

DAVID Y. IGE  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO  
EXECUTIVE ASSISTANT

## STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
HONOLULU, HAWAII 96817

Statement of  
**Hakim Ouansafi**

Hawaii Public Housing Authority  
Before the

### HOUSE COMMITTEE ON FINANCE

Tuesday, April 5, 2022

2:30 PM – Videoconference – Room 308, Hawaii State Capitol

In consideration of

**SB 2504, SD2, HD1**

**RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY**

Honorable Chair Luke, and Members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2504, SD2, HD1, relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) offers the following **comments** for SB 2504, SD2, HD1. This measure establishes the housing choice voucher landlord incentive program. Requires the Hawaii public housing authority to adopt rules without regard to chapter 91, HRS, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937. Requires that the Hawaii public housing authority adopt rules to establish a maximum of fifteen days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program, so long as it does not adversely affect the Governor's Supplemental Budget.

The Section 8 Housing Choice Voucher (HCV) program is a major federal program assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market, including single-family homes, townhouses, and apartments. It is an important part of the State's efforts in addressing the affordable housing needs of our low-income families. This program currently brings \$44.70 million dollars a year primarily on the island of Oahu, supports over 3,200 families and over 11,200 individuals. All families go through a criminal background, sex offender screening, and Homeland Security screening before being given a voucher to pursue a rental unit.

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. While the HPHA averaged approximately 300 new families over the past 5 years, due to additional federal funding, the HPHA is anticipating serving an additional 800 new families in the upcoming fiscal year. The average total rent of \$1,750 per family (including S8 participant's portion), comes out to approximately \$1,400,000 needed to fund this program. This program will certainly make a difference in the lives of our most disadvantaged families by assisting them to find suitable permanent housing.

Please know that the additional inspector positions must be provided in order for the HPHA to administer unit inspections within 15 days, and the total amount needed to fund all 5 positions in the measure comes out to \$359,790. With the creation of these landlord incentives, the HPHA will be able to provide these landlord incentives right away, and then be able to use its federal funds to serve more families in the future.

These landlord incentives are only one part of the struggle that Section 8 recipients endure while looking for a place to call home. A crucial factor is to prohibit landlords from discriminating against these families. We strongly believe that anti-discrimination language should be included in the measure going forward to address rental discrimination and complement these proposed landlord incentives.

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  
OFFICE OF THE PUBLIC DEFENDER

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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 FINANCE  
ON  
SENATE BILL NO. 2504, S.D. 2, H.D. 1

**April 5, 2022**  
**2:30 p.m.**  
**Room 308 and Videoconference**

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

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

Senate Bill No. 2504, S.D. 2, H.D. 1: 1) amends Chapter 356D, HRS, to require the Hawai'i Public Housing Authority (HPHA) to adopt rules to expand incentives for landlords participating in or initially joining the Section 8 Housing Choice Voucher Program to include reimbursements for eligible unit vacancy periods and signing bonuses and to set requirements for reimbursements for tenant-caused property damage when the repair costs exceed the security deposit as authorized by Act 215, SLH 2019; 2) requires HPHA to adopt rules to establish that a reasonable time within which to inspect a Section 8 landlord's property after receiving a request for inspection will be a maximum of 15 days; 3) appropriates an unspecified amount of general funds for HPHA in FY 23 to provide expanded incentives to Section 8 landlords; and 4) appropriates an unspecified amount of general funds for HPHA in FY 23 to hire unspecified amounts of permanent Housing Quality Standards Inspector II positions and permanent Public Housing Specialist II positions to support the Section 8 Housing Choice Voucher Program.

B&F notes that, with respect to the general fund appropriations 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.

DAVID Y. IGE  
GOVERNOR



EXECUTIVE CHAMBERS  
HONOLULU

April 5, 2022

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

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

SUBJECT: **SB 2504 SD2 HD1 – RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY.**

Hearing: Tuesday, April 5, 2022, 2:30 p.m.  
VIA VIDEO CONFERENCE  
State Capitol, Conference Room 308

**POSITION:** The Governor's Coordinator on Homelessness supports the intent of this measure and defers to the Hawaii Public Housing Authority (HPHA). If this measure proceeds, the Coordinator respectfully requests that its passage does not replace or adversely impact priorities indicated in the executive budget request.

**PURPOSE:** The purpose of the bill is to establish the housing choice voucher incentive program, and to require HPHA to adopt rules without regard to chapter 91, HRS, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937. The bill also requires HPHA to adopt rules to establish a maximum of 15 days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program.

The Coordinator notes the amendments made by the House Committee on Housing to replace the SD2 with the content of HB1752 HD3. The primary difference between the SD2 and the current draft is language that requires HPHA to adopt or amend rules that require inspections of leased dwelling units within 15 days. Additionally, as mentioned in testimony

from HPHA, the original language in HB1752 included language to prohibit source of income discriminate practices.

A housing barrier identified by homeless service providers is the reluctance of landlords to rent to individuals who receive housing assistance through a Section 8 Housing Choice Voucher. A number of advertisements for housing specifically state “No Section 8” or “No Vouchers.” The stories and feedback related to the challenges faced by Section 8 voucher holders are captured online in interviews with landlords, service providers, and homeless individuals at: <https://homelessness.hawaii.gov/landlord-engagement>. In one situation, a woman on Hawaii island shared she had been issued a Section 8 voucher, actively searching for housing for over nine months, and was still unable to find a landlord willing to accept her voucher.

This bill specifically addresses the reluctance to accept Section 8 assistance by establishing a fund to provide targeted incentives for landlords to encourage greater participation in the program. The Coordinator notes the State, and City & County of Honolulu Housing First programs include similar provides to provide damage mitigation payments to landlords participating in their respective programs. In addition, Partners in Care’s [Oahu Housing Now \(OHN\) program](#) provides additional incentives to encourage landlord participation, such as a 24-hour landlord support line, a two-month lease bonus, and up to \$3,000 for damage mitigation. The inclusion of landlord incentives has enabled OHN to house 303 households (799 individuals) since April 2021.

The Coordinator notes that other strategies to address landlord reluctance to participate in Section 8 include adoption of policies to address ‘source of income’ discrimination impacting individuals enrolled in housing assistance programs, such as Section 8. The implementation of a source of income discrimination policy would provide for penalties for landlords engaging in active discrimination, like penalties for landlords who engage in discriminatory practices based on gender, sexual orientation, or race. If the Legislature amends this bill by inserting source of income prohibitions, the Coordinator respectfully suggests including language from SB206 SD1 as a separate part.

The need for landlord incentive programs and related policies is especially critical given the ongoing COVID-19 pandemic and its impacts on low-income households. 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 families with minor children from experiencing housing instability or falling into homelessness.

Thank you for the opportunity to testify on this measure.



## CATHOLIC CHARITIES HAWAII

### TESTIMONY IN SUPPORT OF SB 2504, SD2, HD1: RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

TO: House Committee on Finance

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

**Hearing: Tuesday, 4/5/22; 2:30 PM; via videoconference**

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

Thank you for the opportunity to provide testimony **in Support** of SB 2504, SD2, HD1, which establishes and funds the housing choice voucher landlord incentive program, specifies incentives, requires a 15 day maximum for HPHA to inspect housing units, and provides additional positions and funding to HPHA. 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 supports the **incentives listed** in this bill to enable the Hawaii Public Housing Authority (HPHA) to add landlords to its Section 8 inventory. We also support the **additional positions for HPHA and funding** to improve timeliness and improve the Section 8 program for both tenants and landlords.

These incentives can creatively address landlord concerns that may make them hesitant to accept Section 8. For example, reimbursement of lost rent due to the time it takes to process and inspect the unit or a signing bonus of one month's rent, etc. may show landlords that HPHA understands their concerns and is taking action to address these issues of timeliness. These incentives may entice landlords who had been unwilling to work with Section 8 due to stereotypes of Section 8 tenants.

Hawai'i needs to fully utilize any federal funds coming into the state, especially for vouchers which bring tens of millions of federal funding to our island landlords.

We urge your support for this bill and for funding to make this very valuable resource work for both tenants and landlords.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or [alohabettylou@hotmail.com](mailto:alohabettylou@hotmail.com) 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 SB 2504 SD2 HD1: RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

TO: House Committee on Finance

FROM: Partners In Care (PIC)

Hearing: **Tuesday, April 5, 2022; 2:30 PM; via videoconference**

**POSITION: SUPPORT**

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

Partners In Care, Oahu's Continuum of Care, stands in support of **SB 2504 SD2 HD1, RELATING TO HAWAII PUBLIC HOUSING AUTHORITY.**

Partners In Care supports the establishment of the landlord incentive program to support landlords and property owners who participate in the State Section 8 housing choice voucher program. Partners In Care has been administering a similar program through the City Landlord Engagement Program for the last 2 years. During this program we have provided landlord incentives such as damage mitigation, move-in costs and homeless prevention. This enables us to work with landlords who may otherwise not have been willing to work with voucher programs due to past experiences or misconceptions about the people who utilize these vouchers.

The Landlord Engagement Program has assisted more than 1,000 individuals with housing over the last 2 years and although money has been set aside to address damages and other items, this funding source has only been used in a few situations. The recognition that a unit or house is a landlord's asset and that they want to keep it in good shape, is appreciated by many of our landlords and has encouraged them to continue working with clients using housing vouchers.

Another important incentive that our landlords have appreciated is not related to funds, but rather to connections with providers who can support tenants when issues arise. Landlords often have no one to call, but with wrap around services provided in many of these voucher programs or through a landlord incentive program, landlords can call someone to address minor issues before they escalate and need the assistance of the police.

Attaining housing for folks exiting homelessness is a very difficult and time consuming process. This program will help bring more landlords to the table and help address homelessness in the best way possible, by providing affordable housing.

April 5, 2022

**The Honorable Sylvia Luke, Chair**

House Committee on Finance

Via Videoconference

**RE: Senate Bill 2504, SD2, HD1, Relating to the Hawaii Public Housing Authority**

**HEARING: Tuesday, April 5, 2022, at 2:30 p.m.**

Aloha Chair Luke, Vice Chair Yamashita, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 11,000 members. HAR **supports** Senate Bill 2504, SD2, HD1, which establishes the Housing Choice Voucher Landlord Incentive Program. Requires the Hawai'i Public Housing Authority ("HPHA") to adopt rules without regard to chapter 91, HRS, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937. Requires that the HPHA to adopt rules to establish a maximum of 15 days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program.

HAR believes that government subsidized housing assistance programs, such as Section 8, are an important part of our community's social safety net. HAR would note that government assistance housing programs were created to be optional to participate in by both the housing provider and the tenant. As such, this measure helps to make this program more competitive with regular market rentals.

For example, the section 8 process mandates additional paperwork, inspections and processes, which is not required by other non-section 8 applicants. As a result, housing providers participating in section 8 often forfeit their first month's rent in addition to having to wait up to 3 months or longer for a subsequent rental check. As housing providers may have mortgages on their rentals, they may not be able to wait that long. As such, this measure is a great step to remove some of those barriers that make the process challenging for housing providers to participate in and to help tenants find a place to call home more quickly.

Mahalo for the opportunity to testify.

**SB-2504-HD-1**

Submitted on: 4/1/2022 2:53:15 PM

Testimony for FIN on 4/5/2022 2:30:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
L Basha	Individual	Support	Written Testimony Only

Comments:

I support this measure.