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IN REPLY, PLEASE REFER TO:

Statement of
Hakim Ouansafi, Executive Director
Hawaii Public Housing Authority

Before the
HOUSE COMMITTEE ON FINANCE

10:30 AM, January 20, 2023
Hawaii State Capitol
Room 308

In consideration of
INFORMATIONAL BRIEFING RELATING TO
THE STATE DEPARTMENT OF HUMAN SERVICES BUDGET

Honorable Chair Yamashita and members of the House Committee on Finance, thank you for the opportunity to provide you with comments regarding the Department of Human Services – Hawaii Public Housing Authority (HPHA) budget programs HMS220, HMS222, and HMS229.

A. Provide your agency's mission statement, strategic objectives, goals, and performance metrics. How will the agency measure progress? What milestones will be tracked?

The HPHA is the only statewide Public Housing Agency for the State of Hawaii. It was established by the Territory of Hawaii in 1935 to provide safe, decent, and sanitary housing for low-income residents. The HPHA is guided by an eleven-person Board of Directors.

Mission Statement

The Hawaii Public Housing Authority is committed to providing adequate and affordable housing, economic opportunity, and a suitable living environment for low-income families and individuals, free from discrimination.

HMS 220 – Rental Housing Services (Public Housing)

Under the Rental Housing Services program, the HPHA is responsible for managing and developing affordable and federal and state public housing, determining eligibility requirements and rental rates, processing applications, and maintaining its rental properties at an acceptable standard. There are 6,270 public housing units currently in operation, of which 5,406 are federally-assisted and 864 are state-owned and assisted.

The U.S. Department of Housing and Urban Development (HUD) requires the HPHA to utilize an “Asset Management” principle whereby properties are grouped, operated, and evaluated as separate assets. Federal resources are then allocated according to the needs of each asset.

Rental Housing Services staff are directly involved in day-to-day property management operations. They are also primarily responsible for maintaining the physical condition of each property.

There are multiple HUD Subsystems which monitor the performance of the HPHA’s federal public housing program. The Management Assessment Subsystem tracks the following metrics to ensure federal resources are utilized effectively:

1. Occupancy rates;
2. Tenant Accounts Receivable (TARs); and
3. Accounts Payable (AP).

The Physical Assessment Subsystem records a physical condition score for each property based on the following three elements:

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

Area scores are calculated using the weighted average of several sub-area scores. The total score is the weighted average of each area score, with adjustments made against the scores for inspectable items and observed deficiencies.

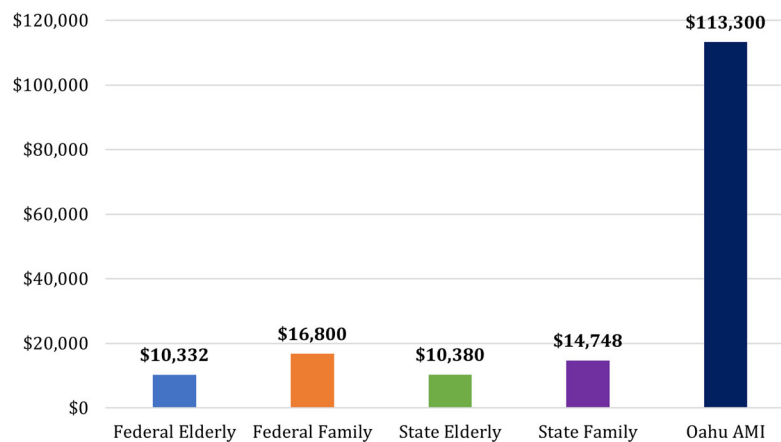
Rental Housing Services program operations are also guided by Section III.G.1 of the State Consolidated Plan which describes how the HPHA will address public housing needs by:

1. Maximizing the number of affordable units within its housing inventory;

2. Facilitating an increase in the number of affordable housing units outside of its inventory;
3. Targeting assistance to families at or below 30% of the Area Median Income, elderly families, and disabled families.

The HPHA is pursuing a more comprehensive approach to property management to address residents' growing need for additional supportive services and greater economic opportunity. Maintaining our aging public housing inventory is another significant challenge constraining available resources. In response, the HPHA has made it a priority to further explore the use and suitability of federal grants and other federal programs and funding sources to support its public housing programs, where applicable.

