

SB2564

Measure Title: RELATING TO THE STATE RENT SUPPLEMENT PROGRAM.

Report Title: State Rent Supplement Program; Transfer (\$)

Description: Transfers the state rent supplement program from the Hawaii public housing authority to the department of human services on 07/01/17. Establishes a short-term limited exemption from chapter 91, Hawaii Revised Statutes, for the adoption of initial rules by the department for the program. Makes an appropriation and authorizes 2.00 positions to prepare for the transfer.

Companion:

Package: None

Current Referral: HOU/HMS, WAM

Introducer(s): TOKUDA, DELA CRUZ, ENGLISH, GALUTERIA, INOUYE, KIDANI, KOUCHI, NISHIHARA, Baker



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 9, 2016

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

The Honorable Breene Harimoto, Chair
Senate Committee on Housing

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

SUBJECT: SB 2564 – RELATING TO THE STATE RENT SUPPLEMENT PROGRAM

Hearing: Tuesday, February 09, 2016, 1:20 p.m.
Conference Room 016, State Capitol

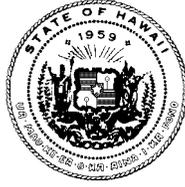
POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, but respectfully stands in opposition. The Coordinator defers to the Hawaii Public Housing Authority (HPHA) and the Department of Human Services (DHS) as to specific details regarding the direct administration and implementation of the program, including cost impact.

PURPOSE: The purpose of the bill is to transfer the state rent supplement program from the HPHA to DHS as of July 1, 2017. The bill also establishes a short-term limited exemption from chapter 91, Hawaii Revised Statutes, for the adoption of initial rules by DHS for this program. In addition, the bill appropriates \$100,000 to DHS, and authorizes 2.00 FTE positions to prepare for the transfer of the program.

The Coordinator understands the intent of this measure, which appears to be aligned with Goal 2, Objective 4, Strategy 1 of the Hawaii Interagency Council on Homelessness Strategic Plan to End Homelessness, which is to “support additional rental housing subsidies through federal, state, local and private resources.”

However, the Coordinator notes that, according to the HPHA 2015 Annual Report, the state rent supplement program served 160 households in Fiscal Year 2014-2015, including 237 individuals. The Coordinator expresses concern that a transfer of this program may inadvertently result in a disruption in monthly rent supplement payments, and have a detrimental impact on the 160 households currently served. The Coordinator defers to HPHA and DHS respectively regarding their suggestions on the best way to support this program moving forward.

Thank you for the opportunity to testify on this bill.



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

February 9, 2016

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

The Honorable Senator Breene Harimoto, Chair
Senate Committee on Housing

FROM: Rachael Wong, DrPH, Director

SUBJECT: **SB 2564 – RELATING TO THE STATE RENT SUPPLEMENT PROGRAM**

Hearing: Tuesday, February 9, 2016: 1:20 p.m.
Conference Room 016, State Capitol

DEPARTMENT'S POSITION: While the Department of Human Services (DHS) appreciates the Legislature's intent to provide HPO staffing capacity and one year's time to assume the responsibilities of implementing and administering the existing State rent supplement program, however, DHS opposes this measure which would transfer the program from the Hawaii Public Housing Authority (HPHA) to the Department.

PURPOSE: The purpose of this bill is to transfer the state rent supplement program from the HPHA to DHS as of July 1, 2017. The bill also establishes a short-term limited exemption from chapter 91, HRS, for the adoption of initial rules by DHS for the program, and appropriates \$100,000 to DHS and authorizes 2.00 FTE positions to prepare for the transfer of the program.

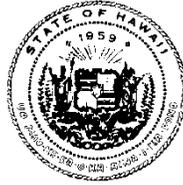
The existing State rent supplement program is operated by HPHA and serves the general population of low income individuals and families by providing a small monthly supplemental rent payment directly to their landlord. Written agreements are entered into between HPHA and landlords, and a system of preparing more than 150 monthly checks is in place. Annual re-certification is accomplished, and participants must meet eligibility requirements to receive

assistance on-going. In discussion with HPHA, the program is operated with 1.25 FTE. At one point in time, 5.0 FTE were allocated to this program. A lack of staffing capacity has hurt the program's effectiveness.

Rather than transferring the existing program from HPHA to DHS, the proposed staffing and resources should be allocated to HPHA so that there is no disruption in the assistance being provided to current recipients and to make the program more robust. Allocating the resources to the existing program at HPHA will allow the Homeless Programs Office to remain focused on programs geared specifically to homeless individuals and families, including the existing homeless outreach and new Rapid Re-housing programs included in the Executive Budget request.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
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
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

**SENATE COMMITTEE ON HUMAN SERVICES
and
SENATE COMMITTEE ON HOUSING**

February 9, 2016 1:20 P.M.
Room 016, Hawaii State Capitol

In consideration of
SB 2564
RELATING TO THE STATE RENT SUPPLEMENT PROGRAM.

