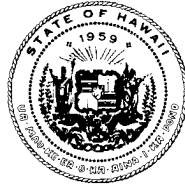


HB 1694



**STATE OF HAWAII**  
DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
POST OFFICE BOX 17907  
Honolulu, Hawaii 96817

Statement of  
**Chad K. Taniguchi**  
Hawaii Public Housing Authority  
Before the

**SENATE COMMITTEE ON EDUCATION AND HOUSING**

March 20, 2009 1:30 p.m.  
Room 225, Hawaii State Capitol

In consideration of  
**H. B. 1694, HD2**  
**RELATING TO PUBLIC HOUSING**

**H.B. 1694**  
**RELATING TO PUBLIC HOUSING**

The Hawaii Public Housing Authority (HPHA) supports the intent of H.B. 1694, which would 1) establish a minimum rent amount for tenants in state public housing, 2) require HPHA to seek full reimbursement for tenant-caused damages in public housing, and 3) prohibit HPHA from establishing preferences in tenant selection, other than veterans preferences, in state public housing.

1. Minimum Rents: HPHA agrees with the concept of a minimum contribution by all tenants. The current minimum rent structure by bedroom size is attached for the 288 state family units and 576 state elderly units. HPHA is required by statute (HRS 356D-43(a)) to have the rents pay for all expenses of the state family and state elderly housing. HPHA has not raised the minimum rents since 2001 for state family units and since 2005 for state elderly units. HPHA can set that minimum rent for new tenants, but requests that it be allowed to phase in higher rents for current tenants over a four year period. Otherwise the rate of increase will be too fast.
2. We support the language that the minimum rents would be based on number of bedrooms and there would be an ongoing process to raise the rents to meet expenses as they rise, using the CPI indexing in the current measure.
3. Full Reimbursement: HPHA currently seeks reimbursement for tenant-caused damages and needs to increase the labor rate from \$11 per hour to \$35 per hour.
4. No Preferences, other than veterans: The Legislature or the HPHA Board can make a determination on preferences for both state and federal public housing. The bill as drafted only applies this requirement to state housing.

EXHIBIT C

MINIMUM RENTS FOR  
STATE-AIDED FAMILY PUBLIC HOUSING PROJECTS  
(Effective DEC 13 2001)

The Minimum Monthly rents for all tenants of State-aided family public housing projects are as follows:

No. of Bedrooms	Monthly Minimum Rent
1	\$108
2	128
3	152
4	180
5	212

**A JOINT LEGISLATIVE EFFORT**

E-Mail: [EDHTestimony@Capitol.hawaii.gov](mailto:EDHTestimony@Capitol.hawaii.gov)  
Regarding: Senate EDH Committee  
Hearing on: March 20, 2009 @ 1:30 p.m. in room #225  
Copies Necessary: 5 copies

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**Date:** March 16, 2009

**To:** Senate Committee on Education & Housing  
Senator Norman Sakamoto, Chair  
Senator Michelle Kidani, Vice Chair

**From:** Dennis Arakaki  
Executive Director  
Hawaii Family Forum / Hawaii Catholic Conference

**Re:** **COMMENTS** on HB 1694 HD2 Relating to Public Housing

The Hawaii Catholic Conference and Hawaii Family Forum would like to make some comments on HB 1694 HD2, relating to public housing.

The main objective of the State is to help homeless families to gain housing and the skills they need to remain in housing. Without affordable housing, this objective cannot be met. While some families may obtain better jobs and find a market unit, most of the families who work need rents at 30% of their income. The waitlists for Section 8 housing and other affordable projects that offer rents at 30% of income, are extremely long. For senior projects, the wait is usually at least 3-5 years, and family projects are longer. Without public housing homeless participants would not be able to move out of transitional shelters within the 2 year time limit, and would again become homeless.

Knowing the many challenges facing the State's housing projects, we would support a **fair minimum rent** that would be used to help ensure housing is safe, in good repair, and provides dignity to the tenants. A minimum rent would assist the housing projects to stabilize their projections for rental income. In addition, there also must be flexibility in the implementation so that existing tenants would not be driven back into homelessness.

Also, we strongly urge you not to change the tenant selection rules. If the homeless preference is removed, transition of families out of programs like Ma'ili Land will be severely impacted. Families may end up becoming homeless again at the 2 year limit for the program due to the lack of affordable housing. HPHA's preference for homeless is critical to maintain, until more affordable rental units are actually built.

Thank you for the opportunity to submit our **comments** on HB 1694 HD2.

**TESTIMONY IN OPPOSITION TO HB1694 - RELATING TO PUBLIC HOUSING**

March 18, 2009 at 2:00 p.m.

The Legal Aid Society of Hawaii hereby provides testimony to the House Committee on Housing in **opposition** of HB1694 – Relating to Public Housing.

The Legal Aid Society of Hawaii provides free legal services to the low-income population of the State of Hawaii. In addition to providing services to clients who currently reside in public housing, we also assist individuals who are on the waiting list to gain access to public housing. In 2008, we received over three hundred calls requesting assistance on public housing matters and represented approximately thirty or 10% of these callers in administrative and/or court hearings. Many of our clients are on limited, fixed incomes such as Social Security, General Assistance and Temporary Assistance to Needy Families. Many of our clients are also victims of domestic violence, homeless and a few are displaced persons.

This bill would (1) set a minimum of rent in an amount to be determined for all state public housing so long as it does not disqualify the entity from federal assistance and (2) would remove preferences in all public housing units in Hawaii except for disabled veterans.

While we appreciate the intent of this measure, we are concerned that the provisions will have an unintended impact on fixed income and public assistance recipients and will result in increased homelessness in Hawaii.

**MINIMUM RENT**

Currently the minimum rent for state-aided family public housing projects is \$108 for a one bedroom, increasing to \$212 for five bedrooms as shown in previous testimony by Mr. Chad Taniguchi, HPHA. Mr. Taniguchi's written testimony shows that he is concerned that a sudden rent increase will result in current tenants being unable to pay their rent. While this draft of the bill has not set a level for minimum rents, we believe codifying a minimum could have adverse affects on the ability for the Hawai'i Public Housing Authority to adjust rents as needed in a time of crisis. Inclusion of a hardship exemption so HPHA may continue to provide housing for needy families when the situation warrants would significantly reduce the possibility of homelessness for current residents.

State-assisted public housing consists of 288 family units and 576 elderly units. Two-thirds of the families affected by this bill will be seniors and disabled persons residing in senior housing. These citizens subsist on fixed incomes from Social Security, ABD assistance, and other retirement. Current Social Security payments to retired individuals who were never employed are \$674 per month. Disabled individuals on Social Security (SSI) are paid the same amount. In the current system medical costs lower a tenant's adjusted income which lowers rent. This bill does not allow for a lower rent due to medical expenses. It is well-known that many seniors must now decide between paying for medication and paying for rent. This bill will exacerbate this problem. Many of the senior citizens and disabled in the 576 state-assisted elderly units will be unable to pay an increased rent and will become homeless.

The proposed bill will also cause problems for the tenants of the 288 state-assisted family units. In April, general assistance payments are slated to be reduced from \$469 to \$234 per month. Given the nature of this block grant, general assistance payments could be further reduced should the rolls increase. Similarly, payment levels for TANF could change. Many of the tenants in state-assisted housing are employed. Given the state of this economy, lost jobs could result in significantly lower incomes and an inability to pay even

March 17, 2009

Page 2

current rents. To raise rents above these current minimums without any hardship provisions, will result in individuals and families who are currently in state-assisted housing becoming homeless.

As such we request that you hold this bill or at minimum amend this bill to provide a hardship provision for those who have medical expenses, suffer loss of income due to changes to public assistance programs or due to the loss of job. Specifically, we would recommend:

- (1) The minimum remain the same for current tenants, at the least any increased minimum rent should be phased in over time.
- (2) There should be a hardship exemption for all current tenants, due to medical expenses, temporary loss of job, or reduced assistance payments.
- (3) If current tenants in state-assisted housing cannot pay the increased minimum rent they should not be evicted, but should be allowed to remain until transfer to federal-assisted public housing.

### PREFERENCES

Housing subsidy programs have never received sufficient funding to provide for all eligible persons. As a result, the number of eligible households has always far exceeded the number of available units. Current preferences for federal and state-assisted public housing are: victims of domestic violence, homeless families that are residing in a transitional shelter for the homeless and who are in compliance with a social service plan and involuntarily displaced persons. Involuntary displacement can occur due to fire, flood or earthquake making a home uninhabitable. This bill will affect the families in the 864 state-assisted units.

As written, Section 356D-42 (a) in the proposed bill expresses a preference for disabled veterans. However, Section (b) of the proposal states there will be no established preferences. These two provisions need to be in agreement.

The current guidelines give preference to the neediest of our population: the homeless. Without the current preference there would be increased need for homeless shelters and transitional housing facilities. Families would be unable to find affordable housing once they have exhausted the allowable period in transitional shelters. The people who have worked hard to become more self-sufficient will be re-sentenced to homelessness. More people would be living in the parks, beaches and on the streets of Hawaii. Passage of this bill will mean that more families will be homeless for longer periods of time.

Thank you for the opportunity to testify.

Sincerely,

Sheila P. Lippolt  
Supervising Attorney  
Housing Unit



**BY EMAIL:** EDHtestimony@capitol.hawaii.gov  
Committee: Committee on Education and Housing  
Hearing Date/Time: Friday, March 20, 2009, 1:30 p.m.  
Place: Room 225  
Re: Testimony of the ACLU of Hawaii in Opposition to H.B. 1694, HD2, Relating to Public Housing

Dear Chair Sakamoto and Members of the Committee on Education and Housing:

The American Civil Liberties Union of Hawaii (“ACLU of Hawaii”) writes in **opposition** to H.B. 1694, HD2, which seeks to require the Hawaii public housing authority to establish a minimum rent schedule for all state public housing units.

This bill severely and unnecessarily punishes poor families. In this time of high and rising unemployment, we should not be considering ways to raise public housing tenants’ rent. The current rent structure appropriately balances the goals of the public housing authority with the needs of public housing tenants and should be maintained. Hawaii would be better served by enforcing the current rules and providing support to individuals and families seeking to transition out of public housing units.

The mission of the ACLU of Hawaii is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawaii fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawaii is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawaii has been serving Hawaii for over 40 years.

Thank you for this opportunity to testify.

Sincerely,

Laurie A. Temple  
Staff Attorney  
ACLU of Hawaii

American Civil Liberties Union of Hawaii  
P.O. Box 3410  
Honolulu, Hawaii'i 96801  
T: 808.522-5900  
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Phone (808) 426-4647  
Cellular: (808) 783-9302  
Fax (808) 696-1654

*Kanani Kaaiawahia Bulawan*

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Date: March 19, 2009

To: Sen. N. Sakamoto, Chair Committee on Education and Housing  
Sen. M. Kidani, Vice Chair Committee on Education and Housing

Cc: Rep. Karen Awana, District Representative  
Rep. Maile Shimabukuro, District Representative  
Sen. Colleen Hanabusa, District Senator

**Hearing: March 20, 2009 1:30pm Rm: 225**

**Measure: HB1694HD2: RELATING TO PUBLIC HOUSING**

Aloha and good afternoon Chair, Vice Chair and Committee members:

As I've previously submitted testimony on this measure, I would like to ask for your **FULL SUPPORT to HB 1694HD2**. This will maintain housing accountability for management and residents'.

As I've previously stated in other public housing and housing testimonies, public housing was never meant to be permanent, rather it was meant to be "affordable" so that residents would have the opportunity to gain leverage in securing permanent housing that could include homeownership. With other considerations of being accountable to their housing needs, everyone is required to pay some sort of "minimum" housing cost (rent) in order to sustain their housing. There should be no difference for those in public housing. If income is the issue, the challenge is setting a minimum in all circumstances and determines what that amount is to be paid. Such as "work program" that is meaningful to gaining employment or payment plans that will over a period of time (outlined) a recovery of rent is made.

Everyone needs to earn the opportunity to be part of this community by the way they participate and comply with the safety and wellness of the neighborhood. Once this is achieved, permanent housing can be as real as owning their home in a planned, active and secured community.

