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Statement of
DELMOND WON
Hawaii Housing Finance and Development Corporation
Before the

SENATE COMMITTEE ON HOUSING

March 30, 2023 at 1:00 p.m.
State Capitol, Room 225

In consideration of
S.C.R. 55/ S.R. 50

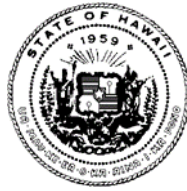
**URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND
SUPPORT LEGISLATION TO AMEND TITLE IV-A OF THE SOCIAL SECURITY ACT
TO ALLOW TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS TO BE
USED BY STATES TO BUILD TRANSITIONAL SUPPORTIVE HOUSING AND
AFFORDABLE RENTAL HOUSING.**

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** S.C.R. 55/ S.R. 50. Funding is a major factor in the creation of affordable housing, and supportive housing requires even greater subsidies to build. The ability to use of TANF funds for the construction of transitional supportive and affordable rental housing would greatly augment existing financial resources and allow more units to be built.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'ŌKELE

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DEPARTMENT OF HUMAN SERVICES
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March 28, 2023

TO: The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing

FROM: Cathy Betts, Director

SUBJECT: **SCR 55 / SR 49 – 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 30, 2023, 1:00 p.m.
Conference Room 225 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 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 laws 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 programs.

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