



## The Senate

STATE CAPITOL  
HONOLULU, HAWAII 96813

April 29, 2014

### MEMORANDUM

TO: Honorable Suzanne Chun Oakland  
Senator, 13th District

FROM: Kristin C. Pietsch  
Senate Majority Research Office

RE: Summary of 2014 Regular Session Affordable Housing and Homelessness  
Legislation

### REQUESTED INFORMATION

You have asked our office to summarize the highlights of the affordable housing legislative package passed during the Regular Session of 2014.

### DISCUSSION

#### Affordable Housing Need

There is an immediate and critical need to increase the availability of affordable housing in the State. Hawaii has an extremely high cost of living, and housing is one of the most challenging issues that the State faces. The average median income level in Hawaii is \$82,600 for a family of 4 and \$57,820 for an individual.

According to the 2011 Hawaii Housing Planning Study, as many as 50,000 new housing units need to be built between 2012 and 2016 to meet new demand generated by changing demographic and economic conditions. Units that are not built represent the shortage of units needed to fill the total demand for housing units. This shortage, known as needed units, is the difference between total housing demand and expected supply. The projected number of needed units in the State through 2016 includes more than 6,000

ownership units and 13,000 rental units for households with less than 80 percent of the area median income. For households between 80 and 140 percent of the area median income, the projected number of needed units is more than 2,600 ownership units and 2,100 rental units. Finally, for families above 140 percent area median income, it is projected that Hawaii needs approximately 2,800 ownership units and 1,200 rental units through 2016.

Hawaii's housing crisis is highlighted by the number of people waiting for affordable housing units to become available. Currently, there are 10,000 families on the Hawaii Public Housing Authority's wait list for housing with an average of three people per family, meaning that approximately 30,000 people are currently seeking affordable public housing options. In addition, the Department of Hawaiian Home Lands currently has 26,926 waitlisted applicants and 43,080 pending applications. Applications can be agricultural, pastoral, or residential, and each applicant can submit two applications.

According to the 2013 Homeless Service Utilization Report developed by the Center on the Family at the University of Hawaii and the Homeless Programs Office of the Department of Human Services, a total of 13,639 individuals statewide experienced homelessness and received shelter or outreach services during the 2013 fiscal year. Of this number, 25 percent are children under 18 years of age. According to the 2013 Statewide Homeless Point-in-Time Count, between 19 and 36 percent of the homeless population is employed part or full time, with higher numbers of employed homeless individuals in rural counties. According to a summary report done by the National Survey of Homeless Assistance Providers and clients that was published in 1999 and titled *Homelessness: Programs and the People They Serve*, 44 percent of homeless people have worked within the last 30 days.

#### 2014 Legislation

**HB1539, CD1** - Requires the return of a housing choice voucher to the Hawaii Public Housing Authority upon the death or removal from assistance of the last original household member or upon the youngest minor of the family reaching the age of 21 or 23 if the minor is a full-time student. Prohibits adding legal guardians to the household unless the legal guardian is also eligible for participation in the program.

**HB2251, CD1** - Increases the Hula Mae Multifamily Revenue Bond authorization limit from \$750,000,000 to \$1,000,000,000. Hula Mae helps qualifying first-time homebuyers with 30-year mortgages at competitive rates and offers some down payment assistance.

**HB2288, CD1** - Amends the Hawaiian Homes Commission Act to permit the Department of Hawaiian Home Lands to dispose of department-owned or department-controlled improvements, or space within an improvement, on Hawaiian home lands through direct negotiations.



**HB2448, CD1** - Authorizes the Hawaii Housing Finance and Development Corporation to issue bonds to finance the development of infrastructure for land owned by an eligible developer whose housing project approval requires the construction of affordable housing.

**SB2542, CD1** - Increases the allocation of conveyance tax collections to the rental housing trust fund from 30 percent to 50 percent beginning July 1, 2014. The rental housing trust fund is used to provide loans or grants for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. It is estimated that restoring the allocation of conveyance tax collections to 50 percent will generate \$33,100,000 for the rental housing trust fund for fiscal year 2014-2015.

**HB1700, CD1 - The Supplemental Appropriations Act of 2014**

The Supplemental Appropriations Act of 2014 contains the following CIP allocations related to housing from general obligation bond funds:

Note: These budget line items do not include operating appropriations.

Rental Housing Trust Fund Infusion	\$5,000,000
Dwelling Unit Revolving Fund	\$7,000,000
Low Income Housing Tax Credit Loans	\$7,832,000
Hawaiian Homelands Trust Fund	\$29,383,000
Public Housing Development, Improvements and Renovations	\$26,000,000
Rental Housing Services Investment Capital	\$26,500,000
Hawaii Community Development Authority Investment Capital	\$9,555,000
Hawaii Housing Finance and Development Corporation Investment Capital	\$30,332,000
Services to Veterans Investment Capital (Services to Veterans allocation is to the Department of Defense)	\$2,025,000

The Supplemental Appropriations Act of 2014 contains the following allocations for operations:

Aged, Blind, and Disabled Payments (HMS202) (general funds)	\$4,029,480
General Assistance Payments (HMS204) (general funds)	\$21,289,056
Federal Assistance Payments (HMS206) (federal funds)	\$5,478,053

Cash Support for Families - Self-Sufficiency (HMS211) (general funds)	\$22,694,156
(federal funds)	\$44,000,000
Hawaii Public Housing Authority Administration (HMS229) (federal funds)	\$37,964,860
(revolving funds)	\$3,714,237

Rental Assistance Services (HMS222) (general funds)	\$1,055,928
(federal funds)*	\$26,042,082

\*Includes \$161,468 in federal funds for the section eight housing choice voucher program.

General Support for Self Sufficiency Services (HMS903) (general funds)*	\$39,740,317
(federal funds)*	\$63,911,309

\*Includes \$500,000 in general funds for social security advocacy services and \$300,000 in federal funds for outreach services to families and individuals who may qualify for benefits under the Supplemental Nutrition Assistance Program.

Child Protective Services (HMS301) (general funds)*	\$34,275,669
(federal funds)	\$39,123,363

\*Includes general funds to support a transitional housing program in east Hawaii and two Oahu transitional housing programs.

The Supplemental Appropriations Act of 2014 contains the following chapter 42F, Hawaii Revised Statutes, grants from general obligation bond funds:

Hale Mahaolu Ewalu, Inc., Maui Construction for a senior affordable rental housing campus at the Kulamalu town center subdivision.	\$4,000,000
Housing Solutions, Inc., Oahu Plans, design, construction, and equipment for reconstruction and/or renovation of the Thomas building.	\$500,000
Central Oahu Youth Service Association, Oahu Plans, design, and construction for the emergency shelter renovation and other related improvements.	\$400,000

The Supplemental Appropriations Act of 2014 contains the following allocations related to homelessness:

Homeless Services Operating (HMS224) (general funds)*	7 positions \$17,788,922
(federal funds)	\$626,906
(other federal funds)	\$2,366,839

\*Includes \$1,500,000 in general funds to continue the Homeless Program's Housing First initiative in fiscal year 2014-2015 as well as \$273,752 in general funds for utility rate increases at Kalaeloa shelters in Homeless Programs.

Additional appropriations:

Waiahole Water System Improvements, Oahu (HHFDC) (HFDC07) (general obligation bond funds)	\$6,500,000
Ola Ka 'Ilima Arts Center, LLC, Oahu (general obligation bond funds)	\$1,500,000

The following are two allocations to the Department of Hawaiian Home Lands. It is unclear, however, whether the funding relates to housing.

Planning and Development for Hawaiian Homesteads Investment Capital (HHL602) (general obligation bond funds)	\$11,510,000
(federal funds)	\$20,000,000
Hawaiian Homelands Trust Fund (general obligation bond funds)	\$29,383,000
NAHASDA Development Projects (federal funds)	\$20,000,000

If you have any questions regarding this matter, please do not hesitate to contact our office at 586-6770.

