

JOSH GREEN, M.D.
GOVERNOR



DENISE ISERI-MATSUBARA
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

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Statement of
DENISE ISERI-MATSUBARA
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HUMAN SERVICES

March 23, 2023 at 9:00 a.m.

State Capitol, Room 329

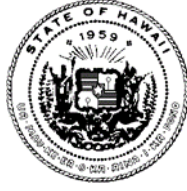
In consideration of
H.C.R. 139/ H.R. 141
**URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND
SUPPORT LEGISLATION TO AMEND TITLE IV-A OF THE SOCIAL SECURITY ACT
TO ALLOW TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS TO
BE USED BY STATES TO BUILD TRANSITIONAL SUPPORTIVE HOUSING AND
AFFORDABLE RENTAL HOUSING.**

HHFDC agrees that homelessness is one of the most pressing problems in the state, which is the highest in the nation, and that developing a more robust inventory of affordable rental units could help address it.

HHFDC **strongly supports** H.C.R. 139/ H.R. 141. Funding is a major factor in the creation of affordable housing, and supportive housing requires even greater subsidies to build it. If TANF funds can be used towards this purpose, this can go a long way to building transitional supportive and affordable rental housing in Hawaii.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 21, 2023

TO: The Honorable Representative John M. Mizuno, Chair
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **HCR139 / HR141 – URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND SUPPORT LEGISLATION TO AMEND TITLE IV-A OF THE SOCIAL SECURITY ACT TO ALLOW TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS TO BE USED BY STATES TO BUILD TRANSITIONAL SUPPORTIVE HOUSING AND AFFORDABLE RENTAL HOUSING.**

Hearing: Thursday, March 23, 2023, 9:00 a.m.
Conference Room 329 and Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of these resolutions and respectfully provides comments.

PURPOSE: The purpose of the resolutions is to urge Hawaii's congressional delegation to introduce and support legislation to amend Title IV-A of the Social Security Act to allow Temporary Assistance for Needy Families (TANF) funds to be used by states to build transitional supportive housing and affordable rental housing.

DHS appreciates the Legislature's attention and willingness to support Hawaii's low-income families with children to meet Hawaii's high cost of living.

The US Department of Health & Human Services administers the federal TANF program. Its mission is "to enhance the health and well-being of all Americans, by providing for effective health and human services and by fostering sound, sustained advances in the sciences underlying medicine, public health, and social services." Whereas the mission of the US Department of Housing & Urban

Development (HUD) is "to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business." Given the departments' respective missions, requesting Congress to increase housing resources to HUD may be the more appropriate request.

Regarding TANF, under section 401 of the Social Security Act [42 U.S.C. 601], the federal TANF block grant ("federal funds") may only be expended for benefits and services that accomplish one or more of the following four purposes:

1. To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. To end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. To encourage the formation and maintenance of two-parent families.

Furthermore, federal funds may only be used to assist eligible families that receive TANF cash assistance benefits as well as needy families who do not receive benefits but meet the following criteria:

1. Include a minor dependent child who resides with a custodial parent or other adult caretaker relative;
2. Meet citizenship requirements; and
3. Are financially eligible according to the income standard established by the state. Hawaii's income standard is currently set at 250% of the 2018 Federal Poverty Level based on family size. This equates to a monthly gross income of about \$4,979 for a family of three persons or \$6,014 for a family size of four.

The use of federal funds for capital improvement projects is not permissible per 2 CFR Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, section 200.439. Accordingly, Federal TANF funds may not be used for any capital expenditures, including the acquisition of general-purpose equipment, buildings, and land, and to make improvements to such capital assets that will materially increase their value or useful life.

Given how the TANF program currently works, if federal law were amended to allow an additional purpose for capital expenditures, then it is likely that transitional supportive housing and affordable rental housing paid with TANF funds may only be afforded to families who are determined “TANF eligible.”

In recent years, DHS has worked with the Legislature to create additional opportunities to use TANF funds for the program's four purposes. We look forward to continuing the partnership and request support for programs identified in the executive budget targeted at assisting families in the TANF and state-funded Temporary Assistance for Other Needy Families.

Thank you for the opportunity to testify and provide comments on this measure.



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**The State Legislature
House Committee on Human Services
Thursday, March 23, 2023
Conference Room 329, 9:00 a.m.**

TO: The Honorable John Mizuno, Chair
RE: Support for HCR 139/HR 141 – Resolution for Affordable Housing


Aloha Chair Mizuno and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports HCR 139/HR 141 urging Hawaii's congressional delegation to introduce and support legislation to amend Title IV-A of the social security act to allow temporary assistance for needy families funds to be used by states to build transitional supportive housing and affordable rental housing.

