

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

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DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON HOUSING
ON
SENATE BILL NO. 2647

January 28, 2020
1:30 p.m.
Room 225

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

The Department of Budget and Finance (B&F) has concerns with the creation of the Landlord Incentive Special Fund (LISF).

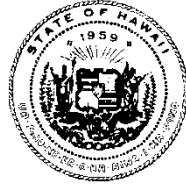
Senate Bill (S.B.) No. 2647 establishes the LISF to be administered by the Hawai'i Public Housing Authority to reimburse land owners who participate in the Section 8 Housing Choice Voucher Program for repair costs of tenant-caused property damage when repair costs exceed the tenant's security deposit. The bill also amends Act 215, SLH 2019, to: shift the appropriation of \$450,000 in general funds for FY 20 to FY 21; clarify that the general funds shall be deposited into the LISF; and appropriate \$450,000 in special funds out of the LISF for FY 21 for making reimbursements as allowed by the Landlord Incentive Program.

B&F does not support the creation of special funds that do not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and

3) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 2647, there does not appear to be any significant source of revenues to support the LISF aside from appropriations from the general fund.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
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HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING

Tuesday, January 28, 2020
1:30 PM - Room 225, Hawaii State Capitol

In consideration of
SB 2647
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) 2647, relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) **supports, with amendments**, SB 2647, which establishes the landlord incentive program special fund to reimburse land owners who participate in the Section 8 Housing Choice Voucher program for repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit, so long as it does not adversely affect the Governor's Supplemental Budget.

With the passage of Act 215 Session Laws of Hawaii (SLH) 2019, the HPHA has diligently worked to create the HPHA's Landlord Incentive Program. The HPHA has drafted the necessary Hawaii Administrative Rules, worked and consulted with the HPHA's Resident Advisory Board and held a public hearing to incorporate the program into the HPHA's Amended FY 19-20 PHA Annual Plan. Those rules are anticipated to be brought before the HPHA Board of Directors at next month's meeting for final approval.

There are many landlords who are reluctant to lease their units to our section 8 voucher holders leaving many families with no choice but to return the voucher that they waited many years to receive. Therefore, the proposed landlord incentive program special fund combined with the Landlord Liaison position that the Legislature graciously approved last session will certainly make a difference in the lives of the most vulnerable by assisting them find suitable permanent housing. This position is currently in recruitment and we anticipate interviewing applicants in the near future.

The HPHA recommends the following amendments:

- Deleting lines 15 and 16 on page 1.
- Deleting lines 6 through 12 on page 2.
- Suggested language below.

~~SECTION 2. Act 215, Session Laws of Hawaii 2019, is amended by amending section 2 to read as follows:~~

"SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$450,000 or so much thereof as may be necessary for fiscal year 2020-2021 to be deposited into the landlord incentive program special fund.

~~There is appropriated out of the landlord incentive program special fund the sum of \$450,000 or so much thereof as may be necessary for fiscal year 2020-2021 to the Hawaii public housing authority [to reimburse landlords who participate in the section 8 housing choice voucher program for repair costs of tenant-caused property damage when such repair costs exceed the tenant's security deposit.] for the landlord incentive program.~~

The sum appropriated shall be expended by the Hawaii public housing authority for the purposes of this Act."

The HPHA appreciates the opportunity to provide the Senate Committee on Housing with the HPHA's testimony regarding SB 2647. We thank you very much for your dedicated support.

Council Chair
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Vice-Chair
Keani N.W. Rawlins-Fernandez

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~~January 28, 2020~~ ~~January 27, 2020~~

LATE

TO: The Honorable Stanley Chang, Chair
Senate Committee on Housing

FROM: Alice L. Lee
Council Chair

SUBJECT: **HEARING OF JANUARY 28, 2020; TESTIMONY IN SUPPORT OF SB 2647, RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY**

Thank you for the opportunity to testify in **support** of this important measure. The purpose of this measure is to establish the Landlord Incentive Program Special Fund to reimburse land owners who participate in the Section 8 housing choice voucher program for repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. This measure would help support the availability of much-needed affordable rental housing units in Maui County and elsewhere by encouraging landlords to participate in Section 8 housing programs.
2. This measure would help ensure that landlords participating in Section 8 housing programs do not incur additional costs for tenant-caused property damage when the repair costs exceed the tenant's security deposit.

For the foregoing reasons, I **support** this measure.

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SB-2647

Submitted on: 1/26/2020 11:11:50 PM

Testimony for HOU on 1/28/2020 1:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Testifying for Partners In Care	Support	Yes

Comments: