



LATE

SB2424 SD1
RELATING TO HOUSING FOR NATIVE HAWAIIANS
Senate Committee Ways and Means

February 28, 2018

11:00 a.m.

Room 211

The Office of Hawaiian Affairs (OHA) appreciates the opportunity to provide **COMMENTS** on SB2424 SD1, which seeks to advance housing options and opportunities for Department of Hawaiian Home Lands (DHHL) beneficiaries and their families.

OHA is the constitutionally-established body responsible for protecting and promoting the rights of Native Hawaiians, and serves as the principle agency responsible for the performance, development, and coordination of programs and activities relating to Native Hawaiians; assessing the policies and practices of other agencies impacting Native Hawaiians; and conducting advocacy efforts for Native Hawaiians.¹ In furtherance of its constitutional mission, OHA has adopted a strategic priority of **Ho'okahua Waiwai**, which focuses on improving Native Hawaiians' economic self-sufficiency through improved home ownership and rental standards. **Between FY11 – FY16, OHA accordingly provided approximately \$28 million in support of housing and housing stability programs, including foregone rent for a homeless shelter, sponsorships, programs and services (including contracts and grants), and \$3 million annually for DHHL housing development program activities.**

OHA is therefore appreciative of the intent behind this measure, to provide its lessees with greater flexibility in the development of housing on DHHL lands. We offer these comments with respect to Section 4 and Section 5, which as currently drafted, would appropriate funds to DHHL for the purposes of the bill.

OHA respectfully suggests that the Hawai'i Housing Finance and Development Corporation (HHFDC), rather than the DHHL, may be the more appropriate agency to dispense the appropriated funds under Section 4 and Section 5 of this bill. OHA appreciates the Attorney General's (AG's) office's concerns about the HHFDC's inability to restrict its programs based on "race," pursuant to the AG's interpretation of the federal Fair Housing Act. However, OHA also notes that the Hawaiian Homes Commission Act of 1920, as amended (HHCA), is also based upon federal law, and has the express purpose of rehabilitating native Hawaiians as a political class, through a homestead program specifically designed to return them to the land. Although the State assumed most of the responsibility for the administration of the HHCA through the Admission Act, the federal

¹ HAW. CONST. ART. XII SEC. 5; Haw. Rev. Stat. § 10-3.

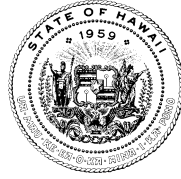
government continues to have trust responsibilities under the HHCA, and continues to require, subject to certain exceptions, that the HHCA may only be amended by the State with the consent of the United States. Accordingly, the Committee and the legislature may wish to consider whether these federal laws should be interpreted to give full effect to each, and whether the political status of the HHCA's native Hawaiian beneficiaries should allow the HHFDC to expend funds for their benefit, without conflicting with the Fair Housing Act. Notably, designating the HHFDC as the expending agency may obviate the concerns relating to the DHHL's limitations in awarding loans for second mortgages, which may frustrate the intent of this measure.

Finally, in light of these concerns, the Committee may also want to consider requiring awards to be used for projects on lands as described in the Hawaiian Homes Commission Act, as amended.

Mahalo nui for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR
STATE OF HAWAII

SHAN S. TSUTSUI
LT. GOVERNOR
STATE OF HAWAII



JOBIE M. K. MASAGATANI
CHAIRMAN
HAWAIIAN HOMES COMMISSION

WILLIAM J. AILA, JR.
DEPUTY TO THE CHAIRMAN

STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS

P. O. BOX 1879
HONOLULU, HAWAII 96805

LATE

TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS

SB 2424 SD1 RELATING TO HOUSING FOR NATIVE HAWAIIANS

February 28, 2018

Aloha Chair Dela Cruz and members of the Committee:

The Department of Hawaiian Home Lands (DHHL) submits comments on this bill that authorizes the construction and use of micro housing units on Hawaiian home lands approved by DHHL and authorizes the use of the Hawaiian home loan fund and Hawaiian home general fund for assistance in purchasing or renting micro housing units for use on Hawaiian home lands approved by DHHL and leased to beneficiaries.

This measure is unnecessary because section 214 of the Hawaiian Homes Commission Act includes broad authority for the department to make loans from revolving funds to beneficiaries for the “repair or maintenance or purchase or erection of dwellings on any tract.” Although the HHCA doesn’t specifically reference a micro housing unit, dwellings can encompass a micro housing unit. A particular challenge lessees on Hawaiian home lands face is financing a micro housing unit if they already have an existing mortgage.

A mechanism to allow for financing of micro housing units through Hawaii Housing Finance and Development Corporation (HHFDC) for those homeowners that are seeking private financing could increase affordable housing options. However, this bill as currently titled would raise Fair Housing Act concerns for HHFDC. Therefore, DHHL has prepared proposed amendments to SB2421 SD1 to accomplish this purpose.

The Department notes that this measure proposes funding from general revenues and appreciates any funding to support its initiatives as long as it doesn’t affect the priorities identified in the Governor’s Executive budget request.

Thank you for your consideration of our testimony.

LATE

SB-2424-SD-1

Submitted on: 2/27/2018 4:18:45 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
M Lee Brown	Individual	Support	No

Comments:

Aloha kākou,

I **STRONGLY SUPPORT SB2424, SD1**, which would establish a public-private partnership to leverage \$5 million in State funding to create a \$20 million loan fund for the development of affordable tiny homes on Hawaiian Home Lands. The tiny home loan fund would support the building of 10,000 tiny homes on Hawaiian Home Lands lots with existing infrastructure by 2026. In addition, the legislation would build the capacity of nonprofit developers to increase the affordable housing stock on Hawaiian Home Lands.

According to the Department of Housing and Urban Development, 22,000 native Hawaiians are on a waitlist for a home on Hawaiian Home Lands. Since the Hawaiian Home Lands Trust was established in 1920, approximately 8,000 residential leases have been awarded while thousands of families wait for their turn residing on the beach, in overcrowding housing, and in high-priced rentals. This is unacceptable.

At a time when Hawaii reports the highest homeless rate per capita of any state in the nation and 42% of all homeless persons identifying as Native Hawaiian or Pacific Islander, SB2424 gives us the unique opportunity to address both our homeless and affordable housing crises by supporting the development of affordable, tiny homes priced below \$125,000. This offers solutions that go beyond stopgap measures such as cruel sweeps that do not address underlying housing issues. It is a tangible and accessible long-term solution that would benefit thousands of people in Hawai'i nei.

We cannot wait any longer for affordable housing in Hawaii. The Hawaiian Home Lands Trust was established to provide these type of opportunities to its beneficiaries and for the well-being of all of Hawaii. We need to invest in affordable housing for native Hawaiians and non-native Hawaiians residing on Hawaiian Home Lands NOW. I urge you to PASS SB2424, SD1. Mahalo.

Me ke aloha ha'aha'a,

Michelle Lee Brown

LATE

SB-2424-SD-1

Submitted on: 2/28/2018 7:17:16 AM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Kauhane	Testifying for CNHA	Support	No

Comments: