, to conduct a study on the necessity and feasibility of establishing a senior living center in the Ka'u District.

With Hawaii's rapidly growing elder population, supports and services are crucial in maintaining the quality of life for our kupuna especially in our most rural districts. The Hawaii County Office of Aging, as an Area Agency on Aging, will collaborate with the Executive Office on Aging to plan and coordinate support programs and projects that will provide support services to our elders, particularly in areas where there is limited access to services.

As an Area Agency on Aging, we support the intent of SCR153 SD1.

Thank you for the opportunity to submit comments on this Resolution.

William "Horace" Farr
Executive on Aging
Hawaii County Office of Aging



*An Area Agency on Aging
Hawai'i County is an equal opportunity provider and employer.*