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Statement of
Chad K. Taniguchi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS
Senator Rosalyn H. Baker, Chair

April 1, 2008, 10:15 a.m.
Room 211, Hawaii State Capitol

In consideration of
H.B. 2511 HD1, SD1
RELATING TO RENTAL ASSISTANCE

The Hawaii Public Housing Authority (HPHA) opposes H.B. 2511 HD1, SD1.

Pursuant to Act 223, 2007, the HPHA increased the income limits for participation in the Rent Supplement Program (RSP) on January 1, 2008. In addition, the participation in the RSP was broadened by increasing the \$160 limitation on the subsidy amount to \$230 per month. Due to these changes, the HPHA projects that the \$1,000,000 appropriated for the program will be fully expended during the fiscal year with the current number of 394 participants plus about 15 more new participants by the end of Fiscal Year 2008. Challenges in previous years to expend RSP funds have been resolved.

HPHA has concerns regarding the provision in this bill allowing qualified applicants up to 6 months to secure a dwelling unit. This will make it difficult for HPHA to efficiently expend RSP funds, which was a concern of the Legislature in the past. In addition, it would create a level of uncertainty as to when funds would need to be available and when HPHA would be expected to start expending funds. HPHA will spend unnecessary staff time and the problem of unexpended funds will rise again.

It is also important to note that in H.B. 2500 HD1, Relating to the State Budget, the operating budget for the RSP has been reduced by approximately \$312,000. This reduction in operating funding will further complicate HPHA's ability to carry out the provisions of H.B. 2511 HD1.

Thank you for the opportunity to provide testimony.