Public Housing Median Income



HMS 222 – Rental Assistance Services (Section 8)

Under the Rental Assistance Services program, the HPHA administers the Housing Choice Voucher (HCV, a.k.a. Section 8) Program for the island of Oahu. Through the HCV Program, the HPHA also administers several Special Purpose Vouchers (SPV), such as:

1. Traditional Section 8 Vouchers
2. Non-Elderly Disabled (NED) Vouchers;
3. Veterans Affairs Supportive Housing (VASH) Vouchers;
4. Foster Youth Initiative Vouchers;
5. Tenant Protection Vouchers (TPV);
6. Project-Based Vouchers (PBV); and
7. Performance Based Contract Administration (PBCA).

Also administered under HMS 222 is the state-funded Rent Supplement Program (RSP), which operates in a similar manner to the HCV Program. Each voucher program aforementioned utilizes rental units from the private market. Tenants pay a portion of their rent based on their income,

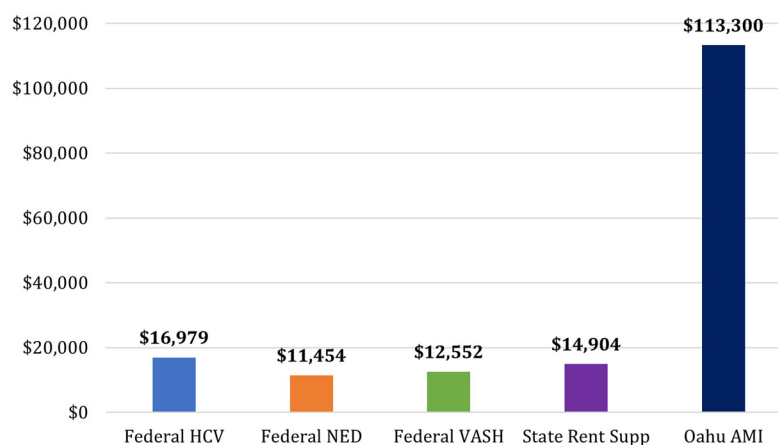
while the remainder is covered by rental assistance payments made directly to participating landlords. Under HMS 222, the HPHA administers approximately 3,712 federally funded vouchers; 200 State Rent Supplement Program vouchers; and 2,996 PBCA units.

HUD uses the Section 8 Management Assessment Program (SEMAP) to measure the performance of the HCV program. There are 14 indicators HUD uses to measure the HPHA's effectiveness:

1. Proper selection of applicants from the housing choice voucher waiting list;
2. Sound determination of reasonable rent for each unit leased;
3. Establishment of payment standards within the required range of fair market rent;
4. Accurate verification of family income;
5. Timely annual reexaminations of family income;
6. Correct calculation of the tenant share of the rent and the housing assistance payment;
7. Maintenance of a current schedule of allowances for tenant utility costs;
8. Unit compliance with the Housing Quality Standards before families enter into leases and the HPHA enters into housing assistance contracts;
9. Timely annual housing quality inspections;
10. Performing of quality control inspections to ensure housing quality;
11. Prompt correction of housing quality deficiencies;
12. Use of all available vouchers;
13. Expansion of housing choice outside areas of poverty or minority concentration; and
14. Family enrollment in the Family Self-Sufficiency (FSS) Program and increases in employment income for participants.

Rental Assistance Services staff must ensure that scores in all 14 indicators are maximized and that the HCV Program is operated in compliance with all federal regulations found at 24 C.F.R. Part 985. For the past many years, the HPHA has been rated as a High Performer by HUD with last scores of a perfect 100%

Section 8 Median Income



HMS 229 – HPHA Administration

The activities carried out under this program are meant to provide administrative direction and the support needed to effectively carry out the primary responsibilities of the HPHA's other program areas. Included under HMS 229 are the Office of the Executive Director, Planning & Evaluation Office, Compliance Office, Fiscal Management Office, Information Technology Office, Human Resources Office, Contract & Procurement Office, Hearings Office, and the Development Office.

The HPHA Administration program also monitors for compliance issues in the other major programs (i.e., HMS 220 and HMS 222) and has fiscal authority over all operations.

