



EXECUTIVE CHAMBERS
HONOLULU

February 1, 2022

TO: The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Human Services

The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing

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

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

Hearing: Tuesday, February 1, 2022, 1:00 p.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 establish the landlord incentive program special fund. The bill also makes an appropriation into and out of the special fund for fiscal year 2022-2023 for the landlord incentive 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 adopting policies to address upfront barriers to accessing rental housing. A key barrier identified by homeless service providers is that many landlords are reluctant 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>.

This bill will specifically address the reluctance to accept Section 8 assistance by establishing a fund to provide a targeted incentive to landlords to encourage greater participation in the program. The Coordinator notes that the State Housing First program 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 287 households (750 individuals) since April 2021.

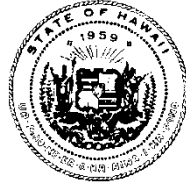
The Coordinator notes that other strategies to address landlord reluctance to participate in Section 8 include adoption of policies to address ‘source of income’ discrimination impacting individuals enrolled in housing assistance programs, such as Section 8. There are a number of bills introduced to enact source of income discrimination policies locally, including two administrative bills carried over from the 2021 session – [SB 1135 SD1](#) and [HB 981 HD1](#). In addition, [SB206 SD1](#) recently passed out of the Senate Judiciary Committee with amendments. 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.

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.

Providing landlord incentives is just one piece of a more comprehensive effort to address homelessness and housing instability. In addition, the HICH prioritizes low-income housing development for individuals transitioning out of homelessness, expanding shallow rental subsidy programs, 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
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 HOUSING
&
SENATE COMMITTEE ON HUMAN SERVICES

Tuesday, February 1, 2022
1:00 PM – Room 225, Hawaii State Capitol

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

Honorable Chair Chang, Honorable Chair San Buenaventura and Members of the Senate Committee on Housing and Members of the Senate Committee on Human Services, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2504, relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) **supports, with amendments**, the enactment of SB 2504, 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.

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.

In order to capture the HPHA’s ability to incorporate all of these landlord incentives, we offer the following amendments:

Page 1, line 9: The landlord incentive program special fund shall be administered by the authority. Moneys in the special fund shall be used to provide rent reimbursement incentives, and reimburse land owners who participate in the Hawaii public housing authority section 8 housing choice voucher program to cover repair costs of tenant-caused property damage when the repair costs exceed the tenant’s security deposit.

The HPHA appreciates the opportunity to provide the Committees with the HPHA’s testimony regarding SB 2504. 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
February 01, 2022

The Honorable Senator Joy A. San Buenaventura, Chair
Senate Committee on Human Services
The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing
The Thirty-First Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Senator San Buenaventura, Senator Chang and Committee Members:

SUBJECT: SB2504 Relating to the Hawaii Public Housing Authority

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

SB2504 Relating to the Hawaii Public Housing Authority

February 01, 2022

Page 2 of 2

Sincerely,



Daintry Bartoldus

Executive Administrator

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 SENATE COMMITTEES ON HUMAN SERVICES
AND HOUSING
ON
SENATE BILL NO. 2504

February 1, 2022
1:00 p.m.
Room 225 & 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 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 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 undetermined amount of general funds in FY 23 to be deposited into the LIPSF and appropriates an undetermined amount of special funds out of the LIPSF in FY 23 to HPHA for making reimbursements as allowed by the Landlord Incentive Program.

B&F notes that, as a matter of general policy, the department 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, 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 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.

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 Human Services and the
Senate Committee on Housing,

FROM: Partners In Care (PIC)

Hearing: Tuesday, February 1st, 2022, 1:00pm via videoconference

Position: **SUPPORT**

Chair San Buenaventura, Chair Chang and Members of the Senate Committee on Human Services and Members of the Senate Committee on Housing :

Partner In Care, Oahu's Continuum of Care, stands in support of **SB 2504 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 the State Section 8 housing choice voucher program. While we support this measure, we would urge the Committees to include other housing voucher programs beyond Section 8 to include Rapid Rehousing Vouchers and Permanent Housing Vouchers administered by the State.

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 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

SB-2504

Submitted on: 1/31/2022 12:25:20 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Nikos Leverenz	Testifying for Hawaii Health & Harm Reduction Center	Support	No

Comments:

Hawaii Health & Harm Reduction Center **supports** SB 2504, 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.

Mahalo for the opportunity to provide testimony.

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Aloha

February 1, 2022

The Honorable Joy A. San Buenaventura, Chair

Senate Committee on Human Services

The Honorable Stanley Chang, Chair

Senate Committee on Housing

Via Videoconference

RE: S.B. 2504, Relating to the Hawaii Public Housing Authority

HEARING: Tuesday, February 1, 2022, at 1:00 p.m.

Aloha Chair San Buenaventura, Chair Chang, and Members of the Joint Committees,

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 10,800 members. HAR **supports** Senate Bill 2504, 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.

HAR worked with the State, City and County of Honolulu, and various social service providers to host a Landlord Summit. The goal was to educate housing providers on the various government and social service programs that are available. Since then, REALTOR® Associations on Maui, Kaua'i and Hawai'i Island have hosted their very own summits over the years.

Through the process, it is clear that there is a great need for both affordable housing and rentals and that efforts that encourage housing providers to participate in the Section 8 Program were also needed. As such, HAR believes that this helps to encourage housing providers to participate in the program.

Mahalo for the opportunity to testify.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 2504: RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

TO: Senate Committees on Human Services and Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: Tuesday, February 1, 2022; 1:00 pm; via videoconference

Chair San Buenaventura, Chair Chang, and Members, Committees on Human Services and Housing:

Thank you for the opportunity to provide testimony **in Support** of SB 2504, which establishes and funds the landlord incentive program special fund to reimburse land owners who participate in the Section 8 program, for 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.

We respectfully suggest **amending the language of this bill to be more flexible to allow the Hawaii Public Housing Authority (HPHA) to determine if other incentives, besides repair costs of tenant-caused damages, could be effective to add landlords to its Section 8 inventory.**

Other incentives could creatively address landlord concerns that may make them hesitant to accept Section 8. More flexible funding could allow for a 2 week rent bonus 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. The incentive to help cover damages over the deposit amount may also encourage them to continue to accept voucher holders.

Flexible funding for incentives could enable the Hawaii Public Housing Authority to address the concerns of landlords in the most effective way over time.

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 more flexible 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 bettylou.larson@catholiccharitieshawaii.org if you have any questions.



SB-2504

Submitted on: 1/29/2022 1:08:56 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Dara Carlin, M.A.	Individual	Support	No

Comments:

Stand in support.

SB-2504

Submitted on: 1/31/2022 3:28:39 PM

Testimony for HOU on 2/1/2022 1:00:00 PM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kristine Miguel	Individual	Support	No

Comments:

Dear Chair Chang, Fevella, Misalucha, Moriwaki, San Buenaventura, and members of the HOU/HMS, WAM committee,

I support SB2504 and agree to the Landlord Incentive Program Special Fund, which allows reimbursement to land owners who participate in the Section 8 Housing Voucher Program for repair costs of tenant-caused property damage when the repair costs exceeds the tenant's security deposit.

The Landlord Incentive Program Special Fund may help encourage more land owners to participate in renting to potential tenants that hold a Section 8 Voucher, which also gives individuals and families more options when looking for housing in the community.

Thank you for the opportunity to testify.