



**EXECUTIVE CHAMBERS**  
HONOLULU

**DAVID Y. IGE**  
GOVERNOR

February 9, 2016

TO: The Honorable Mark J. Hashem, Chair  
House Committee on Housing

The Honorable Dee Morikawa, Chair  
House Committee on Human Services

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 2659 – RELATING TO HOUSING**

Hearing: Tuesday, February 9, 2016, 8:30 a.m.  
Conference Room 329, State Capitol

**POSITION:** The Governor's Coordinator on Homelessness appreciates the intent of this measure, but defers to the Hawaii Housing Finance and Development Corporation (HHFDC) in regards to specific issues related to implementation and financial impact.

**PURPOSE:** The purpose of the bill is to require funds in the Dwelling Unit Revolving Fund (DURF) and Rental Housing Revolving Fund (RHRF) to be used to provide rent subsidies, loans or grants to persons who qualify for social security disability benefits and are diagnosed with life-long, serious mental illnesses.

The measure aligns with Goal 2, Objective 5 of the Hawaii Interagency Council on Homelessness Strategic Plan to End Homelessness, which is to “create and preserve permanent supportive housing options for people who are homeless and have special needs, e.g., mentally ill, medically frail, physically disabled, elderly, released offenders, and substance affected.”

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE  
GOVERNOR



CRAIG K. HIRAI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
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IN REPLY REFER TO:

Statement of  
**Craig K. Hirai**  
Hawaii Housing Finance and Development Corporation  
Before the

**HOUSE COMMITTEE ON HOUSING  
HOUSE COMMITTEE ON HUMAN SERVICES**

February 9, 2016 at 8:30 a.m.  
State Capitol, Room 329

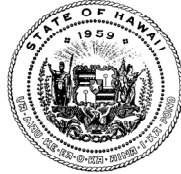
In consideration of  
**H.B. 2659**  
**RELATING TO HOUSING.**

HHFDC **opposes** H.B. 2659 as currently drafted.

While we appreciate the intent of providing specialized residential services and rent subsidies for individuals with serious mental illnesses, the Dwelling Unit Revolving Fund (DURF) is not an appropriate funding source for this. As provided in section 37-62, HRS, a revolving fund is a type of fund "from which is paid the cost of goods and services rendered or furnished to or by a state agency and which is replenished through charges made for the goods or services or through transfers from other accounts or funds."

We also note that the DURF and the Rental Housing Revolving Fund (RHRF) may already be used to help finance the development of special needs housing, including housing for individuals with serious mental illness, provided they otherwise meet the eligibility requirements of these programs.

Thank you for the opportunity to testify.



**STATE OF HAWAII  
DEPARTMENT OF HEALTH**

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**Testimony SUPPORTING HB2659  
Relating to Housing**

REPRESENTATIVE MARK J. HASHEM, CHAIR  
HOUSE COMMITTEE ON HOUSING

REPRESENTATIVE DEE MORIKAWA, CHAIR  
HOUSE COMMITTEE ON HUMAN SERVICES

Hearing Date: February 9, 2016, 8:30 a.m. Room Number: 329

1 **Fiscal Implications:** Undetermined at this time.

2 **Department Testimony:** The Department of Health (DOH) supports this measure.

3 The purpose of this bill is to require funds in the dwelling unit revolving fund and the  
4 rental housing fund to be used to provide rent subsidies, loans, or grants to persons who qualify  
5 for social security disability benefits and who are diagnosed with a life-long, serious mental  
6 illness. We support this measure as it addresses an important need for individuals who are  
7 disabled by reason of serious mental illnesses. We will note that this same issue and need may  
8 be present for individuals with other disabilities.

9 Only through building up of inpatient and community programs, along with other policy  
10 and staffing initiatives, will we be able to address the mental health needs of individuals,  
11 families, and communities in Hawaii. This bill is a welcomed policy initiative in the area of  
12 providing special financing support for community residential programs.

1           The DOH's Adult Mental Health Division (AMHD) recognizes the importance of  
2 providing specialized residential services for individuals with severe and persistent mental  
3 illness (SPMI). The AMHD currently provides specialized residential housing in an array of  
4 settings from apartments to residential housing; however, most landlords and specialized  
5 residential homes require a deposit and first month's rent. In our experience, this is a major  
6 barrier for individuals to obtain housing due to the difficulty with obtaining the funds required to  
7 occupy the apartment or specialized residential home because of inadequate savings or income to  
8 support the payment of both the deposit and first month's rent in order to secure a housing  
9 rental/lease agreement.

10           The ability for individuals to access the dwelling unit revolving fund and the rental  
11 housing fund will increase opportunities for them to be referred to, screened for and to obtain  
12 housing.

13 Thank you for the opportunity to testify.

14 **Offered Amendments:** None.

**TESTIMONY IN SUPPORT OF HB 2659: Revolving Funds; Rent Subsidies, Loans, Grants**

**TO:** Representative Evans, Representative Keohokalole, Representative Kobayashi, Representative Mizuno, Representative Morikawa, Representative Rhoads

**FROM:** Greg Payton, CEO Mental Health Kokua

**Hearing: Tuesday, 2/9/16, 8:30 AM; Room 329**

Thank you for the opportunity to provide testimony **in support** of HB 2659, which the rental housing revolving fund to be used to provide rent subsidies, loans, or grants to persons who qualify for social security disability benefits and are diagnosed with life-long, serious mental illnesses. I am Greg Payton, CEO of Mental Health Kokua (MHK).

Mental Health Kokua was established in 1973 as "The House," and MHK is the oldest social rehabilitation service provider in Hawaii. MHK's Mission: Through specially designed services and settings, Mental Health Kokua assists people with mental health and related challenges, to achieve optimum recovery and functioning in the community. MHK participates in Partners In Care, Oahu's Continuum of Care as defined by HUD. In the past year on Oahu, PIC has developed a coordinated entry system to more effectively and strategically help homeless adults with mental illness to navigate resources and be linked to housing. Once affordable rental housing is located, there is a need for rental subsidies.

The development of project-based housing as a bridge to permanent housing is difficult to develop due to high rental costs. Accordingly, the purpose of HB 2659 is to authorize the use of the rental housing revolving fund and dwelling unit revolving fund moneys for rent subsidies, and to provide for permanent housing, bridge housing, and specialized residential services for persons with serious mental illnesses.

HB 2659 is important to ending homelessness for adults with mental illness in Hawaii, because the wait for Section 8 vouchers and public housing exceeds two years. Housing is the central life domain for adults recovering from mental illness, eliminating the use of local hospital emergency rooms and other costly community services.

We thank you for your dedication to creating more subsidized housing. Please contact me at (808) 529-4554 or [gpayton@mhkhawaii.org](mailto:gpayton@mhkhawaii.org) if you have any questions.



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