Program tasks include, but are not limited to:

1. Providing guidance and expertise to other program areas;
2. Ensuring necessary training is provided for staff of all skill levels;
3. Ensuring the effective utilization of federal, state, and other resources;
4. Providing meaningful management reports to branch administrators and supervisors;
5. Utilizing and testing new maintenance and management methods; and
6. Coordinating and conducting all short- and long-term planning efforts.

The financial condition of each federally-assisted program is monitored by HUD's Financial Data System (FDS). Data is inputted by the HPHA and subsequently reviewed using several metrics. Overall financial conditions are reviewed using the following indicators:

1. Quick Ratio (QR);
2. Months Expendable Net Assets Ratio (MENAR); and
3. Debt Service Coverage Ratio.

There are two metrics used in evaluating the Capital Fund factor:

1. Timeliness of Fund Obligation; and
2. Occupancy Rate.

Deficiencies in any category are reviewed by HUD and require a corrective action plan to be developed to ensure improvements are made. Higher scores improve the HPHA's eligibility for additional funding, increase the likelihood of receiving other federal grants, and reduce administrative oversight from federal monitors.

- B. Discuss how current state-wide conditions have affected agency operations and the ability to meet goals. Identify and discuss notable performance measures, expected outcomes, and recent results.**

Affordable Housing Development

HPHA School Street Administrative Offices

The HPHA partnered with the Retirement Housing Foundation (RHF), a non-profit affordable housing developer, to redevelop its administrative campus located at 1002 North School Street. The project will deliver 800 age-restricted, affordable housing units for kupuna. Construction will be completed across three development phases over the next 10 to 12 years.

On November 5, 2020, the Honolulu City Council approved the project's 201H zoning and entitlement application through passage of Resolution 20-251, CD1, FD1. The resolution waives approximately \$9.9 million in fees and grants exemptions from other statutes, ordinances, charter provisions, and rules related to zoning, subdivision construction standards, and development.

On July 9, 2021, RHF submitted a consolidated, non-competitive application to the HHFDC for Phase 1 of the redevelopment project. The HHFDC's Board of Directors approved the application on October 14, 2021 through Resolution No. 163. This provided official intent with respect to the issuance of Hula Mae Multi-Family (HHMF) Tax-Exempt Revenue Bonds and the reservation of Low Income Housing Tax Credits (LIHTC) for Phase 1.

The HHFDC resolution allows for a tax exemption of up to \$71,500,000 from the HHMF Bond Program, \$5,257,493 in annual Federal LIHTC over a 10-year period, and \$5,257,493 in annual State LIHTC over a 5-year period from the non-volume cap pool (4% LIHTC). A separate For Action was also approved by the HHFDC Board to provide a Rental Housing Revolving Fund (RHRF) Loan for the project of up to \$40,000,000.

HHFDC Resolution No. 163 is considered an "Inducement Resolution", which is a non-binding resolution establishing only the HHFDC's intent to issue tax-exempt revenue bonds for a project. Its passage only facilitates further discussions and negotiations between HHFDC staff, the developer, the underwriter, bond counsel, and other appropriate parties to determine the feasibility of the contemplated project. Resolution No.163 neither commits nor obligates the HHFDC to issue the bonds. The HHFDC's Board must issue a second approval for the actual issuance, sale, and delivery of the bonds, which in turn must receive a final approval by the Department of Budget and Finance and the Governor.

The commencement of construction for Phase 1A remains highly dependent on City Department of Planning and Permitting's (DPP) approval of the Superstructure Permit and Building Permit. Neither permit has been received. Permit sequencing is further complicated by the need for a

separate subdivision approval. This subdivided parcel is necessary to document the HPHA ground lease that will govern the use of the land for Phase 1A. It will also provide first lien priority collateral for bond financing and second lien priority collateral for the RHRF loan. RHF submitted the subdivision application for Phase 1A to DPP on May 5, 2022.

The HPHA has not been immune from the toughening economic conditions affecting affordable housing projects statewide. The COVID-19 pandemic, increased construction costs, a tightening labor market, and permitting delays have all hampered the Authority's operations and its ability to meet certain goals. RHF submitted a request to the HHFDC to extend the deadline to commence construction and encumber the RHRF loan to August 2023. The HHFDC Board approved RHF's request at its June 2022 meeting by extending the deadline to August 25, 2023. RHF will submit a separate request to extend HHFDC Resolution No. 163 to the same deadline date. On October 05, 2022, the Honolulu City Council also approved Resolution 22-225, CD1, FD1, which extended its own deadline to commence construction to May 5, 2024.

