



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

March 22, 2013

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and means

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 518, H.D. 2, S.D. 1 – RELATING TO HOUSING**

Hearing: Friday, March 22, 2013; 9:00 a.m.
Conference Room 211, State Capitol

PURPOSE: The purpose of H.B. 518, H.D. 2, S.D. 1, is to appropriate funds for the state rent supplement program for homeless working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing. This bill also appropriates funding to the Department of Human Services for the contracting of the program and the hiring of a program specialist.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill and requests that its passage does not adversely impact nor replace the priorities in the Executive Biennium Budget.

The Department of Human Services additionally offers the following comments on the S.D. 1 of this bill.

The Department, which administers Homeless Programs, has found that many hard working individuals and families are “stuck” in transitional housing programs because they lack the steady income to afford permanent, market-level housing. The

appropriation in this bill could allow these individuals and families the opportunity to leave transitional shelters (temporary housing) and rent permanent housing with some “cushion” so that they would not pay more than 40% of their total incomes toward housing. A rental subsidy, even in the amount of \$200-300 per month, could make a positive difference for many people, and could immediately impact the individuals and families awaiting intake into transitional shelters.

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

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting and Commenting on HB 518 Relating to Housing
Senate Committee on Ways and Means
Scheduled for Hearing on Friday, March 22, 2013 at 9:00 AM, Room 211

Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.

Thank you for the opportunity to testify in strong **support** of HB 518, which would appropriate funds for a state rent supplement program for households experiencing homelessness. This rent supplement of up to \$300 per month is an appropriate solution for families who cannot afford housing but are capable of being good tenants.

One of the root causes of homelessness is the simple fact that many families and individuals end up as long-term residents of shelters because they are unable to afford market rents.

- According to the Low Income Housing Coalition, the fair market rent for a two-bedroom apartment in our state is \$1,647. For this rent to be affordable, a full-time worker would need to earn an hourly wage of \$31.68. Yet the state minimum wage is just \$7.25.
- More than seventy-five percent of people living in poverty are severely overburdened by housing costs, meaning they are paying more than half of their income in rent. For those experiencing homelessness, this burden is astronomical when coupled with the extremely high cost of living here.
- Despite these costs, low-income individuals have almost nowhere to turn. The waitlist for public housing numbers over 11,000, with households waiting years for a unit. Many must resort to "doubling up," living with multiple generations or families under one roof.

A rent supplement helps those who are ready-to-rent meet the gap between their income and housing costs, requiring them to pay 40 percent of their income toward housing costs.

- Hawai'i has the third highest rate of homelessness among the states. Almost thirty percent of individuals receiving shelter services are employed full or part-time, according to the 2012 Homeless Service Utilization Report. Over 50 percent of homeless families have at least one adult member working. Many families who are ready to rent languish in emergency shelters.
- Almost thirty percent of individuals receiving shelter services are employed full or part-time according to the 2012 Homeless Service Utilization Report. Recipients of the rent supplement will be educated in financial literacy and other life skills, or participating in job training programs that would assure they could successfully pay a minimum of 40 percent of their income for rent.

A shallow rent subsidy is critical to addressing the gap between rent and income for working and ready-to-rent homeless households so that they can move quickly into permanent housing and pay their rent.



CATHOLIC CHARITIES HAWAII

COMMENTS IN SUPPORT OF HB 518,SD1: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair; Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

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

Hearing: Friday, 3/22/13; 9:00 am; CR 211

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Means:

Thank you for the opportunity **to strongly support** HB 518, SD1 which appropriates funds for the state rent supplement program, for homeless working families or individuals who are ready to rent in order to obtain and maintain permanent housing. I am Betty Lou Larson, Legislative Liaison for Catholic Charities Hawaii.

This bill is important in order to create new pathways out of homelessness, especially for working people. Working families and individuals have income to pay rent but it is not sufficient to pay the full market rent. For many homeless people, waiting for public housing seems to be the only option, since it would provide a very low cost rent, only 30% of their income. However, waitlists for this housing are very long. With a little help from a shallow subsidy, approximately 400 working families may be able to more quickly move out of homelessness. This opens up more space in existing programs vs trying to build new shelters.

In transitional shelters, homeless families and individuals work hard to change their lives, practice good budgeting, get a job and are ready to pay rent—but they still cannot afford market rents. They participate in job preparation and training at their shelter and/or in community workforce development programs. These programs boost their ability to hold a job and pay rent. A shallow rental subsidy of no more than \$300, after the family pays 40% of their income for rent, would enable these working people to more rapidly move into permanent housing.

