



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 1, 2016

TO: The Honorable Representative Mark J. Hashem, Chair
House Committee on Housing

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

SUBJECT: **HB 2244 – RELATING TO HOUSING**

Hearing: Monday, February 1, 2016, 8:30 a.m.
Conference Room 329, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of HB2244, as it proposes to provide funding to address key aspects of the State's work to end homelessness. However, the Coordinator's support of this measure is limited to the extent that passage of this bill does not replace or adversely impact priorities indicated in the Executive Budget. The Coordinator asks for the Legislature's support of the Governor's Executive Budget request, which includes a General Obligation bond appropriation of \$75 million for the Rental Housing Revolving Fund (RHRF); \$3 million for Housing First; and \$31 million to improve existing public housing stock within the Hawaii Public Housing Authority.

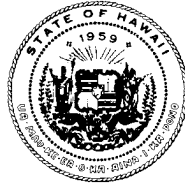
PURPOSE: The purpose of the bill is to appropriate funding for a range of services to address homelessness. These include: Part I: establishment of the rental housing revolving fund; Part II: appropriation of \$3 million for the continuation of the State's Housing First program and its expansion to the neighbor islands; Part III:

appropriation to the Hawaii Public Housing Authority to improve the existing public housing stock; and Part IV: appropriation of \$2 million for a rental assistance program, also known as the shallow subsidy program, with the Department of Human Services, for working homeless individuals and their families who are ready to rent permanent housing, with certain eligibility requirements. These appropriations are in alignment with Goal 2, Objectives 4 and 5 of the Hawaii Interagency Council on Homelessness' Strategic Plan to End Homelessness, which are to "Create and preserve affordable housing for people at 50% and below of median income," and "Create and preserve permanent supportive housing options for people who are homeless and have special needs, e.g. mentally ill, medically frail, physically disabled, elderly, released offenders, and substance affected."

In regards to Part IV, the Coordinator notes that the Hawaii Public Housing Authority currently operates the Rent Supplement program, which is similar in nature to the program proposed in this part. The Coordinator defers to the Department of Human Services and the Hawaii Public Housing Authority in regards to specific issues related to implementation of the proposed program, including details regarding cost, procurement, and labor.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
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
Craig K. Hirai
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HOUSING

February 1, 2016 at 8:30 a.m.
State Capitol, Room 329

In consideration of
H.B. 2244
RELATING TO HOUSING.

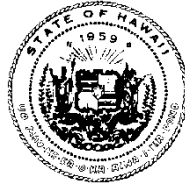
HHFDC **supports** H.B. 2244 provided that its passage does not replace or adversely affect priorities set forth in the Executive Supplemental Budget request.

In particular, we support the intent of Part I of the bill, which makes an unspecified General Fund appropriation for deposit into the Rental Housing Revolving Fund (RHRF), and note that the Supplemental Budget request includes a General Obligation bond appropriation of \$75 million for infusion into the RHRF. An infusion of that amount into the RHRF would help finance the development of an additional 600 affordable rental units.

The RHRF provides loans to projects that set aside rental units affordable to extremely and very low-income families. The RHRF loans fill the financing gap to develop an affordable rental housing project. Since its inception, RHRF awards have been made to 71 affordable rental projects comprising 5,673 units statewide.

Thank you for the opportunity to testify.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

February 1, 2016 8:30 A.M.
Room 329, Hawaii State Capitol

In consideration of
HB 2244
RELATING TO HOUSING.

Honorable Chair Hashem and Members of the House Committee on Housing, thank you for the opportunity to provide testimony regarding House Bill (HB) 2244, relating to housing.

The Hawaii Public Housing Authority (HPHA) appreciates the general intent of this measure to provide much needed appropriations to various housing programs.

In particular, we **support Part III** of the bill, provided that its passage does not replace or adversely impact priorities indicated in our Executive Budget. Part III of the bill makes a general fund appropriation of \$180,000,000 to the HPHA for the repair and maintenance of the HPHA's existing public housing stock. An appropriation of this magnitude will go far to address the HPHA's backlog of repairs and will make readily available more units for low-income families and individuals.

If Part III of the bill passes, the HPHA would appreciate that the appropriation is provided as a "lump sum" and include funds toward the administrative costs of the repairs and maintenance.

With regard to Part I of the bill, we defer to and support our sister agency Hawaii Housing Finance and Development Corporation's (HHFDC) submitted testimony. And with regard to Parts II and IV of the bill, we defer to and support the Department of Human Services' (DHS) submitted testimony.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the HPHA's position regarding HB 2244. We thank you very much for your dedicated support in addressing the affordable housing crisis in Hawaii.

