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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON FINANCE

Thursday, February 20, 2020
1:00 PM - Room 308, Hawaii State Capitol

In consideration of
HB 2411, HD1
RELATING TO HOUSING ASSISTANCE

Honorable Chair Luke, and Members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning House Bill (HB) 2411, HD1, relating to housing assistance.

The Hawaii Public Housing Authority (HPHA) **strongly supports** the enactment of HB 2411, HD1, which appropriates funds for the state rent supplement program (RSP).

The RSP is a State funded program that was originally set up to assist middle-income families, who were not threatened by poverty, but were not economically sound to afford the high cost of living in Hawaii. The program was originally designed to assist teachers, policemen, and firemen. The program was later extended to include the general-public and has a maximum rental subsidy of \$500. This program is the most impactful and cost-effective program in homelessness prevention as it keeps its participants housed and employed and is currently keeping out of homelessness 77% of the participants who are age 50 and over and 58% who are elderly families.

The RSP program is facing a deficit of approximately \$750,000 for the upcoming fiscal year. The HPHA hopes that the Legislature can provide the funding needed to continue assisting the current families who are using this financial support to avoid homelessness. Please note that the HPHA has finalized its Administrative Rules and have a mechanism in place to terminate existing families from the program should there be a funding shortfall due to competing priorities. Similarly, if the Legislature wishes for the HPHA to open its waitlist to assist additional new families, please know that for every \$500,000, an average of 100 of the most vulnerable families will be able to keep their rental housing for a year.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding HB 2411, HD1. We thank you very much for your dedicated support.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 20, 2020

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

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

SUBJECT: HB2411 HD1 – RELATING TO HOUSING ASSISTANCE

Hearing: Thursday, February 20, 2020, 1:00 p.m.
Conference Room 308, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports this bill provided that its passage does not replace or adversely impact budget priorities.

The Coordinator appreciates the amendment of the House Committee on Housing to clarify that any sums appropriated for the state rent supplement program shall be included in the base budget of the Hawaii Public Housing Authority (HPHA).

PURPOSE: The purpose of the bill is to appropriate funds to the HPHA for rent subsidy payments and additional staff related to the state rent supplement program.

The Hawaii Interagency Council on Homelessness (HICH), a 27-member advisory council chaired by the Coordinator, recently voted to prioritize sustained funding commitments for affordable rental housing as a part of its 2020 legislative priorities to address homelessness. The Coordinator notes that the state rent supplement program is an effective tool in addressing the affordability of housing, and reducing and preventing homelessness.

The state rent supplement program provides a shallow rent subsidy for households that are low-income and would not otherwise be able to cover the full cost of rent on their own. Because the level of funding for the state rent supplement program is capped at a maximum of \$500 per month per household, the program can address a large number of households and is one of the more cost-effective programs to address homelessness. In addition to directly

assisting homeless individuals and families to access housing, the state rent supplement program prevents homelessness for households that – but for the additional funding provided by the program – find themselves at imminent risk of homelessness.

Homelessness remains one of the most pressing challenges facing Hawaii. In particular, the lack of available and affordable rental inventory is a barrier to homeless individuals and families. This barrier cannot be addressed solely by an increased investment in services, such as Housing First or Rapid Re-Housing, and requires a similar level of investment in building new inventory to meet statewide demand.

Thank you for the opportunity to testify on this bill.



PARTNERS IN CARE

Oahu Continuum of Care

Partners in Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

Testimony in Support of HB 2411 HD1: Relating to Housing Assistance

TO: Committee on Finance
FROM: Partners in Care (PIC)
HEARING: **Thursday, February 20, 2020 at 1:00 pm**, Conference Room 308

Dear Chair Luke, Vice Chair Cullen, and Members of the Finance Committee,

Thank you for the opportunity to provide testimony in **strong support of HB 2411 HD1**, which provides funding to expand the Hawaii Public Housing Authority (HPHA) Rent Supplement Program (RSP). **We support the report from the Committee on Housing for RSP and its amendment to add this program to HPHA's base budget.** Partners in Care (PIC), a coalition of more than 60 organizations working to address homelessness, **strongly supports this bill.**

The HPHA Rent Supplement Program (RSP) is an effective homeless prevention program that provides ongoing monthly shallow rental subsidies for various households. These subsidies range up to \$500/month, with about \$410 being the average subsidy. In 2017, Aloha United Way released the Asset Limited Income Constrained, Employed (ALICE), report. It showed that 48% of households in Hawaii were either living pay check to pay check or are under the Federal Poverty line. RSP is vital! It can prevent homelessness and keep people in their homes, such as ALICE households.

RSP is a cost efficient long term program that needs to be expanded. It is often closed to new applicants due to funding constraints. When RSP opened their waitlist in 2016, 1,578 applications were submitted during a three day period. Only 232 of those applications were funded. There is an extremely low turnover rate with less than five households per month being closed.

