

HB 518, HD2

Measure Title: RELATING TO HOUSING.

Report Title: Housing; Homeless; State Rent Supplement Program; Appropriation (\$)

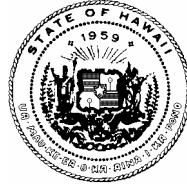
Description: Appropriates funds for the state rent supplement program for homeless working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing. Effective 07/01/2030. (HD2)

Companion:

Package: Housing and Homeless

Current Referral: HMS, WAM

Introducer(s): JORDAN, ITO, OSHIRO, SAY, YAMASHITA



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

March 9, 2013

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 518, HD2 – RELATING TO HOUSING**

Hearing: Saturday, March 9, 2013; 3:00 p.m.
Conference Room 229, State Capitol

PURPOSE: The purpose of H.B. 518, H.D.2, is to appropriate funds for the state rent supplement program for working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing.

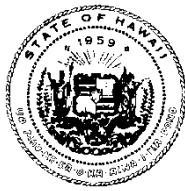
DEPARTMENT'S POSITION: The Department of Human Services offers the following comments on the H.D. 2 of this bill.

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. This appropriation will 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.

The Department notes that H.D.2 of this bill identifies the Hawaii Public Housing Authority as the expending agency for the rent supplement program. Although the HPHA has an existing rent supplement program in place, the Authority has previously testified that they recommend removal of the homeless preference for this funding. If the homeless are the target population for service, the DHS may be the more appropriate expending agency given our administration of other homeless programs. Should the DHS be the designated agency to expend these funds, the DHS requests that this measure be further amended to provide funds and positions for additional staffing necessary to support this program.

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



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
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HUMAN SERVICES

March 9, 2013 3:00 P.M.
Room 229, Hawaii State Capitol

In consideration of

House Bill 518 House Draft 2
Relating to Housing

Honorable Chair Chun Oakland and Members of the Senate Committee on Human Services, thank you for the opportunity to provide you with comments regarding House Bill (H.B.) 518 House Draft (HD) 2, relating to housing.

This measure appropriates an unspecified sum for each fiscal year of fiscal biennium 2013-2015 for a state rent supplement program to assist homeless working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing. The Hawaii Public Housing Authority (HPHA) supports this bill with amendments. The HPHA's existing rent supplement program extends not only of homeless families, but also working families who are currently housed but at risk of becoming homeless due to the high rental costs typical of our state. Therefore, the HPHA requests that the Committee amend this measure as follows:

- By removing from the program eligibility the limitation to homeless families, to allow the HPHA to serve more families and to reduce the potential of participating families losing their housing;
- Appropriating funding for this program, provided that its passage does not adversely impact priorities indicated in the Executive Biennium Budget.

The HPHA appreciates the opportunity to provide the Senate Committee on Human Services with the agency's position regarding H.B. 518 HD2. We respectfully request the Committee to pass this measure favorably with the above amendments, and we thank you very much for your dedicated support.

From: mailinglist@capitol.hawaii.gov
To: [HMS Testimony](#)
Cc: bettylou.larson@catholiccharitieshawaii.org
Subject: *Submitted testimony for HB518 on Mar 9, 2013 15:00PM*
Date: Wednesday, March 06, 2013 1:19:13 PM

HB518

Submitted on: 3/6/2013

Testimony for HMS on Mar 9, 2013 15:00PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Betty Lou LarsonB	Catholic Charities Hawaii	Support	Yes

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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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting and Commenting on HB 518 Relating to Housing
Senate Committee on Human Services
Scheduled for Hearing on Saturday, March 9, 2013 at 3:00 PM, Room 229

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. A rent supplement is an appropriate solution for families who cannot afford housing but are capable of being good tenants.

For workers experiencing homelessness, the cost of housing is an astronomical burden.

- 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.

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. We favorably note that this version of HB 518 reverts to the bill's original language, which creates a rent supplement program to quickly house homeless families, and that it acknowledges the extraordinarily high cost of living by allowing families receiving other public benefits to receive the subsidy. We do respectfully encourage the Committee to **amend** the bill to state that "The sums appropriated shall be expended by the department of human services for the purposes of this Act."

**Re: Testimony in Support of HB518 HD2
Relating to Housing**

Date: March 7, 2013

To: Senator Suzanne Chun Oakland, Chair
Senator Josh Green, Vice Chair
Members, Committee on Human Services

From: Nicole Tsuchiya, MSW Student

Hearing: Saturday, March 9, 2013
3:00 p.m. (CR 229)

Thank you for the opportunity to provide testimony in support of HB518 HD2.

My name is Nicole Tsuchiya. I am a Master's of Social Work (MSW) student at the University of Hawaii. I am also a volunteer case manager at Family Promise of Hawaii (FPH), where I work with families who are experiencing homelessness. As participants in the FPH program, clients are required to seek and maintain full-time employment, save at least 90% of their income, and learn how to budget their money. In addition to receiving case management services, clients are also required to participate in the Rent-to-Work program which includes completing Money Smart classes.

As an MSW student and volunteer case manager, I can attest to the need for the allocation of funds to the state rent supplement program which assists working individuals and families who are homeless to attain permanent housing. Typically, FPH clients and potential waitlisted clients have earned at most, a high school diploma and work minimum wage jobs. Hypothetically, an individual who earns minimum wage (\$7.25 per hour) and works full time (40 hours per week) makes a gross income of \$580.00 per month. In comparison, the average cost to rent a one bedroom apartment in Honolulu, Hawaii is \$1,400.00 a month. Although these numbers vary, it is clear that working individuals and families who are experiencing homelessness are not able to afford permanent housing on their own.

In conclusion, an adequately funded and monitored state rent supplemental program will increase the success rate of individuals and families who are experiencing homelessness to transition to permanent housing and become self-sufficient members of society. The \$1.5 Million to be used for rental subsidies (a maximum of \$300 per month per household) will assist working individuals and families in meeting their monthly rent, long-term. In addition, the participation of subsidy recipients in workforce development programs will promote self-sufficiency.

Again, I appreciate the opportunity to testify in support of HB518 HD2. Thank you for your time.

Sincerely,

Nicole Tsuchiya

From: mailinglist@capitol.hawaii.gov
To: [HMS Testimony](#)
Cc: w9w@hotmail.com
Subject: Submitted testimony for HB518 on Mar 9, 2013 15:00PM
Date: Friday, March 08, 2013 4:30:17 PM

HB518

Submitted on: 3/8/2013

Testimony for HMS on Mar 9, 2013 15:00PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
kurt	Individual	Oppose	No

Comments: In the words of Ben Franklin: "I am for doing good to the poor, but...I think the best way of doing good to the poor, is not making them easy in poverty, but leading or driving them out of it. I observed...that the more public provisions were made for the poor, the less they provided for themselves, and of course became poorer. And, on the contrary, the less was done for them, the more they did for themselves, and became richer."

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Larry Quimby	Individual	Oppose	No
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Dear Chair Chun Oakland and other members of the senate Committee on Human Services;

Thank you for the opportunity to testify and provide comments on HB 518, HD 2. I pay taxes in the state of Hawai'i.

I noted that Catholic Charities Hawai'i and Partners in Care, a subsidiary of the Aloha United Way, testified in strong support to the house Committee on Finance during that committee's hearings on this matter. I would like to remind all of you that these organizations are private organizations that already receive a great deal of contributions from the community.

Both of these organizations provide critical services to the people this bill targets. The community already provides millions of dollars of assistance through private donations. That they now support the acquisition of public money for indirect assistance in the accomplishment of their mission serves as an insult to the already overburdened taxpayer. It also suggests that they are incapable of obtaining the resources necessary to achieve their goals.

The cause is noble. The original amount suggested in the original version of this bill accounts for less than 1% of the overall state budget. There are countless other bills before the state legislature asking for much larger amounts of money for much less worthy purposes. Yet, I cannot lend my support to this bill as it has been amended.

The original version of this bill excluded people already receiving public assistance. That was amended out of this legislation for whatever reason. People deserve a fair opportunity to survive. They do not deserve handout upon handout upon handout to do so. This only serves to make them more dependent upon government and charitable services. As Benjamin Franklin noted, we do provide no benefit to the poor by making them comfortable in their poverty.

Should you find it necessary to pass this measure, please return the original wording that exempts people already receiving assistance. Doing so better serves the poor by not allowing them to become too comfortable in their poverty while also serving the taxpayers by you being good stewards of our tax dollars.