



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 14, 2013

MEMORANDUM

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 518 – RELATING TO HOUSING**

Hearing: Thursday, February 14, 2013; 3:30 p.m.
Conference Room 308, State Capitol

PURPOSE: The purpose of H.B. 518, H.D.1, is to appropriate funds for the state rent supplement program for working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing. This bill would exclude individuals or families who receive public assistance or other government benefits or entitlements from qualifying to receive rent supplement funds through this program.

DEPARTMENT'S POSITION: The Department of Human Services offers the following comments on the H.D. 1 of this bill.

In the original version of this bill, working homeless individuals and families were identified as the target group. The H.D. 1 would expand the target group to all working individuals and families. The Department, which administers Homeless Programs, has found that many hard working individuals and families are “stuck” in transitional housing programs because they lack the steady income to afford permanent, market-level

housing. This appropriation would have allowed these individuals and families the opportunity to leave transitional shelters (temporary housing) and rent permanent housing with some “cushion” so that they would not pay more than 40% of their total incomes toward housing. A rental subsidy, even in the amount of \$200-300 per month, could make a positive difference for many people, and could immediately impact the individuals and families awaiting intake into transitional shelters.

The Department opposes the language that would prohibit any individual or family who receives public assistance or other government benefits or entitlements from qualifying to receive moneys appropriated under this Act. This exclusion would mean TANF and SNAP families and individuals receiving federal disability benefits would be ineligible to receive rent supplements under this program. These low-income individuals or families will continue to need food stamps, Medicaid, and other public assistance to have a minimal standard of living. If receipt of these benefits prohibit participation in the rent subsidy program, many hard-working but needy individuals and families will go unserved, and our goal of promoting stable, permanent housing will not be achieved.

Thank you for the opportunity to provide comments on this bill.

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
Honolulu, Hawaii 96817

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEES ON HOUSING

February 14, 2013 3:30 P.M.
Room 308, Hawaii State Capitol

In consideration of
House Bill No. 518, House Draft 1
Relating to Housing

Honorable Chair Luke and Members of the House Committee on Finance, thank you for the opportunity to provide you with comments regarding House Bill (H.B.) No. 518 House Draft (HD) 1, relating to housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, provided that its passage does not adversely impact priorities indicated in the Executive Biennium Budget. This measure appropriates \$1.5 million for the State Rent Supplement Program, to assist working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing. This measure further excludes individuals or families who receive public assistance or other government benefits or entitlements from qualifying to receive moneys under this Act.

The State Rent Supplement Program assists eligible families pay for part of their monthly rent. Families must pay at least 30% of their adjusted family income for rent, up to a maximum of \$160.00 per month, and is paid directly to the owner by the HPHA.

The HPHA appreciates the opportunity to provide the House Committee on Finance with the agency's position regarding H.B. No. 518 HD1. We respectfully request the Committees to pass this measure favorably, and we thank you very much for your dedicated support.



David Derauf, M.D.
 Marc Fleischaker, Esq.
 Naomi C. Fujimoto, Esq.
 Patrick Gardner, Esq.
 Francis T. O'Brien, Esq.
 David J. Reber, Esq.

Victor Geminiani, Esq.

Testimony of Hawai'i Appleseed Center for Law and Economic Justice
 Supporting and Commenting on HB 518 HD1 Relating to Housing
 Senate Committee on Finance
 Scheduled for Hearing on Thursday, February 14, 2013 at 3:30 PM, Room 308

Thank you for an opportunity to support and comment on House Bill 518 HD1, which would appropriate funds for the state rent supplement program. This program helps working homeless individuals or families who are ready to rent to obtain and maintain permanent housing.

Hawai'i Appleseed Center for Law and Economic Justice (LEJ) is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.

Hawai'i is experiencing a homelessness crisis that can only be solved through permanent affordable housing.