Honorable Chair Chun Oakland and Chair Harimoto and Members of the Senate Committees on Human Services and Housing, thank you for the opportunity to provide testimony regarding Senate Bill (SB) 2564, relating to the State Rent Supplement Program.

The Hawaii Public Housing Authority (HPHA) **opposes** this measure which seeks to transfer the Rent Supplement Program from the HPHA to the Department of Human Services (DHS).

While the HPHA is not pleased with the current level of success of the Rent Supplement Program, we are confident that with the proper amount of staffing, we are capable of enhancing and executing the Rent Supplement Program to its fullest capacity. The Rent Supplement Program is currently provided with only 1.25 positions statewide, which has been the key reason for its underperformance.

By keeping the Rent Supplement Program with the HPHA but adding two additional positions and appropriate funding, the HPHA will be equipped to quickly and effectively bring the Program up to its fullest potential. Unlike the DHS Homeless Program that is dedicated to serving the homeless, the HPHA already has the statutory framework, administrative rules, institutional staff knowledge and 85 statewide properties that are accessible to potential applicants. Rather than require DHS to "reinvent the wheel," the HPHA stands ready to make vast improvements if provided the proper resources to serve not only the homeless but families who are already housed but have a difficult time paying rent. Therefore, we respectfully request you to allow the HPHA the opportunity to

Hawaii Public Housing Authority

February 9, 2015

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move forward with the Rent Supplement Program, and to provide the resources that will help HPHA run the program at the highest level.

The HPHA appreciates the opportunity to provide the Senate Committees on Human Service and Housing with the HPHA's testimony regarding SB 2564. We thank you very much for your dedicated support.



CATHOLIC CHARITIES HAWAII

TESTIMONY in OPPOSITION TO SB 2564: RELATING TO THE STATE RENT SUPPLEMENT PROGRAM

TO: Senator Suzanne Chun Oakland, Chair of Human Services, Senator Breene Harimoto, Chair of Housing, and Members, Committee on Human Services and Housing

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

Hearing: Tuesday, 2/9/16; 1:30 PM; CR 016

Chair Chun Oakland, Chair Harimoto, and Members, Committees on Human Services and Housing:

Thank you for the opportunity to testify in opposition to HB 1693, which would transfer the State Rent Supplement Program from the Hawaii Public Housing Authority (HPHA) to the Department of Human Services (DHS). I am Betty Lou Larson representing Catholic Charities Hawaii.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. A priority for advocacy this year is affordable housing and homelessness.

The State Rent Supplement Program is sort of like the state's version of the federal rental assistance program, Section 8. It provides ongoing rental assistance to any of Hawaii's residents who are low income. They must pay a minimum of 30% of their income for rent, before the rental subsidy (maximum of \$260/month) kicks in. Applicants must also be living in an appropriate unit when they apply. It targets renters who are struggling but who already have housing and are paying rent. It does not target homeless folks since they are not currently living in housing. This is good program to help the general population of lower income people who have a cost burden and are paying more than 30% of their income for rent.

Catholic Charities Hawaii has used the State Rent Supplement Program often over the years to assist seniors and others. Our Housing Assistance Program has worked effectively with HPHA staff to utilize this valuable program, when it is open for applications. The program works where it is currently located at HPHA. HPHA operates programs for the general lower income population of the State—like public housing and Section 8. We feel that the Rent Supplement Program is also appropriately located at HPHA. We feel that transferring it to DHS would be disruptive to the current recipients of this subsidy, the many landlords who expect the monthly rent to be paid in a timely manner, and any new applicants who go to HPHA for other rental assistance services.



This State Rent Supplement Program may be confused with a new shallow rent subsidy program, which is being proposed for DHS. This new shallow subsidy program would be appropriate for DHS since it targets homeless and provides the financial stabilization services that homeless families need to be successful in permanent housing. The goal of this new program would be the rapid rehousing of working homeless families. It is narrowly focused and fits into the overall comprehensive plan of the State to end homelessness. The State Rent Supplement Program, on the other hand, has a different purpose and target population. It is better suited to be housed with other HPHA services.

We urge you to hold this bill. Keep this ongoing program in the right place, without disruption, at the Hawaii Public Housing Authority. Please contact me at (808) 373-0356 or bettylou.larson@CatholicCharitiesHawaii.org if you have any questions.