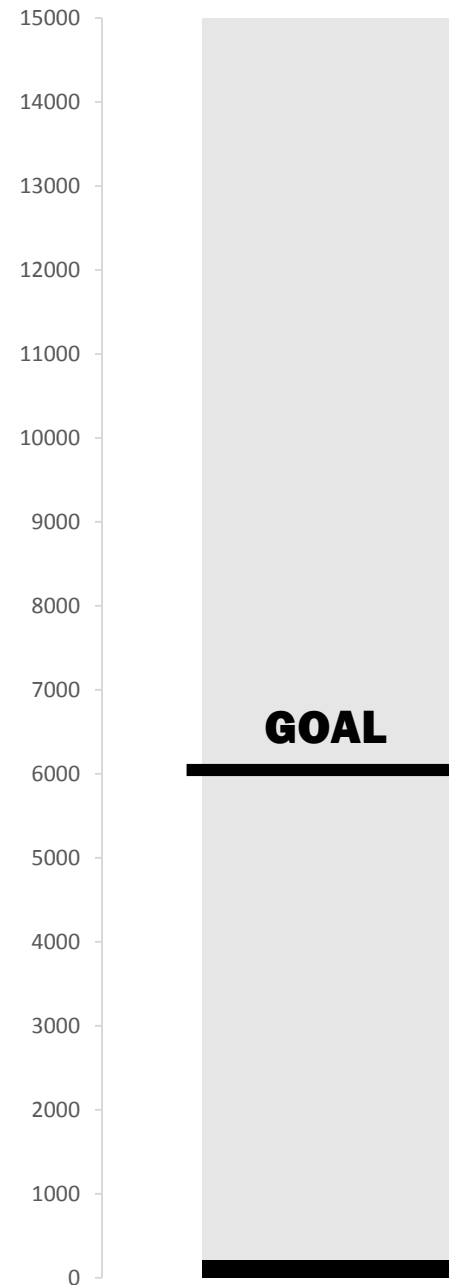


# HOUSING

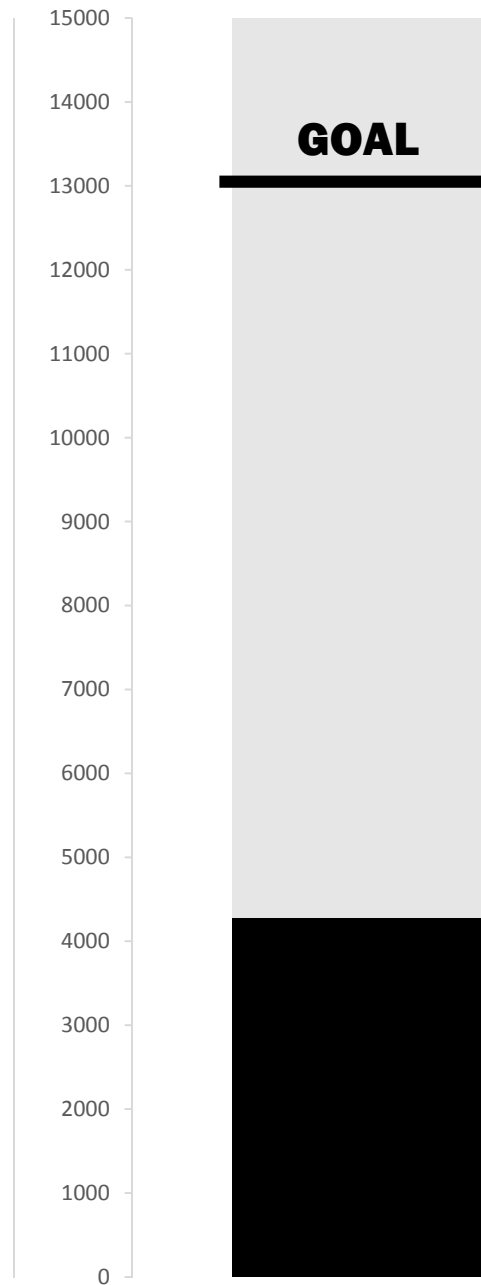
**2011 - 2016 = 50,000 New Units**

(2011 Hawaii Housing Planning Study prepared for HHFDC)