Mahalo,  
Kanani Kaaiawahia Bulawan



COMMITTEE ON EDUCATION AND HOUSING

Senator Norman Sakamoto, Chair  
Senator Michelle Kidani, Vice Chair

Friday March 20, 2009

1:30 PM

Conference Room 225

State Capitol

415 South Beretania St

**Opposition to HB 1694**  
Relating to Public Housing

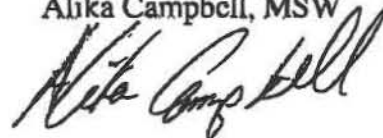
Submitted by  
Alika Campbell, MSW  
1309 Kuuna St.  
Kailua, HI. 96734

As someone who has worked with people experiencing homelessness over 10 years, I **strongly oppose** the idea imposing a minimum rent of \$250 in public housing. While the intent may be to prevent people from "cheating" the system by getting in to housing and then quitting their jobs, I question whether this is really a problem and believe that this proposed "solution" will actually end up increasing homelessness.

As I understand it there is already a minimum rent structure in place for family and elderly units so I'm not sure why proponents of this bill believe that it is necessary. Secondly, I wonder if the bill attempts to "fix" something that isn't really a problem. Without any data to demonstrate the numbers of people who have given up employment in order to minimize their rental payments I find it hard to believe that there is really an issue here that requires legislative intervention. In fact it reminds me of the Reagan era propaganda about welfare moms driving Cadillacs.

More importantly, however, in this time of economic difficulties I think the legislature should be very cautious about enacting laws that will result in people becoming homeless. While the intent of the legislation may be to promote employment among public housing tenants, I think an unintended consequence of imposing minimum rents is that people will be evicted and forced in to the over taxed shelter system or more likely on to the streets. With homelessness a pressing problem for so many of Hawaii's citizens we should be taking measures to ensure that people can maintain their housing. If the intent of the minimum rent requirement really is increased income, then I would suggest that some sort of employment program would be far more successful at achieving this outcome and would not contribute to the problem of homelessness. Thank you for the opportunity to express my opposition to this bill.

Alika Campbell, MSW



**HB1694** -- support

EDH

March 20 – 1:30 pm. 225

Good Afternoon Chair Sakamoto and members of the Committee,

In order to keep Hawaii Public Housing Authority alive, we need to support and require public housing residents to be part of supporting their own housing needs. This will instill a sense of pride and will help public housing become sustainable.

HPHA rents were not adjusted until 2001. Currently there is a "for-profit" organization offering to buy our public housing and keep it sustainable using federal tax credits. This company proposes to turn these buildings into mixed-income housing. Although this will help the state in that it will not need to subsidize public housing anymore, the very poor will lose more affordable rentals. Asking tenants to contribute more will help them help themselves and future low income tenants have a place they can call home.

This bill also asks that costs of repairs to these units and common areas for damages which were caused by tenants, be passed on to the tenant who created the damage rather than the taxpayers subsidizing these repairs. This will create accountability and eventually a sense of "pride of ownership". Again it is not doing anyone a favor to give these low-income residents a "free ride".

This bill also prohibits preferences for tenant selection. There are 14,000 names on the waiting list for affordable housing. Some people have been "working the loophole of fast tracking the system" to move up higher on the list. We need to level the playing field.

For the last three years: 2005, 2006 and 2007 the legislature has passed a resolution for HPHA to be audited for being a "troubled performer". Based on these performance audits, the suggestion was to make the tenants selection process more stringent to focus more on hard working people, people who can't afford to pay market rent, but can contribute to their housing needs. These are the "working poor". These people should be given priority over people with poor rental histories and criminal convictions.

Presently the preferences are penalizing prospective tenants who are working. This creates a dis-incentive for people to work. This is contradictory to the audit recommendations. These audits are paid for by the taxpayers and mandated by the

legislature, yet so far no one has bothered to implement their recommendations. The purpose of this bill is to help HPHA comply with the mandate of HRS356D-43(a) to have rents cover the costs of family and elderly housing. The law mandates that these affordable housing projects be self sustaining. The State may not be able to subsidize these programs anymore, which leaves only the option of selling to for-profit companies which will diminish available low income inventory. I believe this bill will **increase** low income housing.

Please pass this bill as I believe that it will help save HPHA.

Netra Halperin