- According to the Low Income Housing Coalition, the fair market rent for a two-bedroom apartment in our state is \$1,647, a figure that would require a full-time worker to earn an hourly wage of \$31.68. Yet the state minimum wage is just \$7.25.
- Hawai'i has the third highest rate of homelessness among the states. Almost thirty percent of individuals receiving shelter services are employed full or part-time according to the 2012 Homeless Service Utilization Report. Many families who are ready to rent languish in emergency shelters.
- Low-income individuals have almost nowhere to turn for housing: the waitlist for public housing numbers over ten thousand, with applicants waiting at least two to five years for a unit.
- A shallow rent subsidy is critical to addressing the gap between rent and income for working and ready-to-rent homeless households. More than seventy-five percent of people living in poverty are severely overburdened by housing costs, ultimately paying more than half of their income in rent.

We respectfully urge the Committee to **revert to the original language** of HB 518, designating the shallow rent subsidy to homeless households and permitting recipients of the shallow subsidy to receive other benefits.

- The intent of HB 518 was to create a new shallow subsidy program to address the urgent need to rapidly move families experiencing homelessness out of shelters and into permanent housing. Homelessness is a traumatic experience that does long-term damage to families and particularly keiki.
- Other public benefits such as food stamps, Medicaid, or disability benefits are critical supports that should not undermine families' ability to receive a shallow rent subsidy. Families should not be shut out of housing because they receive benefits to meet other basic human needs. Even families receiving the \$230 rent subsidy already provided by the state under Hawai'i Public Housing Authority's general rent supplement program still need these benefits to survive. Financial literacy training can be again included in this bill to ensure families are making progress toward self-sufficiency when appropriate. We also respectfully ask that the Committee delete the requirement that "no individual or family who receives public assistance or other government benefits or entitlements shall qualify to receive moneys appropriated under this measure."
- We also respectfully encourage the Committee to amend the bill to state that "The sums appropriated shall be expended by the department of human services for the purposes of this Act."



CATHOLIC CHARITIES HAWAII

COMMENTS RE: HB 518, HD1: RELATING TO HOUSING

TO: Representative Sylvia Luke, Chair; Representative Scott Y. Nishimoto, Vice Chair, and Members, Committee on Finance

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: Thursday, 2/14,13; 3:30 PM; CR 308

Chair Luke, Vice Chair Nishimoto, and Members, Committee on Finance:

Thank you for the opportunity provide Comments on HB 518, HD 1 which appropriates funds for the state rent supplement program at the Hawaii Public Housing Authority. I am Betty Lou Larson, Legislative Liaison for Catholic Charities Hawaii.

Catholic Charities Hawaii strongly supported the original purpose of this bill, which was: to appropriate funds for the State Rent Supplement Program to help **homeless working individuals and families who are ready to rent permanent housing, to obtain and maintain housing**. The new language in HD 1 changes the intent to provide general rental assistance to the community. While this is needed, we feel that the State's more urgent need is to find ways to quickly move homeless families out of homelessness and back into permanent housing.

The original purpose of this bill was to create new pathways out of homelessness, especially for working people. Working families and individuals have income to pay rent but it is not sufficient to pay the full market rent. For many homeless people, waiting for public housing seems to be the only option, since it would provide a very low cost rent, only 30% of their income. However, waitlists for public housing are very long. This forces families to stay longer in transitional shelters who have worked hard to change their lives, practice good budgeting, receive job training, get a job and are ready to pay rent—but they still cannot afford market rents. A shallow rental subsidy of no more than \$300, after the family pays 40% of their income for rent, would enable these working people to more rapidly move into permanent housing and be stable there.

We strongly urge your Committee to amend this bill back to the original language in HB 518. We also urge you to have the funds be expended by the department of human services, which administers homeless programs.

We also strongly oppose the new language in HD 1 which prohibits people who receive any public assistance or government benefits or entitlements from receiving this rental assistance. Low income people who qualify for this subsidy would still need their Food Stamps, Medicaid, or Quest to have a minimal standard of living in Hawaii.

We urge you to target HB 518 to working homeless and provide **\$1.5 Million for shallow rent subsidies** for a new pathway to permanent housing.