For this program to work, there must be sufficient administrative capacity in DHS's Homeless Programs Office. Without adequate staffing, the legislature may fund the rental subsidies, but the money will not be able to get out to the people. **Catholic Charities Hawaii also strongly supports the language in SD 1 for adequate staff to monitor the program, and contract out the implementation on a statewide basis.**

We urge your support for funding of **\$1.5 Million for ongoing rental help** to provide a new and critical option to more rapidly move working families into permanent housing.

Thank you for the opportunity to provide comments and for your dedication to finding solutions to end homelessness.





Community Alliance for Mental Health

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To: The Hawai'i State Senate Committee on Ways and Means
Re: HB 518, HD2, SD1

To: The Honorable Senator Ige and the members of the committee.

Aloha,

The Community Alliance for Mental Health along with United Self Help strongly supports HB 518, HD2, SD1. The State Rent Supplement program is a crucial support in the battle against homelessness.

When a person becomes homeless, whether because they lost their job, suffer from mental illness, or substance abuse, the process of recovery is a long process. It is not just getting retrained for a new job, finding a mental health program, or the kicking of an addiction.

That is only the beginning. To really rejoin the community one must find a place to live. If you are living on General Assistance or perhaps at the lowest level of S.S.I. (about \$770 a month,) the transition to independent living can be daunting.

It's not just the rent. You all have moved in your lives. It's the first month's rent, the last month's rent, the security deposit, the utilities, and enough to eat for that month. When a person is just getting out of homelessness the odds that they are getting, or better yet have gotten a job that allows for saving up that amount of money are slim.

That is what the Rent Supplement Program is for, the transition from homelessness back to working citizen, or stable supported housing if they are a member of the aged, blind, and disabled community.

When you ask the public what problems our State faces homelessness is always in the top ten, usually in the top five problems listed. If we want to get people off the streets and back to work or into supported housing then the Rent Supplement Program is a must.

Mahalo,
Robert Scott Wall
Vice -President



PARTNERS IN CARE

Oahu's Coalition of Homeless Providers

COMMENTS IN SUPPORT OF HB 518, SD1: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair; Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

FROM: Gladys Peraro, Co-Chair Advocacy Committee, Partners In Care

Hearing: Friday, 3/22/13; 9:00 am; CR 211

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Means:

Thank you on behalf of Partners In Care (PIC), for the opportunity to provide comments on HB 518, HD1, which appropriates funds for the state rent supplement program at the Hawaii Public Housing Authority. I am Gladys L. Peraro, Advocacy Committee Co-Chair for Partners In Care, the coalition care providers focused on the needs of homeless persons and strategies to end homelessness.

The focus of HB 518, SD1 is to create new **avenues out of homelessness**, with an emphasis on working individuals and families, who have income to pay rent, but often the amount earned is not sufficient to pay the full market rent. For many homeless individuals, waiting for public housing seems to be the only viable option, since it would provide a very low cost rent, only 30% of their income. However, waitlists for public housing are staggeringly long. Though families are working hard to change their lives by practicing good budgeting, participating in financial literacy classes, receiving employment training, obtaining jobs and ready to pay rent- they still cannot afford market rents- a shallow rental subsidy of no more than \$300, after the family pays 40% of their income for rent, would enable these working people to more rapidly move into and stabilize in permanent housing.

In order for the program to be successful, DHS's Homeless Programs Office (HPO) must have the administrative capacity to perform the necessary duties. Without adequate staffing, the legislature may fund the rental subsidies, but the money will not be able to get out to the people. Partners In Care strongly supports the language in SD 1 for adequate staff to monitor the program and administer contractual obligations on throughout the state.

Partners In Care respectfully urges you to prioritize HB 518 for working homeless and provide \$1.5 million for ongoing rental subsidies as a viable avenue to obtaining permanent housing.

Sincere thanks for your time and consideration of these comments as well as your continued commitment to working toward finding solutions to ending homelessness.

Partners In Care, c/o Aloha United Way, 200 N. Vineyard Blvd. Suite 700
Honolulu, Hawaii 96817

Partners in Care is a membership organization of homeless service providers, other service professionals, units of local and state government, homeless consumers, and other community representatives located in Hawai'i on O'ahu. It is a planning, coordinating, and advocacy body that develops recommendations for programs and services to fill gaps in the Continuum of Care on O'ahu.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: sarah.kahikilani@yahoo.com
Subject: *Submitted testimony for HB518 on Mar 22, 2013 09:00AM*
Date: Wednesday, March 20, 2013 2:32:54 PM

HB518

Submitted on: 3/20/2013

Testimony for WAM on Mar 22, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
sarah	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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