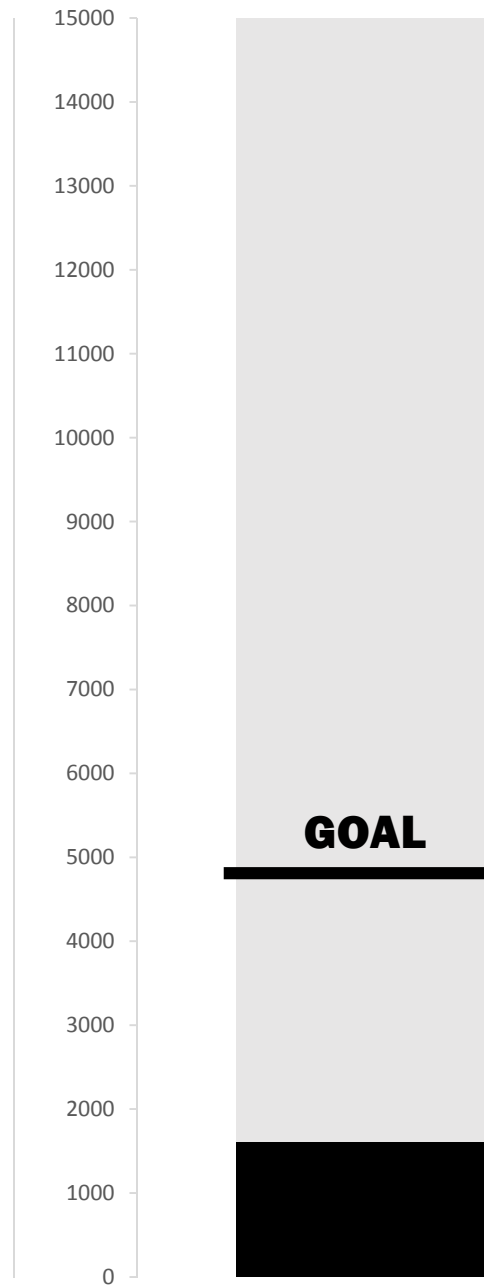
**6,000  
For Sale  
<80% AMI**



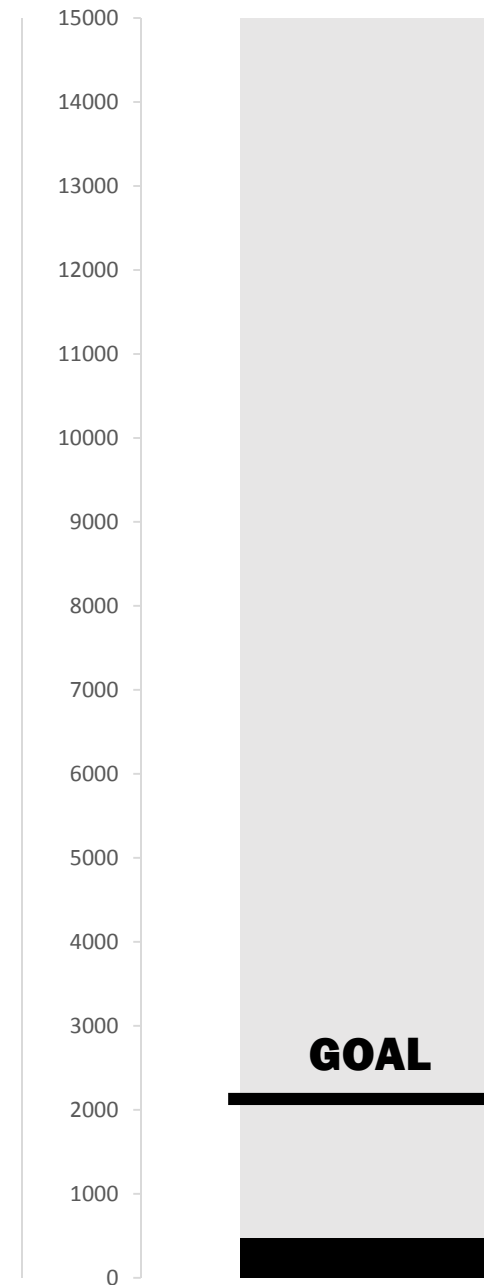
**13,000  
Rental  
<80% AMI**



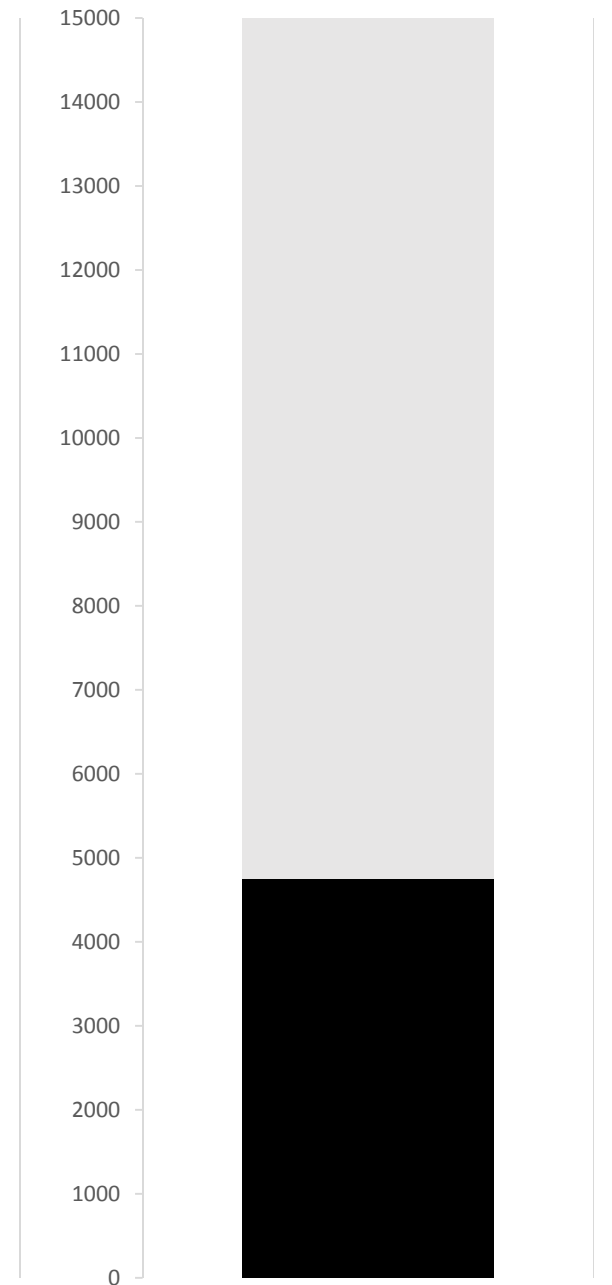
