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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING

Thursday, January 23, 2020
1:15 PM - Room 225, Hawaii State Capitol

In consideration of
SB 2042
RELATING TO PUBLIC HOUSING

Honorable Chair Chang and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2042, relating to public housing.

The Hawaii Public Housing Authority (HPHA) appreciates the intent of SB 2042, which requires the HPHA to establish a rent-to-own pilot program subject to any applicable federal law and offers the following comments.

The HPHA's federally-assisted public housing rental program is a U.S. Department of Housing and Urban Development (HUD) program that consists of 5,406 HUD subsidized units statewide. The program was established to provide decent, safe rental housing for eligible low-income families, the elderly, and persons with disabilities. The average rent is \$408.11 and the HPHA currently receives \$24.83M from HUD to administer this program. The amount of federally-assisted public housing units it has in its inventory is determined through the Faircloth Amendment - which caps the amount of federally-assisted public housing units as of October 1, 1999. Any federally-assisted public housing units sold would essentially remove them from the HPHA's inventory and the HPHA would receive less federal subsidy.

The HPHA's state-aided family public housing rental program consists of 288 units statewide, and these units house our State's most disadvantaged low-income, disabled and formerly homeless families that pay an average rent of \$453.12. Many families in the state-aided family public housing rental program are not prepared for the challenges of homeownership and depend on their current management and rental structure to assist with emergencies, safety and security issues and capital repair to structures.

While the HPHA believes in legislation that assists individuals and families to become homeowners, there are several concerns and unintended consequences that may occur with the enactment of this measure:

- Owners will need to pay a maintenance fee on top of their mortgage to maintain the properties.
- Potential foreclosure issues could delay another family from renting or purchasing that unit over long periods of time.
- Homeownership units will not be subject to public housing rules and could cause conflict state-aided public housing neighbors.
- The removal of that unit from the state family public housing rental pool will not assist more disadvantaged families that desperately need housing. Last year, state-aided family public housing units served 28 new families.
- Legislative approval would be needed to go forward with any sale per Hawaii Revised Statutes §171-64.7(a)(10).

The HPHA appreciates the opportunity to provide the Senate Committee on Housing with the HPHA's testimony regarding SB 2042. We thank you very much for your dedicated support.

LATE

SB-2042

Submitted on: 1/22/2020 8:31:51 PM

Testimony for HOU on 1/23/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kapua Keliikoa-Kamai	Individual	Oppose	No

Comments:

I oppose SB 2042 RELATING TO PUBLIC HOUSING when it applies to housing on Public Lands Trust that MUST NOT LEAVE or REDUCE ACREAGE.