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR

PAULA A. YOUNGLING
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

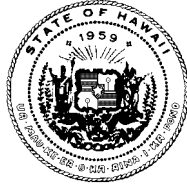
TO THE HOUSE COMMITTEE
ON
HOUSING
Monday, February 1, 2016, 8:30 a.m.

HOUSE BILL 2244
RELATING TO HOUSING

Chair Hashem, Vice-Chair Jordan, and members of the committee, thank you for the opportunity to submit testimony on HB 2244. The State Procurement Office's (SPO) comments are limited to Part IV of this bill, which proposes that the appropriation be expended for "staff within the homeless programs office and for program and administrative costs associated with establishing and operating the shallow subsidy program" through a contract issued pursuant to HRS chapter 103F.

If the appropriation is for administrative/operating costs, then it is more appropriate that the services be procured in accordance with HRS chapter 103D. HRS chapter 103F would apply if the health and human services are for communities, families, or individuals which are intended to maintain or improve health or social well-being, and the services are provided directly to a targeted clientele, i.e., assessment, treatment, diagnosis, prevention and education services.

Thank you.



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

February 1, 2016

TO: The Honorable Representative Mark J. Hashem, Chair
House Committee on Housing

FROM: Rachael Wong, DrPH, Director

SUBJECT: **HB 2244 – RELATING TO HOUSING**

Hearing: Monday, February 1, 2016, 8:30 a.m.
Conference Room 329, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to provide funding to address the State's homeless crisis. In particular, the Department is supportive of Part II, expanded funding for the Housing First program, which is an evidence-based best practice targeted at the unsheltered homeless population with the highest acuity and chronicity. The DHS asks for the Legislature's support of the Governor's Executive budget request for \$3 million for Housing First.

With regard to Part IV, the establishment of a rent subsidy program to be operated by the DHS, we support the intent with comments.

PURPOSE: The purpose of the bill is to appropriate funding for a range of services to address homelessness. These include: Part I: establishment of the rental housing revolving fund; Part II: appropriation of \$3 million for the continuation of the State's Housing First program and its expansion to the neighbor islands; Part III: appropriation to the Hawaii Public Housing Authority to improve the existing public housing stock; and, Part IV: appropriation of \$2 million for a rental assistance program, also known as the shallow subsidy program, with the Department of Human

Services, for working homeless individuals and their families who are ready to rent permanent housing, with certain eligibility requirements.

With regard to Part IV, the establishment of a rent subsidy program to be operated by the Department, DHS notes that in discussion with the Hawaii Public Housing Authority (HPHA), HPHA currently operates a state-wide rental subsidy program funded at approximately \$1 million. The HPHA program is currently operated with 1.25 FTE, however at one time the program was staffed at 5.0 FTE. The DHS is not certain whether the proposed rent subsidy program is intended to supplement the HPHA program or to supplant it. We would need to exercise caution about transferring the existing program staffed by civil servants and offering it via a Chapter 103f HRS contract.

Thank you for the opportunity to testify on this bill.

February 1, 2016

The Honorable Mark. J. Hashem, Chair

House Committee on Housing
State Capitol, Room 329
Honolulu, Hawaii 96813

RE: H.B. 2244, Relating to Housing

HEARING: Monday, February 1, 2016 at 8:30 a.m.

Aloha Chair Hashem, Vice Chair Jordan, and Members of the Committee:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® (“HAR”), the voice of real estate in Hawai'i, and its 8,800 members. HAR **supports the intent** of H.B. 2244 which makes various appropriations for various housing program.

According to the Department of Business, Economic Development and Tourism, nearly 66,000 housing units are needed to meet long-term demand over the next ten years. Not only do we need more affordable homes to meet today's needs of our working individuals and families, we need a place where our keiki can afford to live in the future.

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 believes appropriating funds to the Rental Housing Revolving Fund will help expand the much needed affordable rental housing opportunities for Hawaii's residents and will help address the States unique challenges related to affordable rentals.

Mahalo for the opportunity to testify.

jordan3-Kevin

From: mailinglist@capitol.hawaii.gov
Sent: Friday, January 29, 2016 10:04 AM
To: HSGtestimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for HB2244 on Feb 1, 2016 08:30AM*

HB2244

Submitted on: 1/29/2016

Testimony for HSG on Feb 1, 2016 08:30AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

Comments:

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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