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TO: Councilman Ernest Martin, Chair, Honolulu City Council

FROM: Bob Nakata, Co-Chair, FACE Housing Task Force

RE: Floor Amendment Submitted by Councilman Elefante:
Bill 13 (2015) CD2 to add funding for the Office of Strategic
Development to the City Budget. Hearing on June 3, 2015

Chair Martin and members of the City Council; FACE is in very strong support of this floor amendment. We believe it is counterproductive to appropriate \$64 million over two years to meet the urgent affordable rental and homeless crisis facing Honolulu and then not fund the Office of Strategic Development to administer those funds. The Council is to be highly commended for recognizing the urgent crisis by appropriating the \$64 million. To emphasize that urgency, it should fund the administrative staff - to not do so would negate the sense of urgency.

The magnitude of Honolulu's crisis in affordable rental housing units and homelessness requires an urgent response. The Legislature's lukewarm response and the uncoordinated efforts between the City Administration and City Council will not do in addressing this crisis. The Legislature cut the Governor's request for \$100 million in bond funds for the Rental Housing Trust Fund to \$40 million and capped the funds to the RHTF at \$38 million, where it could have been closer to \$50 million. While these sums are larger than in past years, the full amounts would have more adequately met the need. The Governor and the City Council have also not yet indicated full support for the transit system, which would advance Transit Oriented Development (TOD).

At the City, the Council is to be commended for appropriating \$32 million in bond funds this year and planning to do the same next year; but, by not appropriating funds for staffing, has slowed the Administration's ability to use those funds this year and threatens to do so again in the next year. Several Council members

express frustration at the Administration for not moving faster in utilizing the funds, while the Administration is frustrated at not being able to hire enough staff, and maybe some staff of the needed quality because of the uncertainty in staff funding. The dismantling of the City's Housing Department in the late 1990s is also a problem. While the full department may not be needed, the Office of Strategic Development that the Administration says it needs seems to be a reasonable request to meet the crisis. One of those staffers should be of the stature needed to pull "all hands on deck" as the Star Advertiser has strongly recommended.

It will take years, funds and leadership to make a dent in the crisis. All hands on deck from all levels of government, the building industry, the tourist industry, affordable rental housing advocates, and advocates for the homeless must be pulled together. We will still fall deeper into the hole for the short term because it is so deep, but we must all pull together to even start climbing out of it.