Kuhio Park Terrace Low Rises/Kuhio Homes

In 2011, the HPHA entered into a public-private housing partnership with the Michaels Development Company (MDC) to redevelop the Kuhio Park neighborhood in Kalihi, just west of downtown Honolulu. The partnership applied for and received a Choice Neighborhood Initiative (CNI) Planning Grant which funded a master planning study for the site. Utilizing a combination of private funds, LIHTC, and other capital resources, the partnership completed the first phase of its Transformation Plan which involved a \$125 million revitalization of the Towers at Kuhio Park Terrace, a 555- unit housing development consisting of two 16-story high-rise buildings.

The first phase undertook major capital repairs and interior and exterior work. New spaces for resident activities and services included expanded laundry facilities, a health center, a family library, social service and training-educational spaces, fitness and technology centers, and hospitality suites.

As for the remaining phases, the HPHA's Board approved a restated and amended Master Development Agreement (MDA) between the HPHA and MDC on June 25, 2020. Under the amended MDA, both the HPHA and MDC will redevelop 174 existing units into additional public housing and new affordable units.

Contracts have been finalized and executed, and the updated master planning and schematic designs have been completed. Environmental Review efforts are underway, and the City & County of Honolulu passed Resolution 22-240, CD1, FD1 to approve the 201H Zoning and Entitlement application which provides over \$10M in exemptions.

Mayor Wright Homes

The HPHA has worked with an architectural firm to complete several potential gross massing designs for the project based on the existing master plan. The gross massing design will inform the final 201H-38 zoning and entitlement application for the project and will be presented for comment during the public engagement phase. The procurement process for a new development partner is now underway.

Despite these setbacks and disagreements with the previously contracted developer for Mayor Wright Homes, the HPHA continues to push this project forward with the utmost urgency. The HPHA recently met with a HUD Repositioning Assistance Panel, which included members of HUD's Office of Recapitalization, Special Application Center, and Honolulu Field Office. The purpose of the meeting was to discuss the potential utilization of Rental Assistance Demonstration (RAD) conversion and Section 18 Demolition/Disposition at Mayor Wright Homes.

Hawaii County

On September 29, 2020, the HPHA and the County of Hawaii submitted a CIP TOD Planning Grant proposal to the State Office of Planning and the Hawaii Interagency Council for Transit-Oriented Development for its Lanakila Homes property, south of downtown Hilo. On October 8, 2020, the proposal was awarded \$550,000 grant.

The HPHA has a grandfathered right to re-build 62 federally-subsidized public housing units that formerly occupied the site. These units will serve the nearby families with incomes at or below 30% of the Area Median Income. As part of the redevelopment project, the HPHA also plans to incorporate an additional 60 to 75 affordable, workforce and/or market-rate units. The grant award will be used to fund a new master plan that addresses site conditions and new internal streets needed to comply with the County of Hawaii's Standards and Complete Streets Program. The new master plan will also examine proposed building densities, an appropriate demographic mix, and infrastructure requirements.

As the County of Hawaii moves forward with its Complete Streets Program and plans for a multi-modal transportation system, the HPHA is considering how best to incorporate adjacent streetscapes that provide "first and last mile" walking and bicycling opportunities. These improvements will allow for greater access to future bus routes along Moho`uli and Kino`ole Streets and may include sidewalk infilling, installation of bike lanes, curb extensions, and creating safe crossing zones and additional bus stops.

Maui County

The HPHA submitted a proposal to the State Office of Planning for a CIP Transit-Oriented Development Planning Grant for its Kahekili Terrace property, located in the Wailuku Redevelopment District on Maui. Although the project was not awarded the planning grant, the

property was added to the State's Strategic Transit-Oriented Development Plan. This better positions the property for future grant and funding opportunities.

Kauai County

The HPHA and the County of Kauai continue to discuss a cooperative development to pursue affordable housing opportunities. No concrete proposals have been agreed upon at this time.

Rental Assistance Demonstration (RAD)

The Rental Assistance Demonstration (RAD) Program is a HUD-administered housing program established under the Consolidated and Further Continuing Appropriations Act in 2012. The purpose of the RAD Program is to provide public housing agencies (PHA) a set of tools to address the unmet capital needs of deeply affordable, federally-assisted rental housing properties while maintaining both the viability of the properties and their long-term affordability. The RAD Program also simplifies federal oversight of a property and allows PHAs to leverage public and private debt and equity to reinvest into their housing stock.

Under the RAD Program, public housing units are converted to a project-based Section 8 platform with a long-term contract that, by law, must be renewed. This ensures that the converted units remain permanently affordable to low-income households. Residents who occupy public housing units converted under RAD continue to pay 30% of their income toward rent while maintaining the same basic rights they possessed in the public housing program. The RAD program is cost-neutral and does not increase HUD's budget; the program simply shifts units and funding from the public housing program to the Section 8 Project Based Voucher Program. Any resident relocations caused by a RAD conversion must be carried out in compliance with the Uniform Relocation Act, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and Section 504 of the Rehabilitation Act of 1973.

The HPHA submitted a letter of interest to HUD in May 2017 requesting approval for RAD conversion of three properties with a total of 885 public housing units:

1. Mayor Wright Homes, with 364 units;
2. Kuhio Park Terrace (KPT) Towers, with 347 units; and
3. Kuhio Homes and Low-Rises, for 174 units.

On May 25, 2018, HUD notified the HPHA that it may submit RAD applications for the three properties based on its position on the waitlist. The HPHA received approval from its Board of Directors on August 20, 2018 to submit its applications. On October 25, 2018, HUD selected the HPHA to participate in the RAD program for these three properties.

With respect to KPT Towers, the HPHA and the Michaels Development Company (MDC) continue to make progress with the RAD conversion. A final Environmental Assessment (EA), which documents compliance with CFR 24 Part 58, has been completed and was submitted to the

Governor's Office (as the certifying officer for Responsible Entity). The EA was accepted by the Governor on December 04, 2020. A "Concept Call", which is a prerequisite for submitting a proposed financing plan for the transaction, was organized by HUD's Office of Recapitalization and the HUD Honolulu Field Office on October 1, 2020. The HPHA's Development Office provided an overview and history of the property, the proposed transaction, and the current status of its RAD conversion effort. Following the Concept Call, HUD invited the HPHA to submit a financing plan for the KPT Towers conversion. Once the financing plan was reviewed and approved, the HPHA received a RAD Conversion Commitment (RCC) from HUD.

Kuhio Homes and Low-Rises will be converted at a later date as part of a multi-phase RAD application. The HPHA has until September 30, 2024 to submit a RAD application for these properties, but only after completing a master planning process that includes community engagement, an environmental impact statement, adherence to NEPA requirements, and the finalizing of phasing and financing plans. A RAD application for these will be submitted once all pre-requisites are met.

HUD Moving to Work Designation

The HPHA was accepted into HUD's MTW Demonstration Program Expansion in early 2022 as part of the Landlord Incentive Cohort. Phase 1 of the HPHA's MTW designation will focus on implementing three new incentives for the Section 8 program meant to increase landlord participation:

1. Vacancy Loss Payments. The HPHA will pay a landlord up to one month of contract rent as reimbursement for the time a unit spent vacant in between Section 8 participants.
2. Initial Inspection Flexibilities. The HPHA will waive the requirement for an initial inspection prior to the start of tenancy if the dwelling unit (1) is less than five years old, (2) passed a Housing Quality Standard or equivalent inspection in the last three years, or (3) is in a census tract with a poverty rate of ten percent or less.
3. Signing Bonus Payments. The HPHA will provide a "signing bonus" of up to one month of contract rent to incentivize new landlords to join the Section 8 program.

The HPHA is also awaiting HUD approval of an additional Agency-Specific Waiver submitted through its FY 23 MTW Supplement:

4. Alternative Accommodations Transfer Program. The HPHA will offer a Section 8 voucher to qualified households on the public housing transfer waitlist. Households with approved reasonable accommodation requests may transfer after six months. Households with a member qualifying under the Violence Against Women Act (VAWA) may transfer immediately.

