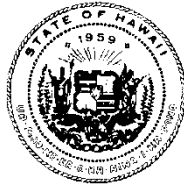


DAVID Y. IGE
GOVERNOR



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

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, March 2, 2022
10:15 AM – Room 211, Hawaii State Capitol

In consideration of
SB 2504, SD1
RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

Honorable Chair Dela Cruz, and Members of the Senate Committee on Ways and Means, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2504, SD1, relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) **supports**, the enactment of SB 2504, SD1, which establishes the landlord incentive program special fund to reimburse land owners who participate in certain housing voucher programs 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.

In October of 2021, the HPHA applied for the last spot available nationwide for large public housing authorities to join the "Moving to Work" (MTW) Demonstration Program expansion – Landlord Incentives Cohort with the U.S. Department of Housing and Urban Development (HUD). The MTW designation would allow the HPHA the flexibility to use its currently restrictive federal funding to increase economic self-sufficiency and prosperity, create innovative local solutions to address unique needs in Hawaii, and would increase housing choices for low-income families in Hawaii.

The HPHA's application would seek to implement 3 landlord incentives:

1. Provide a landlord up to 1 month of contract rent as reimbursement for the time the unit spent vacant in between Section 8 participants.
2. Provide a landlord up to 1 month of contract rent as reimbursement for the time the unit spent vacant when the previous tenant was not a Section 8 participant.

3. Provide an incentive payment, or “signing bonus”, of up to 1 month of contract rent to incentivize landlords to join the Section 8 program.

On January 27, 2022, the HPHA received an award letter from HUD indicating that the HPHA was selected for admission to HUD’s Landlord Incentives Cohort of the MTW Demonstration Program. The HPHA believes that by creating the landlord incentive program special fund to include these rent reimbursement landlord incentives, combined with the ability to reimburse land owners for repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit, will be an extremely useful tool that will allow the HPHA to increase the effectiveness of administering the Section 8 program.

The HPHA accepted the designation and anticipates that it will take approximately 1 year to complete its MTW plan and officially roll out the landlord incentives. With the initial creation of this special fund and General Fund appropriation, 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.

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 fund will certainly make a difference in the lives of our most disadvantaged families by assisting them find suitable permanent housing.

The HPHA appreciates the opportunity to provide the Committee with the HPHA’s testimony regarding SB 2504, SD1. We thank you very much for your dedicated support.

DAVID Y. IGE
GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
March 2, 2022

The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means
The Thirty-First Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator Dela Cruz and Committee Members:

SUBJECT: SB2504 SD1 Relating to the Hawaii Public Housing Authority

The Hawaii State Council on Developmental Disabilities **SUPPORTS SB2504 SD1** 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.

Many individuals with intellectual/developmental disabilities (I/DD) benefit from Section 8 Housing Choice Voucher Program. Section 8 is a federally funded housing program that assists individuals with low-income, elderly, and or homeless persons afford a home to live in. For our individuals with I/DD, the section 8 program is the only way many can live independently and helps integrate them into our communities. In recent years we have seen more and more advertisements on places like "Craigslist" and other rental listing locations use the words "No Section 8" or a phrase similar to this, which immediately removes our I/DD community from a chance at these rental units. These discriminatory phrases on advertisements for rentals come from landlords unease around accepting Section 8 vouchers. Any programs that helps encourage landlords to accept Section 8 vouchers will directly support our individuals with I/DD.

Thank you for the opportunity to submit testimony in **support of SB2504 SD1**.

Sincerely,

A handwritten signature in blue ink that reads "Daintry Bartoldus".

Daintry Bartoldus
Executive Administrator

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

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

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 WAYS AND MEANS
ON
SENATE BILL NO. 2504, S.D. 1

**March 2, 2022
10:15 a.m.
Room 211 and Videoconference**

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

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

Senate Bill (S.B.) No. 2504, S.D. 1, amends Chapter 356D, HRS, to establish the Landlord Incentive Program Special Fund (LIPSF) to be administered by the Hawai'i Public Housing Authority (HPHA) to provide rent reimbursement incentives and 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 appropriates an unspecified amount of general funds in FY 23 to be deposited into the LIPSF and appropriates an unspecified amount of special funds out of the LIPSF in FY 23 to HPHA for providing incentives and reimbursements as allowed by the Landlord Incentive Program.

B&F notes that, as a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the

general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 2504, S.D. 1, there does not appear to be any significant source of revenues to support the LIPSF aside from appropriations from the general fund.

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.

TESTIMONY IN SUPPORT OF SB 2504

TO: Chair Dela Cruz, Vice Chair Keith-Agaran, & Committee Members

FROM: Nikos Leverenz
Grants & Advancement Manager

DATE: March 2, 2022 (10:15 AM)

Hawai'i Health & Harm Reduction Center (HHRC) **supports** SB 2504, which provides incentives for landlords who participate in government rental assistance programs, including the federal housing choice voucher program (Section 8).

This measure recognizes that many low-income persons and families who obtain needed assistance have great difficulty in finding and securing rentals in a perennially high-cost, low-supply housing landscape. This includes people living with HIV who receive federal housing assistance and are provided medical case management services by HHRC staff.

HHRC Executive Director Heather Lusk currently serves as Board Chair of [Partners in Care O'ahu](#), a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O'ahu's continuum of care for homeless persons. HHRC provides homeless outreach and housing placement navigation services in urban Honolulu and the Upper Windward Coast, including North Shore.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.

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 RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

TO: Senate Committee on Ways and Means,
FROM: Partners In Care (PIC)
Hearing: Wednesday, March 2nd, 2022, 10:15 am via videoconference
Position: **SUPPORT**

Chair Dela Cruz and Members of the Senate Committee on Ways and Means:

Partner In Care, Oahu's Continuum of Care, stands in support of **SB 2504 SD1 RELATING TO HAWAII PUBLIC HOUSING AUTHORITY.**

Partners In Care supports the establishment of the landlord incentive program special fund to support landlords and property owners who participate in an assortment of housing choice voucher programs. We need to address the needs of landlords while still assisting those moving out of homelessness.

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 landlords 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 have someone they can call to address minor issues before they escalate and need the assistance of the police. This helps not only with the cost associated with damages, but also gives a landlord the piece of mind that a provider will be there to help a tenant and the landlord. 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.

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

Aloha



Because every child deserves a home.

February 28, 2022

RE: SB2504, relating to the Hawaii Public Housing Authority

Since 2006, Family Promise of Hawaii has provided shelter, housing, and supportive services for over 5,700 parents and children experiencing housing instability on Oahu.

We appreciate this opportunity to provide testimony **in support of SB2504 SD1**, to support landlords and property owners who participate in the State Section 8, rapid rehousing, and permanent housing vouchers programs with repair costs of tenant-caused property damage when the repair costs exceed the tenant's security deposit.

We have worked with numerous families over the years who receive a housing vouchers and are unable to find a landlord who is willing to accept the voucher due to past experiences or misconceptions about the people who utilize these vouchers. While these families wait for a landlord who is willing to accept their voucher then remain in our shelter program or homeless in their vehicles or in a tent.

Hawaii 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 more flexible funding to make this very valuable resource work for both tenants and landlords.

With Much Aloha,

A handwritten signature in black ink, appearing to read "SAC", is written over a horizontal line.

Samantha Church, MSW
Executive Director



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF SB 2504 SD1: RELATING TO THE HAWAI'I PUBLIC HOUSING AUTHORITY

TO: Senate Committees on Ways and Means
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Wednesday, 3/2/22; 10:15 am; via videoconference**

Chair Dela Cruz, Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide testimony **in Support of SB 2504 SD1**, which establishes and funds the landlord incentive program special fund to reimburse land owners who participate in the Section 8 and other rental assistance programs, for rent reimbursement incentives and repair costs of tenant-caused property damages when they exceed the security deposit. 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 **flexibility** in this bill to allow the Hawaii Public Housing Authority (HPHA) to initiate rent reimbursement incentives, as well as repair costs of tenant-caused damages. These could be effective to add landlords to its Section 8 inventory.

Flexible funding for incentives could enable the Hawai'i Public Housing Authority to address the concerns of landlords in the most effective way over time. Damages are often cited as a concern of landlords. While programs like Partners In Care have found that their damage mitigation funds for landlords have only been utilized in a few situations, it remains an issue for landlords and should be addressed in this bill.

Rent incentives could creatively address other landlord concerns that may make them hesitant to accept Section 8 and other housing vouchers. Flexible funding could allow for incentives such as a 2 week rent reimbursement to cover the time for the needed inspection when the landlord signs a contract for Section 8. Or it could offer landlords a one month rent bonus when they first join the Housing Choice Voucher Program. 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 this flexible funding to make the very valuable housing vouchers work for both tenants and landlords. Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or alohabettylou@hotmail.com if you have any questions.