**4,800  
For Sale  
80-140% AMI**



**2,100  
Rental  
80-140% AMI**



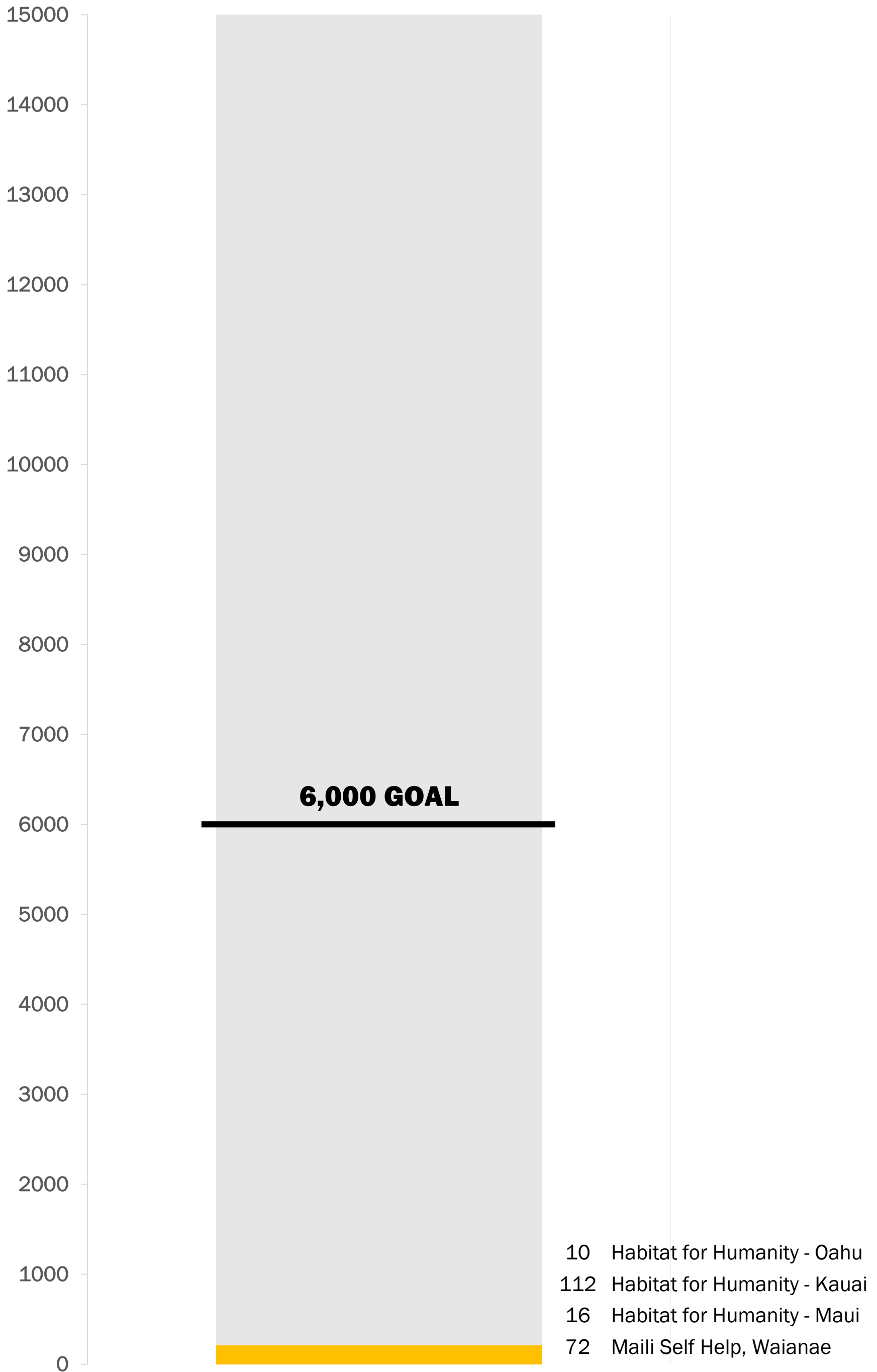
**24,200  
Units  
>140% AMI**