Hawaii's high cost of housing is making it unaffordable for many, but especially for those at low or fixed income. These residents are more vulnerable of becoming dependent on other family members for shelter, or face homelessness. The Habitat for Humanity's 2021 State of Home Affordability in Hawaii reports that 1 in 5 households spend half or more of their income on housing. According to the same report, in total, 53% of renters and 30% of homeowners are cost-burdened, paying more than 30% of their income on housing. According to AARP/Statista analysis of close to 1000 older adults (age 55+) are expected to be evicted in 2023 and more than 1500 older (55+) are expected to experience homelessness in 2023 in Hawaii. Having access to the Temporary Assistance for Needy Family (TANF) block grants will help many vulnerable kūpuna and families seeking affordable housing. Funds can be used to develop a more robust inventory of affordable rental units as well as provide rent subsidies. Thank you very much for the opportunity to testify in support **HCR 139/HR 141**.

Sincerely,


Keali'i S. López, State Director



The Institute for Human Services, Inc.
Ending the Cycle of Homelessness

TO: Honorable Rep. John M. Mizuno,
Chair, Housing Committee on Human Services

Honorable Rep. Terez Amato
Vice Chair, Housing Committee on Human Services

FROM: Connie Mitchell, Executive Director
IHS, The Institute for Human Services, Inc.

RE: HR141/HCR139

HEARING: Thursday, March 23, 2023 at 9:00 am.

POSITION: **IHS supports HR141/HCR139 - URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND SUPPORT LEGISLATION TO AMEND TITLE IV-A OF THE SOCIAL SECURITY ACT TO ALLOW TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS TO BE USED BY STATES TO BUILD TRANSITIONAL SUPPORTIVE HOUSING AND AFFORDABLE RENTAL HOUSING.**

IHS, The Institute for Human Services has been providing emergency shelter services to adult men, women, and families with children on Oahu for over 40 years and operates supportive housing solutions such as Kahauiki Village for families and kupuna, re-entry homes for formerly incarcerated, and kupuna bridge housing.

IHS is in support of the intent of creating more supportive and affordable housing using the TANF funds. However, these housing units should be incentivized and designed for households to increase income without fear of losing needed subsidies, if their income increases past a certain amount. Currently, we have a benefits cliff wherein households that increase their income past a certain threshold are tendered ineligible for SNAP benefits and/or child care vouchers can suddenly find themselves losing \$450 to over \$1,000 in real buying power.

This real, present fear of losing assistance keeps individuals from accepting higher paying jobs or promotions as the difference in pay cannot make up the loss of benefits, i.e. not many people get raises of over \$5,000 a year at a time, which would be the necessary additional income to make up for the loss in SNAP benefits of \$450 a month. By leveraging TANF funds to create additional housing solutions, these new units should allow households the ability to build financially without fear of not meeting household needs.

We need to create incentives for people to advance economically. Housing is a great way to incentivize households to buy into the American Dream.



TESTIMONY IN SUPPORT OF HR141

*Hawaii Rep. John Mizuno, Chair, Committee on Human Services
Hawaii Rep. Terez Amato, Vice Chair, Committee on Human Services
Members of the House Committee on Human Services*

Pacific Housing Assistance Corporation is a Hawaii nonprofit organization that works to develop and operate affordable housing for very low to moderate income families, seniors, and persons with special needs. We have developed or assisted other organizations in developing nearly 60 projects, totaling 1,851 housing units statewide. Pacific Housing developed and currently owns directly or through affiliated entities 14 rental projects of 939 senior and family resident apartments.

We strongly **support** HR141, which urges to introduce and support legislation to amend Title IV-A of the Social Security Act to allow Temporary Assistance for Needy Families (TANF) funds to be used by states to build transitional supportive housing and affordable rental housing.

Currently, TANF funds can be used to provide rental assistance to families that qualify, however, these subsidies are meant to be used on a short-term basis. Additional funding from the unspent TANF funds for development of transitional supportive housing and affordable rental housing would be extremely beneficial to residents of Hawaii, as it would add to the current pool of affordable housing inventory and provide access to permanent housing to low-income families.

We ask for your continued support of HR141.

Thank you for the opportunity to submit this testimony.

Audrey E. Awaya
Executive Director