C. Identify programs that have lost or at risk of losing federal funds. Identify the source of these federal funds by federal award title and CFDA number. Discuss the impact to the public and your planned response, including efforts to supplant any federal fund reductions for the current year (FY23) and the upcoming fiscal year (FY24) with other funds.

N/A.

D. Provide a web link (URL) of the reports to the Legislature on non-general funds under your department pursuant to HRS 37-47.

http://www.hpha.hawaii.gov/reportsstudies/reports/HPHA%20FY22%20Annual%20Report_12-28-22.pdf

E. Explain the process used to develop the agency's budget and prioritize requests for budget changes.

The Executive Director meets regularly with the HPHA's Chief Financial Officer and all Branch Chiefs to discuss, plan, and formulate the agency's operating and CIP budget request. Ensuring that our residents have a safe, decent, and sanitary living environment, as required under HUD's Real Estate Assessment Center inspection system remains the HPHA's highest priority. The HPHA is making a concerted effort to keep units occupied with minimal vacancy time between tenants; remove hazardous materials such as lead-based paint, asbestos, contaminated soils, etc.; upgrade potentially dangerous or failing infrastructure such as electrical, gas, plumbing and sewer systems; maintain the structural safety of aged buildings that are starting to deteriorate by repairing badly cracked and spalling concrete; install fully operational elevators especially for the elderly population; upgrade fire alarm systems and add sprinklers as determined by the new Fire Code; add hard cost security measures such as installing or strengthening fences; add security cameras and monitoring systems; upgrade site lighting; and upgrade keyed doors to electronic FOB based technology for the tower buildings to help ensure a living environment safe from criminal activities.

The HPHA Board of Directors also assigns a Financial Taskforce to conduct review of the budget request to ensure conformity with the Agency's mission and all applicable laws, rules, and regulations. The results of this review are submitted for approval to the Board for approval along with any public comments received. In an effort to properly manage its aging public housing inventory, the HPHA has established partnerships with outside planning, architecture, and engineering firms to perform routine point-in-time physical needs assessments at all HPHA properties that will help to prioritize future projects.

HMS 220 – Rental Housing Services (Public Housing)

I. FY 24 CIP Appropriation (\$10,000,000) for Public Housing Development, Improvements, and Renovations Statewide

The majority of all HPHA CIP projects are for public housing rehabilitation or modernization, as opposed to new construction. The HPHA is federally required to maintain its public housing units in a safe, decent, and sanitary condition. Federal funding is also provided to the HPHA based on the number of occupied units. Priority is given to those CIP projects that address health and safety issues, such as site improvements, ADA compliance, and major interior modernization. The HPHA follows the federally-mandated Physical Needs Assessment process at all of its properties. This enables the HPHA to better assess the capital needs of its entire public housing portfolio and track the status of all CIP projects.

Over the last fiscal year, the HPHA completed 13 design and construction projects (capitalized) at public housing properties statewide for a total of **\$17,063,817**:

- 8/3/2021 – **Lanakila Homes** – Exterior Lighting and Security Improvements; Des: InSynergy, \$61,866 CIP; Const: Paul’s Electric, \$602,700 (\$352,700 CIP, 250,000 CFP)
- 8/25/21 – **Lanakila Homes** – Ph IIB & IV A, Demo vacant buildings, build new 16 units in 4 buildings. Des: INK Arch \$816,710 (\$767,932 CIP, \$48,778 CFP); Const: Constructors Hawai‘i, \$9,385,281 (\$8,227,178 CIP, 1,158,103 CFP)
- 8/30/21 – **Kawailehua (State)** – AMP 38 Infrastructure & Site Improvements; Des: Mitsunaga, \$29,312 (CIP); Const: Diede Construction, \$173,593 (CIP)
- 8/30/21 – **Kawailehua (Federal)** – AMP 38 Infrastructure & Site Improvements; Des: Mitsunaga, \$31,485 (CIP); Const: Diede Construction, \$138,483 (CIP)
- 8/30/21 – **Kalaheo Homes** – AMP 38 Infrastructure & Site Improvements; Des: Mitsunaga, \$29,357 (CIP); Const: Diede Construction, \$40,763 (CIP)
- 8/30/21 – **Hale Ho`onanea** – AMP 38 Infrastructure & Site Improvements; Des: Mitsunaga, \$67,955 (CIP); Const: Diede Construction, \$465,703 (CIP)
- 9/22/21 – **David Malo** ADA Improvements and Kahekili Terrace Burnt Unit Renovations - Des: MGA Architects, \$59,651 (CIP); Const: Central Construction, \$379,675 (CIP)
- 11/5/21 – **Mayor Wright Homes** – Electrical Upgrade – Des: In-House; Const: Ted’s Wiring, \$880,654 (CIP)
- 11/8/21 – **Ho`olulu** – Modernization to 2 State Elevators & Maintenance Services; Des: Elevator Consultant Services \$52,044 (CIP); Const: Heidi & Cook, \$496,244 (CIP), Maintenance: Heidi & Cook, \$18,599 (Project Funds)
- 12/17/21 – **Various HPHA Towers** – Upgrade to Ventilation Systems; Des: InSynergy, \$318,888 (CIP); Const: Commercial Sheetmetal, \$654,719 (CIP)
- 1/3/22 – **Kamalu** – Modernization to 2 State Elevators & Maintenance Services; Des: Elevator Consultant Services \$52,044 (CIP); Const: Heidi & Cook, \$496,244 (CIP), Maintenance: Heidi & Cook, \$18,599 (Project Funds)

- 1/21/22 – **Kapa`a – Electrical Upgrade** – Des: INK Arch, \$41,766 (CIP); Const: Paul’s Electric, \$407,700 (CIP)
- 3/8/22 – **Spencer House – Stairs Replacement and Lead-Based Paint Removal**: Des: Hawai`i Engineering Group, \$47,251 (CIP); Const: CC Engineering & Construction, \$566,532 (CIP)

The HPHA is aware of the many competing interests in need of additional support during these trying times. The HPHA humbly requests that this funding be made available to help provide safe and decent housing to our community’s lowest-income families.

HMS 222 – Rental Assistance Services (Section 8)

I. Add General Funds (\$500,000) to Maintain the Current Rent Supplement Subsidies for the State Rent Supplement Program

The RSP is a State-funded rental assistance program. It was established to assist middle-income families above the poverty threshold, but still struggling to afford the high cost of living in Hawaii. The program was originally designed to assist teachers, policemen, and firemen, but was later amended to include the general public. The RSP has a maximum monthly rental subsidy of \$500. As of December 2022, the RSP is helping 198 participating households remain housed. The program is facing a deficit of approximately \$500,000 for the upcoming fiscal year, and if funding is available, will pull names off of the recently opened waitlist. Continued funding of the RSP will be critical to helping families that are at-risk of homelessness to remain housed and financially secure.

F. Identify and discuss significant adjustments contained in the budget request submitted to the legislature. Explain and quantify how significant requests for additional funds are expected to affect outcomes.

I. CIP Appropriation (\$10,000,000) for Public Housing Development, Improvements, and Renovations Statewide

The purpose of this request is to protect the assets and residents of the HPHA. Both the federal and state public housing programs are historically underfunded. Many buildings are in need of major repairs and renovation, while some dwelling units have been rendered completely uninhabitable. This appropriation would enable the HPHA to:

1. Improve the health and safety of the housing provided to existing residents;
2. Protect the physical assets of the HPHA’s public housing inventory from further deterioration, thereby reducing future expenditures on rehabilitation or new construction;
3. Ensure compliance with federal property requirements and condition standards; and
4. Beautify the neighborhoods where public housing is located.

The repairs, maintenance, improvements, and renovations this appropriation would allow for vary in nature. Work will include, but not be limited to, installing fire sprinklers and other safety systems; repairing gas lines; HAZMAT abatement; upgrading electrical, plumbing, and sewer systems; and improving accessibility and security at multiple properties. Building exterior work will include, but not be limited to, painting; concrete spall repair; roof repairs; solar water repairs/replacement; weatherproofing; and other physical improvements. Building interior work will include, but not be limited to, general renovation work; major modernization; interior repairs; termite repair and treatment; and painting. Site work will include, but not be limited to, landscaping; tree removal; tree trimming; drainage improvements; termite treatment; sidewalk repair; and foundation repair.