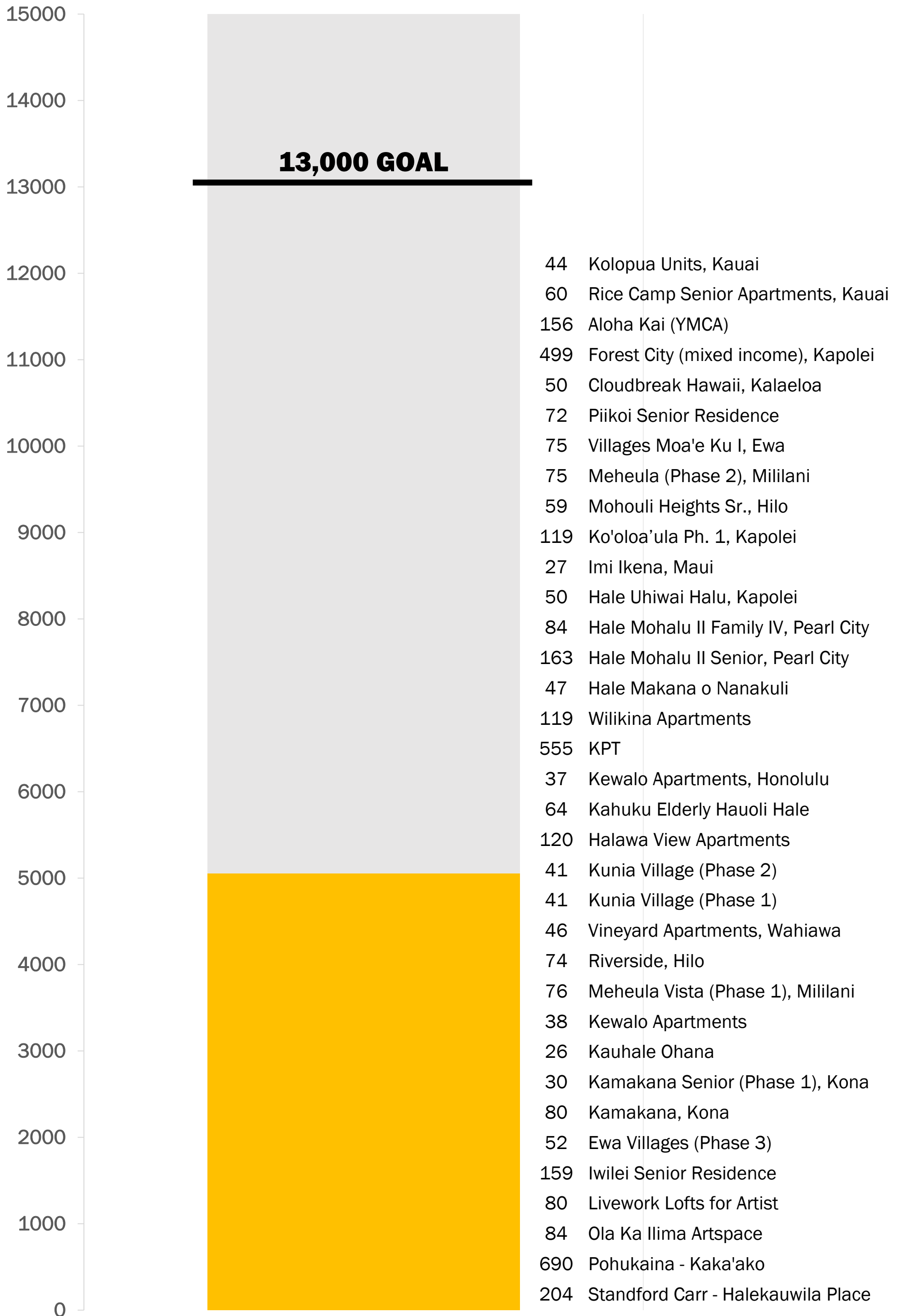
**Single Person 100% AMI (Area Median Income) = \$57,000/annual income**  
**Family of Four 100% AMI (Area Median Income) = \$83,000/annual income**