This is a proven, effective program that can easily be scaled up. The expansion of the RSP can help to stop the flow of new homeless households entering the system. Providers have seen some months where fifty households will exit homelessness but fifty new households enter the system. A strong multi-pronged prevention program is needed and RSP is one aspect.

In order to efficiently and effectively manage an increase in funding, this program will **need additional staff**. Hawaii has one of the highest rates of chronically unsheltered homeless per capita, thus, more clients will be seeking this assistance to be rehoused and come out of homelessness.

We urge your support for \$5.0 million to expand the Rent Supplement Program, add needed staffing to administer the program, and to add all funding into the base budget of the Hawaii Public Housing Authority.

Thank you for listening to our concerns. If you have questions, please contact our Advocacy Chair, Gavin Thornton, (808) 366-7875

PARTNERS IN CARE, c/o Aloha United Way
200 North Vineyard • Suite 700 • Honolulu, Hawaii 96817 • www.PartnersinCareOahu.org

HB-2411-HD-1

Submitted on: 2/18/2020 7:52:09 PM

Testimony for FIN on 2/20/2020 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Hawaii Kai Homeless Task Force	Support	No

Comments:



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 2411 HD1: RELATING TO HOUSING ASSISTANCE

TO: Representative Sylvia Luke, Chair, Representative Ty J.K. Cullen, Vice Chair;
and Members, Committee on Finance
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Thursday, 2/20/20; 1:00 PM; CR 308**

Chair Luke, Vice Chair Cullen, and Members, Committee on Finance:

Thank you for the opportunity to provide testimony **in strong support** of HB 2411 HD1, which provides funding to the State Rent Supplement Program at the Hawaii Public Housing Authority. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are a member of Partners in Care.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 years. CCH has programs serving elders, children, families, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. *Our Housing Assistance Program for elders finds that many of our clients who are homeless or at the point of homelessness could rapidly be housed with the type of ongoing rental subsidy proposed in this bill.*

Skyrocketing housing costs are an especially serious threat to Hawai'i's kupuna living on fixed incomes. One elderly veteran came to CCH after being homeless for 14 years. He was unable to afford a unit even though he was willing to share with a friend, also a homeless elder. Their salvation was an ongoing rental subsidy which got them a unit where they no longer had to spend much of their budget on buying ice daily and eating out due to no place to cook. These kupuna were overwhelmed with gratitude that they would not have to weather gusty winds and could take a hot shower. Struggling families who are one pay check away from homelessness would also greatly benefit from an expansion of the Rent Supplement Program.

More elders are experiencing homelessness. Some estimates predict that the number of homeless elders **will triple over the next 10 years!** We need to take action now to prevent this crisis for these very vulnerable seniors, as well as to help our struggling families who are leaving the state.

Catholic Charities Hawaii supports a **\$5 million** appropriation. A minimum of \$750,000 is needed just to continue subsidies to current recipients who may be frail elders, formerly homeless and struggling families. **We strongly support inclusion of any increase in funding into the base budget of the Hawaii Public Housing Authority for the State Rent Supplement Program.** This is critical. A one year allocation would put the recipients at great risk of homelessness if their subsidy ends after one year for lack of funds. Our kupuna need safe, decent, and affordable housing on an ongoing basis to enable them to age in place.

Thank you for addressing prevention of homelessness for vulnerable kupuna and families. Please contact our Legislative Liaison, Betty Lou Larson, at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



LATE

HB-2411-HD-1

Submitted on: 2/20/2020 6:39:22 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mona Bomgaars	Individual	Support	No

Comments:

So many of our citizens do not have the ability to pay the increasing costs of rentals in Hawaii and when this occurs they become homeless. This bill is an essential step in the processes necessary to prevent the tragic and unesthetic sights of homeless people living on our streets.

Please support this bill.

LATE

HB-2411-HD-1

Submitted on: 2/20/2020 7:24:54 AM

Testimony for FIN on 2/20/2020 1:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Moniz	Individual	Support	No

Comments:

Dear Chair Luke, Vice Chair Cullen, and Members of the Finance Committee:

I am asking for your support of HB 2411 HD1, which would allocate \$5 million to the Hawai'i Public Housing Authority for the Rent Supplement Program. This funding would provide monthly rental assistance to stabilize housing and prevent homelessness. I am Jeff Moniz. I share the concern for our people who are homeless or vulnerable to becoming homeless. I ask you to support \$5 million to the Rent Supplement Program, to add this funding to the base budget of the Hawai'i Public Housing Authority, and to provide for additional staff to efficiently help more of our elderly and struggling families.

You can contact me at jeffmoniz@gmail.com

Sincerely,

Jeff Moniz