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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 27, 2020
10:35 AM - Room 211, Hawaii State Capitol

In consideration of
SB 2647, 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) 2647, SD1, relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) **supports** SB 2647, SD1, which establishes the landlord incentive program 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.

With the passage of Act 215 Session Laws of Hawaii (SLH) 2019, the HPHA has diligently worked to create the HPHA's Landlord Incentive Program. The HPHA has drafted the necessary Hawaii Administrative Rules, worked and consulted with the HPHA's Resident Advisory Board and held a public hearing to incorporate the program into the HPHA's Amended FY 19-20 PHA Annual Plan. Those rules were adopted by the HPHA Board of Directors at their last meeting on February 20, 2020.

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 combined with the Landlord Liaison position that the Legislature graciously approved last session will certainly make a difference in the lives of the most vulnerable by assisting them find suitable permanent housing. This position is currently in recruitment and we anticipate interviewing applicants in the very near future.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding SB 2647, SD1. We thank you very much for your dedicated support.

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HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
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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. 2647, S.D. 1

February 27, 2020
10:35 a.m.
Room 211

RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

The Department of Budget and Finance (B&F) has concerns with the creation of the Landlord Incentive Program Special Fund (LIPSF).

Senate Bill (S.B.) No. 2647, S.D. 1, establishes the LIPSF to be administered by the Hawai'i Public Housing Authority 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; and appropriates \$450,000 in general funds and special funds for FY 21 to be deposited into and expended out of the LIPSF, respectively.

B&F does not support the creation of special funds that do 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 of the program; 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. 2647, 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.

Thank you for your consideration of our comments.