



EXECUTIVE CHAMBERS
HONOLULU

February 10, 2022

TO: The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing

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

SUBJECT: **HB 1859 – RELATING TO HOUSING.**

Hearing: Thursday, February 10, 2022, 10:00 a.m.
VIA VIDEO CONFERENCE

POSITION: The Governor's Coordinator on Homelessness supports this measure, provided that its passage does not replace or adversely impact priorities indicated in the executive budget request.

PURPOSE: The purpose of the bill is to appropriate funds for fiscal year 2022-2023 to the Hawaii Public Housing Authority (HPHA) for the state rent supplement program.

In December 2021, the Hawaii Interagency Council on Homelessness (HICH) – a 27-member advisory council chaired by the Coordinator – adopted policy priorities for the 2022 legislative session, including a specific focus on providing affordable housing through shallow rental subsidies, such as the HPHA state rent supplement program. The program addresses a key barrier to housing for low-income individuals and families that are housing-cost burdened. Specifically, nearly one-third (27%) of renter households in Hawaii are severely housing cost-burdened, meaning that over half of their monthly rent goes to rent and utilities.

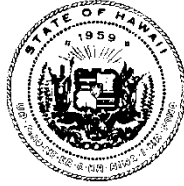
The state rent supplement is capped at \$500 per month per household and effectively reduces and prevents homelessness. Because of the shallow amount of the rental subsidy, the state rent supplement program can serve a higher number of households than programs, such as permanent supportive housing or the Section 8 Housing Choice Voucher program, that provide deeper subsidies.

The ongoing COVID-19 pandemic highlights the need for programs that address the needs of low-income households, including those at risk of homelessness. In January 2021, the Economic Roundtable released a report that projected the pandemic recession would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count also indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016. Increasing funding for the state rent supplement program will provide ongoing housing support and is an additional tool to prevent at-risk individuals and families from experiencing housing instability or falling into homelessness.

Providing shallow rental subsidies is just one piece of a more comprehensive effort to address homelessness and housing instability. In addition to prioritizing the implementation of housing subsidies, the HICH prioritizes low-income housing development for individuals transitioning out of homelessness, reducing upfront barriers to rental housing, and expanding programs that assist key homeless sub-populations (e.g., unsheltered youth, adults with severe mental illness, etc.). For more information about the 2022 HICH policy priorities, please visit <https://homelessness.hawaii.gov/advocacy>.

Thank you for the opportunity to testify on this measure.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
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Statement of

Hakim Ouansafi

Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

Thursday, February 10, 2022
10:00 AM – Room 423, Hawaii State Capitol

In consideration of

HB 1859

RELATING TO HOUSING

Honorable Chair Nakamura, and Members of the House Committee on Housing, thank you for the opportunity to provide testimony concerning House Bill (HB) 1859, relating to housing.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of HB 1859, which appropriates funds to the HPHA for the State Rent Supplement Program (RSP), so long as it does not adversely affect the Governor's Supplemental Budget.

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 approximately 75% of participants who are age 50 and over and approximately 55% who are 62 and over.

The RSP program is facing a deficit of approximately \$500,000 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 has a mechanism in place to terminate existing families from the program should there be a funding shortfall due to competing priorities.

Additionally, if the Legislature wishes for the HPHA to open its waitlist to assist an additional 200 new families, please know that an additional \$1,000,000 and 1 Public Housing Specialist II position will be needed.

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

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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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 HOUSE COMMITTEE ON HOUSING
ON
HOUSE BILL NO. 1859

February 10, 2022
10:00 a.m.
Room 423 and Videoconference

RELATING TO HOUSING

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1859 appropriates an unspecified amount of general funds in FY 23 to the Hawai'i Public Housing Authority to provide additional funding for the State Rent Supplement Program (SRSP).

B&F notes that the FY 23 Executive Supplemental Budget already includes \$1,389,670 in general funds in HMS 222's budget in FY 23 to maintain SRSP housing subsidy payments for existing program participants.

B&F also notes that, with respect to the general fund appropriation in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 1859: RELATING TO HOUSING

TO: House Committee on Housing

FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i

Hearing: Thursday, 2/10/22; 10:00 AM; via videoconference

Chair Nakamura, Vice Chair Hashimoto, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in Strong Support** of HB 1859, which appropriates funds to the Hawaii Public Housing Authority for the State Rent Supplement Program. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC).

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for 75 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. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

Catholic Charities Hawai'i has worked for many years with the Rent Supplement Program and have found it to be a very successful program for our clients. Struggling families find this shallow subsidy to be the difference between financial insecurity and stable housing, between constant worry about how to pay the rent and being able to focus on improving their lives, educating their children and enjoying life. Funding to expand this shallow subsidy program would be a godsend to the families of Hawai'i.

Hawaii Perspectives 2019, a large survey of Hawaii voters, reports that “compared with 2015, far fewer Hawaii voters think they are “better off” than they were 12 months prior (35% vs 51% in 2015). An amazing 45% of residents may leave Hawai'i largely due to the cost of living, and housing is of high concern. The Report found that “Voters say to improve life, make it more affordable.” In this environment, the **State Rent Supplement Program is important not only to the families it will help stabilize, but for the overall State efforts to improve living conditions for our residents.**

This shallow subsidy would help families that are closer to self-sufficiency but still have a gap between their incomes and the cost of a rental. We urge your support for this bill that closes the affordability gap, and lessens economic insecurity.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

TESTIMONY IN SUPPORT OF HB 1859 RELATING TO HOUSING

TO: House Committee on Housing,
FROM: Partners In Care (PIC)
Hearing: Thursday, February 10th, 2022, 10:00am via videoconference
Position: **SUPPORT**

LATE

Chair Nakamura and Members of the Committee on Housing:

Partner In Care, Oahu's Continuum of Care, stands in **support** of **HB 1859 RELATING TO HOUSING**. This measure appropriates funds to the state rent supplement program. Due to the high cost of living here in Hawaii, many families have benefited from a shallow subsidy to help them make ends meet and help them attain and maintain housing. For many, this shallow subsidy helps to pull families and individuals from the precipice of falling into homelessness.

The relatively low cost of a shallow subsidy is no comparison to the expenses associated with remaining homeless. Once a person becomes homeless, their support networks are taxed and the effort associated with getting back into housing make it extremely difficult and costly. Remaining on the streets affects health, schooling and the ability to keep a job. A shallow subsidy can make a huge difference in our community.

Thank you for the opportunity to testifying on this measure. Please do not hesitate to contact us if you have any questions.

Aloha