

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN,
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PANKAJ BHANOT
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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 30, 2011

MEMORANDUM

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 912, S.D. 2, H.D. 1 – RELATING TO THE HOUSING**

Hearing: Wednesday, March 30, 2011; 11:00 a.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of S.B. 912, S.D. 2, H. D. 1, is to appropriate funds for the housing placement program within the homeless programs office of the Department of Human Services (DHS); makes appropriations to improve the existing public and affordable housing stock and increase public and affordable housing units in the State; and requires DHS to immediately implement the housing first program..

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of Part I of this bill regarding the housing placement program but we are concerned about the impact to the priorities as indicated in Governor Abercrombie's Executive Biennium Budget.

The housing placement program cultivates landlords willing to take a chance on renting to credit risky families. The program also teaches families to understand the terms of a lease agreement, how to budget wisely so as to make timely rent payments, and how to take care of the rental property.

The housing placement program has been administered for a number of years through the State Homeless Programs which is now with the Department of Human Services, Benefit, Employment and Support Services Division.

The program is currently funded with Temporary Assistance to Needy Family (TANF) allocations so participants are restricted to TANF-eligible families. Supplementary funding from the State would enable the contracted agencies to assist seniors, households without minor children and young adults. The program has been enormously successful in breaking the barrier of resistance in renting to Section-8 voucher holders and homeless families transitioning from a shelter to permanent housing.

DHS opposes Part III of this bill regarding the housing first program and recommends that it be deleted from this bill. The Homeless Programs Office does not have the staffing or the expertise to identify suitable properties for the housing first program and to conduct the required feasibility and cost analysis for an initial housing first model housing project and report to the Legislature by December 1, 2011.

Staffing for the Homeless Programs Office was reduced from ten to three. This has resulted in the inability to produce reports, monitor contracts, keep up on shelter maintenance, and other essential functions.

The Homeless Programs Office is anticipating the addition of three new positions who will have to be trained so that the Homeless Programs Office can catch up on the HUGE backlog of work necessary to maintain its current programs.

Thank you for the opportunity to provide comments on this bill.

NEIL ABERCROMBIE
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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 FINANCE

March 30, 2011 11:00 A.M.
Room 308, Hawaii State Capitol

In consideration of
S.B. 912 S.D. 2 H.D. 1
RELATING TO HOUSING

Mister Chair and Members of the House Committee on Finance, thank you for the opportunity to provide you with comments regarding Senate Bill 912 as amended, relating to housing.

The Hawaii Public Housing Authority (HPHA) appreciates the intent of this measure; however, we oppose enactment of Part II of the measure since it would impact the priorities indicated in Governor Abercrombie's Executive Biennium Budget. Part II purports to make an appropriation to improve existing public rental housing stock and increase public rental housing units in the State of Hawaii. However, the Governor's suggested budget, H.B. 200, as amended by this Committee with House Draft 1, would provide the HPHA with the additional capital and operating funds necessary for the agency to fulfill its mission of providing decent, safe, affordable housing for this State's most vulnerable populations.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the agency's position regarding S.B. 912 S.D. 2 H.D. 1. We respectfully request the Committee to hold this measure.

NEIL ABERCROMBIE
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
677 QUEEN STREET, SUITE 300
Honolulu, Hawaii 96813
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

March 30, 2011 at 11:00 a.m.
Room 308, State Capitol

In consideration of
S.B. 912, S.D. 2, H.D. 1 RELATING TO HOUSING.

HHFDC supports the intent of Section 4 of S.B. 912, S.D. 2, H.D. 1, which appropriates an unspecified sum of General Funds for affordable rental housing development. However, due to the fiscal and budgetary difficulties currently facing the State, we do not believe that this appropriation request can be accommodated at this time without sacrificing priorities in the Administration's budget requests.

Thank you for the opportunity to testify.



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March 30, 2011

The Honorable Marcus R. Oshiro, Chair

House Committee on Finance
State Capitol, Room 308
Honolulu, Hawaii 96813

RE: S.B. 912, S.D. 2, H.D. 1, Relating to Housing

HEARING: Wednesday, March 30, 2011 at 11:00 a.m.

Aloha Chair Oshiro, Vice Chair Lee and Members of the Committee:

I am Myoung Oh, Government Affairs Director of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, testifying on behalf of its 8,500 members. HAR **supports the intent** of S.B. 912, S.D. 1, H.D. 1, which: (1) appropriates funds for the housing placement program within the homeless programs office of the Department of Human Services (DHS); (2) appropriations funds to improve the existing public and affordable rental housing stock and increase public and affordable rental housing units in the State; and (3) requires DHS to immediately implement the housing first program.