# GOAL: 6,000 For Sale

## <80% AMI



# GOAL: 13,000 Rental <80% AMI

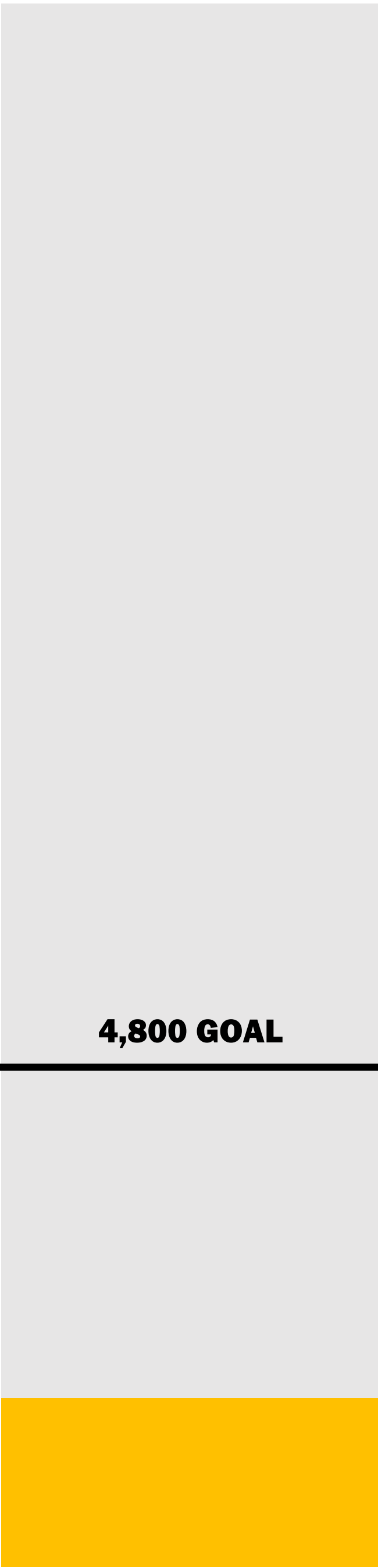




# GOAL: 4,800 For Sale

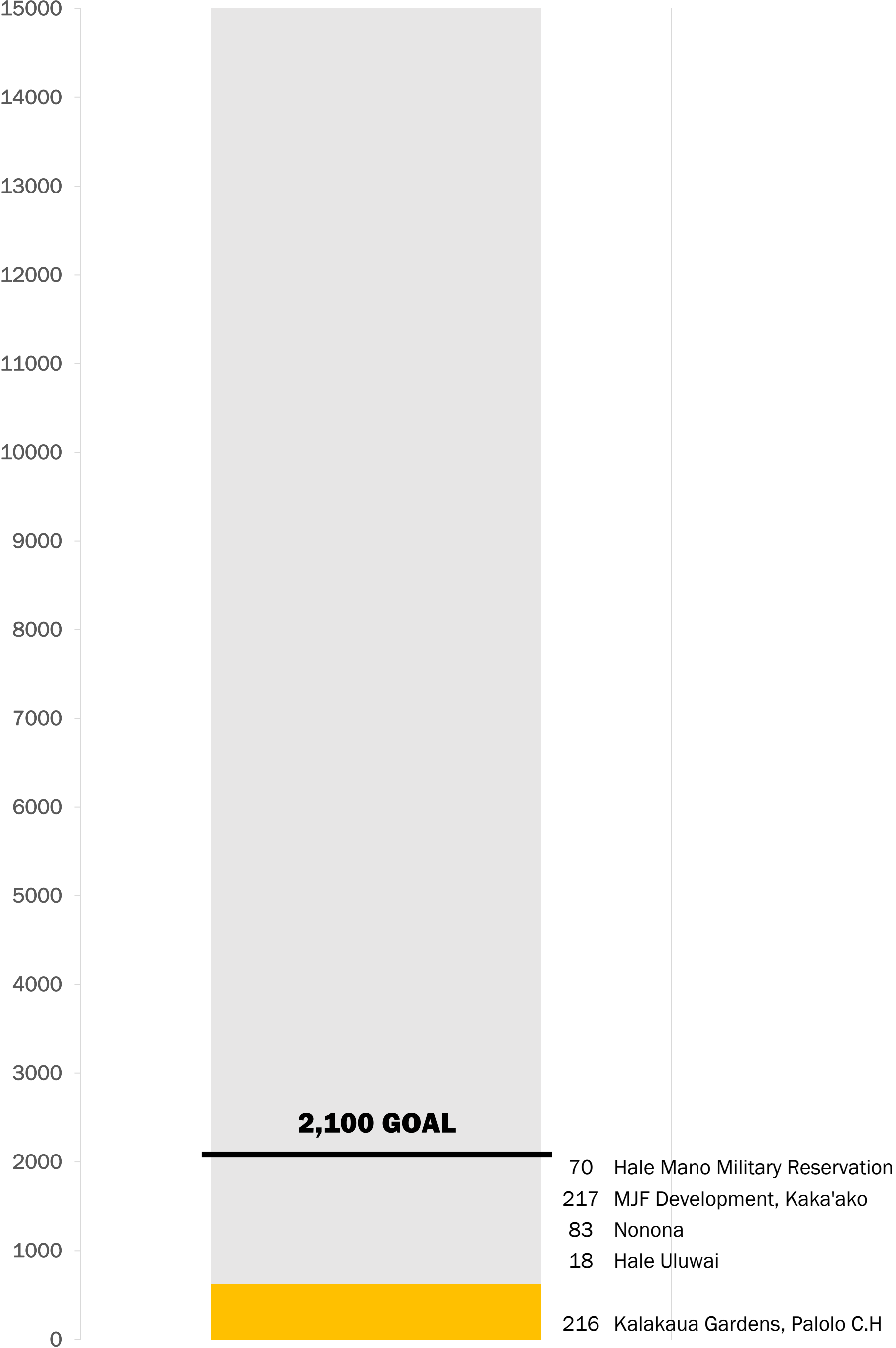
## 80-140% AMI

15000  
14000  
13000  
12000  
11000  
10000  
9000  
8000  
7000  
6000  
5000  
4000  
3000  
2000  
1000  
0



- 100 888 Kapiolani Bld., Kaka'ako
- 25 Green House at Laulualei
- 35 Makali'i 2, Kapolei
- 90 Holomua, Honolulu
- 140 Kealakai, Kapolei
- 400 Symphony Park
- 635 801 South St., Kaka'ako

# GOAL: 2,100 Rental 80-140% AMI



# GOAL: 24,200 Units

## >140% AMI

