

TO: The Honorable Rida Cabanilla, Chair
The Honorable Pono Chong, Vice Chair
And Members of the Housing Committee

DATE: February 9, 2011 Rm. 325, 8:30 am
Re: **HB 1303** RELATING TO PUBLIC HOUSING
POSITION: **Strong Support**

Aloha Chair Cabanilla, Vice Chair Chong and Members of the committee,

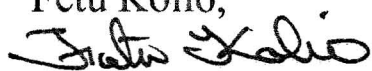
I am a resident of Hawaii public housing. The property where I live has fallen into disrepair. This negatively affects the morale of tenants. Also vacant units have been vandalized and have gangs squatting in them. Requiring tenants to pay a minimum rent will help bring in needed revenue to repair these units.

Requiring all tenants to pay a minimum rent will help instill a sense of ownership in our community.

Also I agree that requiring tenants to reimburse the HPHA for repairs on damages that the tenants have caused will create accountability, which again, will eventually increase morale and a sense of community ownership.

I encourage you to pass HB 1303

Thank you for the opportunity to testify.

Fetu Kolio, (Mayor Wright Homes)
 (Tenant Association President)

NEIL ABERCROMBIE
GOVERNOR



DENISE M. WISE
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
Denise M. Wise
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

February 9, 2011 8:30 A.M.
Room 325, Hawaii State Capitol

In consideration of
H.B. 1303
RELATING TO PUBLIC HOUSING

Madam Chair and Members of the House Committee on Housing, thank you for the opportunity to provide you with comments regarding House Bill 1303, relating to public housing.

The Hawaii Public Housing Authority (HPHA) appreciates the intent of this measure; however, we oppose enactment of the measure since it proposes changes to Section 356D, Hawaii Revised Statutes, which would be duplicative of existing HPHA policy and would be more appropriately handled by the HPHA via existing administrative protocols.

While the HPHA appreciates legislative concern for strengthening the agency's ability to be self-sustaining, particularly with respect to making repairs cause by tenant misconduct, we already require tenants to reimburse for damages caused to their individual units and community facilities. The HPHA collected over \$170,000 from tenants during Fiscal Year 2009/2010, and as of December 31, 2010, the HPHA collected over \$125,000 for tenant-caused damages for the first half of Fiscal Year 2010/2011. As such, enactment of this measure is not necessary to allow the HPHA to continue this policy.

Further, the agency currently possesses the capacity to set a minimum rent schedule for state housing developments. The HPHA feels that the determination of a policy setting minimum rents is one that is soundly within the Board's purview and would respectfully request the Legislature to allow the Board to exercise its governance in the development of such policies. The HPHA would prefer the development of such policy to be undertaken through an agency developed methodology that would allow us to incorporate participation from the our Resident Advisory Board, property management staff, public hearings, and the tenants that would be directly impacted by this measure.

The agency would note some additional concerns with the bill as drafted. There is currently no need to set a minimum rent for the State's elderly housing developments, yet this legislation would not distinguish between elderly and family public housing. This measure would differ from Federal housing policy as well, under which the HPHA is permitted to charge tenants less than the minimum rent based on hardship.

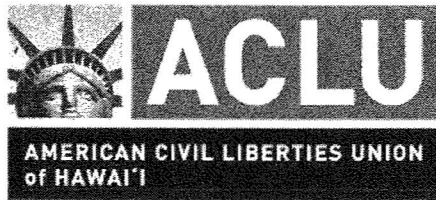
Also, there is an inherent danger posed by setting a minimum rent that would be annually adjusted in relation to an indicator such as the Consumer Price Index. The HPHA serves the State of Hawaii's most vulnerable populations, such as those earning less than thirty percent of the Area Median Income (AMI), the disabled, and the elderly.

Area Median Income Table		Maximum Monthly Rent
AMI for 2-person families	\$63,143.00	\$1,578.58
Low Income (80% AMI)	\$50,514.40	\$1,262.86
Very Low Income (50% AMI)	\$31,571.50	\$789.29
Extremely Low Income (30% AMI)	\$18,942.90	\$473.57
AMI for 3-person families		
AMI for 3-person families	\$74,449.00	\$1,861.23
Low Income (80% AMI)	\$59,559.20	\$1,488.98
Very Low Income (50% AMI)	\$37,224.50	\$930.61
Extremely Low Income (30% AMI)	\$22,334.70	\$558.37

Rents charged by the HPHA are income-based, and are limited to 30% of the tenant family's adjusted gross income by law. In calculating adjusted gross income, qualified tenant expenses are deducted from their net income, and rents are assessed at the reduced amount and may not exceed 30%. The table above illustrates the maximum monthly rent the HPHA could charge a family, assuming zero eligible income deductions.

Over 90% of state public housing residents earn between 0% and 30% AMI, which amounts to a maximum rent no higher than \$473.57 for a family of 2 or \$558.37 for a family of 3. If minimum rents were set at \$300 per month as suggested by this bill, most of these residents would be unable to make monthly rent payments and would be subject to eviction with no other private market options; particularly those who would otherwise benefit from adjust gross income deductions. Those who rely on fixed income sources, provided by social security and supplemental security income (SSI), would remain in this population group and would not experience increases in payments based on such indices. They would thus be unable to afford the minimum rents adjusted thereby.

The HPHA appreciates the opportunity to provide the House Committee on Housing with the agency's position opposing H.B. 1303. We respectfully request the Committee to hold this measure.



Committee: Committee on Housing
Hearing Date/Time: Wednesday, February 9, 2011, 8:30 a.m.
Place: Room 325
Re: Testimony of the ACLU of Hawaii in Opposition to H.B. 1303

Dear Chair Cabanilla and Members of the Committee on Housing:

The American Civil Liberties Union of Hawaii (“ACLU of Hawaii”) writes in opposition to H.B. 1303, which seeks to require the Hawaii Public Housing Authority (“HPHA”) to establish minimum rent for state public housing units and annual consumer price index adjustments of minimum rent. H.B. 1303 also seeks to require HPHA to seek the full cost of repair damage to a unit and assess a fee to all units for community facility maintenance.

This bill severely and unnecessarily burdens and punishes poor families. In this time of high and rising unemployment, we should not be considering ways to raise public housing tenants’ rent. The current rent structure appropriately balances the goals of the public housing authority with the needs of public housing tenants and should be maintained. Hawaii would be better served by enforcing the current rules and providing support to individuals and families seeking to transition out of public housing units.

The mission of the ACLU of Hawaii is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawaii fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawaii is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawaii has been serving Hawaii for over 40 years.

Thank you for this opportunity to testify.

Sincerely,

Laurie A. Temple
Staff Attorney
ACLU of Hawaii

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