There are approximately 6,000 homeless living in Hawai'i, and it is of serious concern to many communities and residents throughout this State. Furthermore, the high cost of housing and living, here in the islands, may make it difficult for struggling families trying to make ends meet, and to be able to afford the opportunity to own, or even rent a home.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable rental housing, such as the Rental Housing Trust Fund program, which helps provide these opportunities.

Through the creation of incentives for landlords to consider relaxing their screening criteria, HAR believes that the housing placement program can facilitate a balanced approach to help alleviate the homeless problem between homeless clients and landlords. However, HAR understands the difficult budgetary considerations that are currently before the Legislature.

Mahalo for the opportunity to testify.





CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 912 SD1, HD1: RELATING TO HOUSING

TO: Representative Marcus Oshiro, Chair; Representative Marilyn Lee, Vice Chair, and Members, Committee on Finance

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: **Wednesday, 3/30/11; 11:00 a.m.; CR 308**

Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance:

Thank you for the opportunity to testify on SB 912; this important bill addresses prevention services (housing placement program), creation of new affordable rental housing, and the housing first initiative. I am Betty Lou Larson, Legislative Liaison for housing and homeless issues. Catholic Charities Hawaii strongly supports this bill.

Suggested Amendments:

1. Fund the Housing Placement Program at \$2 Million/year for prevention of homelessness.
2. Designate that any funding to the Hawaii Housing Finance and Development Corporation would be **designated to the Rental Housing Trust Fund. We support \$20 million for this program to create affordable rental housing.**

This bill would create an overall plan to address both prevention of homelessness and solutions to the very tough issue of the chronic homeless via the Housing first model. Creation of affordable rental housing must also be a key element to provide long-term solutions.

Catholic Charities Hawaii has been operating a very successful Housing Placement Program for 6 years. In FY 10, 240 families were assisted to prevent homelessness. A major component in the ongoing success of this program has been the relationships developed with landlords. Catholic Charities Hawaii expanded these services with the federal ARRA funds which enabled us to assist non-TANF families (including singles, elders, and families with no minor children). Federal funds will end in August 2011. This bill would enable singles, elders and families without children to continue to be helped to avoid becoming homeless. By reducing the flow of people falling into homelessness, other services can then assist the homeless to transition back to permanent housing.

Knowing the tough economic situation, we hope that you will still prioritize the prevention of homeless and both short-term and long-term solutions (e.g. creation of more rentals) to Hawaii's growing homeless crisis. Thank you for your past support and your ongoing efforts to address the many facets of homelessness.



Catholic
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HOUSE FINANCE COMMITTEE HEARING
Hearing on: Wednesday, March 30, 2011 @ 11:00 a.m.
Conference Room #308

DATE: March 28, 2011

TO: House Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair

FROM: Walter Yoshimitsu, Executive Director

RE: Strong Support SB 912 SD 2 HD 1 Relating to Housing

Mahalo for the opportunity to testify in support of this measure. I am Walter Yoshimitsu, representing the Hawaii Catholic Conference. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in the State of Hawaii under the leadership of Bishop Larry Silva. We support this bill that appropriates funds for the housing placement program within the homeless programs office of the Department of Human Services (DHS).

The Hawaii Catholic Conference is committed to reducing poverty now and for the future. The provision of safe and affordable housing is an important part of any such effort. Often support services are necessary to enable an individual to make the transition from homelessness to a stable housing situation possible. Having said that, we acknowledge and recognize that the fiscal situation in our State and country is serious and that cuts in the budget are being made in light of these challenging facts.

The teaching of the church is clear on this issue: "...there is a growing awareness of the exalted dignity proper to the human person, since he stands above all things, and his rights and duties are universal and inviolable. Therefore, there must be made available to all men everything necessary for leading a life truly human, such as food, clothing, and shelter; the right to choose a state of life freely and to found a family, the right to education, to employment, to a good reputation, to respect, to appropriate information, to activity in accord with the upright norm of one's own conscience, to protection of privacy and rightful freedom even in matters religious." Gaudium Et Spes (5):

Based on our commitment to the dignity of the human person and to helping the least among us, we strongly support these measures. This bill, if passed, will move us in the right direction to end homelessness in Hawaii. Along with our community partners, Catholic Charities Hawaii, Office for Social Ministry and the Diocesan Office for Affordable Housing, we strongly urge your support. We leave the technicalities of the bills to their expertise.

Mahalo for the opportunity to testify.