PARTNERS IN CARE

Oahu's Coalition of Homeless Providers

COMMENTS RE: HB 518, HD1: RELATING TO HOUSING

TO: Representative Sylvia Luke, Chair; Representative Scott Y. Nishimoto, Vice Chair; Representative Aaron Ling Johanson, Vice Chair, and Members, Committee on Finance

FROM: Gladys L. Peraro, Advocacy Committee Co-Chair, Partners In Care (PIC)

Hearing: Monday, 2/14/13; 3:30 P.M.; CR 308

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members, Committees on Finance:

Thank you on behalf of Partners In Care (PIC), for the opportunity to provide comments on HB 518, HD1, which appropriates funds for the state rent supplement program at the Hawaii Public Housing Authority. I am Gladys L. Peraro, Advocacy Committee Co-Chair for Partners In Care, the coalition care providers focused on the needs of homeless persons and strategies to end homelessness.

Partners In Care strongly supported the original purpose of this bill, which was: to appropriate funds for the State Rent Supplement Program to help **homeless working individuals and families who are ready to rent permanent housing, to obtain and maintain housing**. The new language in HD 1 changes the intent to provide general rental assistance to the community. While this is needed, we feel that the State's more urgent need is to find ways to quickly move homeless families out of homelessness and back into permanent housing.

The original focus of HB 518 was to create new *pathways out of homelessness*, with an emphasis on working individuals. Working families and individuals have income to pay rent, but often the amount earned is not sufficient to pay the full market rent. For many homeless individuals, waiting for public housing seems to be the only viable option, since it would provide a very low cost rent, only 30% of their income. However, waitlists for public housing are staggeringly long. Though families are working hard to change their lives by practicing good budgeting, participating in financial literacy classes, receiving employment training, obtaining jobs and ready to pay rent- they still cannot afford market rents- a shallow rental subsidy of no more than \$300, after the family pays 40% of their income for rent, would enable these working people to more rapidly move into and stabilize in permanent housing.

Partners In Care requests the Finance Committee amend this bill back to the original language in HB 518 and requests that the Department of Human Services, act as fiscal agents to expend the funds as it does for Homeless Programs.

We also strongly oppose the new language in HD 1 which prohibits people who receive any public assistance or government benefits or entitlements from receiving this rental assistance. Low income individuals who qualify for this subsidy would still need to receive Food Stamps, Medicaid, or Quest to realize a minimal standard of living in Hawaii.

Partners In Care respectfully urges you to prioritize HB 518 for working homeless and provide **\$1.5 million for shallow rent subsidies** as a pathway to permanent housing.

Partners In Care, c/o Aloha United Way, 200 N. Vineyard Blvd. Suite 700
Honolulu, Hawaii 96817

Partners in Care is a membership organization of homeless service providers, other service professionals, units of local and state government, homeless consumers, and other community representatives located in Hawai'i on O'ahu. It is a planning, coordinating, and advocacy body that develops recommendations for programs and services to fill gaps in the Continuum of Care on O'ahu.

HB518

Submitted on: 2/12/2013

Testimony for FIN on Feb 14, 2013 15:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Alika Campbell	Individual	Support	No

Comments: I support amending this bill back to the original language as the current language re. people receiving public assistance would seem to rule out too many people (especially those receiving foodstamps). My concern is that by including the more restrictive language re. public assistance the bill ends up going counter to the intent of the bill as it was originally aimed at homeless working individuals and families. Thank you for your time and consideration.

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HB518

Submitted on: 2/12/2013

Testimony for FIN on Feb 14, 2013 15:30PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Cynthia K.L. Rezendes	Individual	Oppose	No

Comments: Chair Luke, I respectfully request that this bill be amended back to the original language in HB 518 and that sums appropriated shall be expended by the department of human services. While the bill attempts to expand the individuals or families that might access these funds to require that they receive no other public funds is mis-guided. Even those who currently qualify for Rent Supplement still need SNAP (food stamps), Medicaid or Quest services to provide a minimum standard of living. By placing this restriction on those who can access these funds without accessing other public funds could put people into the mode of deciding whether it is better to live in a house or have health care or food. this is not an acceptable decision that one should need to make when they are already struggling to survive. Please amend the bill with the original language and intent. Mahalo, Cynthia K.L. Rezendes

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