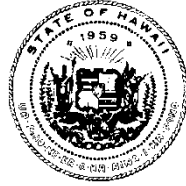


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Statement of
Hakim Ouansafi

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 2588, SD1, HD1
RELATING TO HOUSING

Honorable Chair Luke, and Members of the House Committee on Finance, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2588, SD1, HD1, relating to housing.

The Hawaii Public Housing Authority (HPHA) is in **STRONG SUPPORT** of the enactment of SB 2588, SD1, HD1, which appropriates funds to the HPHA for the rehabilitation of housing units.

The HPHA's mission is to promote adequate and affordable housing, economic opportunity, and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most disadvantaged populations, including those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly.

Due to the age of our housing inventory, these crucial funds will provide the agency with the ability to tackle its capital needs backlog of over \$700,000,000, and the Legislature's assistance with this issue is very important. The agency has properties that have been built over 50 plus years ago, and the issues at these properties need to be addressed.

As you know, the HPHA receives Federal funding for the Public Housing program based on occupied units and this funding will assist the HPHA with the U.S. Department of Housing and Urban Development's (HUD) Real Estate Assessment Center (REAC). HUD's Physical Assessment Subsystem inspects the physical condition of HPHA properties based on 3 elements within each project:

1. Five inspectable areas (site, exterior, systems, common areas, and dwelling units);
2. Inspectable items in each inspectable area; and
3. Observed deficiencies.

Additionally, one of the most important priorities of the HPHA besides health and safety issues, has been to ensure that its public housing, community spaces and pathways are accessible to persons with disabilities. The HPHA has entered into a Voluntary Compliance Agreement (VCA) with the U.S. Department of Housing and Urban Development (HUD) and continues its commitment to making the Agency's properties compliant with the Americans with Disabilities Act (ADA) as well as HUD's Uniform Federal Accessibility Standards (UFAS).

The funding in this measure will expedite the delivery of public housing for our most disadvantaged families by addressing the modernization of properties and dwelling units through lead abatement, upgrading of electrical infrastructure, replacement of plumbing piping, repainting, and Federal ADA, and Federal inspection issues.

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
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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. 2588, S.D. 1, H.D. 1

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

RELATING TO HOUSING

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

Senate Bill No. 2588, S.D. 1, H.D. 1, appropriates an unspecified amount of general funds in FY 23 to the Department of Human Services for the Hawai'i Public Housing Authority to remodel, renovate, repair, and rehabilitate 264 housing units.

B&F 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.