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ADMINISTRATIVE AND RESEARCH OFFICE
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 HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
ON
SENATE BILL NO. 2647, S.D. 2

March 11, 2020
2:00 p.m.
Room 329

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. 2, 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 undetermined amounts in general funds and special funds for FY 21 to be deposited into and expended out of the LIPSF, respectively.

As a matter of general policy, 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. 2, 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.

SB-2647-SD-2

Submitted on: 3/10/2020 12:35:37 PM

Testimony for CPC on 3/11/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian I. Hauser	Aloha Independent Living Hawai'i	Support	No

Comments:

Aloha Rep. Roy M. Takumi, Chair and members of the Committee on Consumer Protection & Commerce.

Aloha Independent Living Hawaii serves people with disabilities throughout the state of Hawaii. We assist many of our clients with their housing goals. Many of our clients rely on the Section 8 choice voucher program to subsidize their rent. Our hope is that these funds can serve as an incentive to landlords throughout the state.

We support this bill on its own merit as an incentive for landlords to rent to voucher holders.

We also support this bill as a step toward lawful source of income legislation. As you are aware landlords can legally discriminate against voucher holders by stating "not HUD approved" or "No Section 8". Often people with mobility issues and other disabilities are in need of accessible apartments only to be blocked from even being considered a prospective tenant.

Mahalo for allowing me to testify.

Brian I. Hauser

Advocacy Coordinator

Aloha Independent Living Hawaii

SB-2647-SD-2

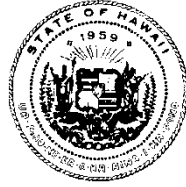
Submitted on: 3/9/2020 7:52:43 PM

Testimony for CPC on 3/11/2020 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Willie-Joe Camara	Individual	Oppose	No

Comments:

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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE

Wednesday, March 11, 2020
2:00 PM - Room 329, Hawaii State Capitol

In consideration of
SB 2647, SD2
RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY

Honorable Chair Takumi and Members of the House Committee on Consumer Protection & Commerce, thank you for the opportunity to provide testimony concerning Senate Bill (SB) 2647, SD2, relating to the Hawaii Public Housing Authority.

The Hawaii Public Housing Authority (HPHA) supports SB 2647, SD2, 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 have interviewed several applicants in the past week.

In light of the State Auditor's Analyses of Proposed Special and Revolving Funds 2020 stating that the current bill does not satisfy the criteria for establishing a special fund, the HPHA would not object to amending the bill to be a general fund appropriation with the following language:

There is appropriated out of the general revenues of the State of Hawaii the sum of \$450,000 or so much thereof as may be necessary for fiscal year 2020-2021 to the Hawaii public housing authority to reimburse landlords who participate in the Hawaii Public Housing Authority section 8 housing choice voucher program for repair costs of tenant-caused property damage when such repair costs exceed the tenant's security deposit.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding SB 2647, SD2. We thank you very much for your dedicated support.

March 11, 2020

The Honorable Roy Takumi, Chair

House Committee on Consumer Protection & Commerce
State Capitol, Room 329
Honolulu, HI 96813

RE: S.B. 2647, SD2, Relating to the Hawaii Public Housing Authority

HEARING: Wednesday, March 11, 2020, at 2:00 p.m.

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i, and its over 10,000 members. HAR **supports** S.B. 2647, SD2, which establishes the landlord incentive program special 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.

In November 2015, HAR worked with the State, City and County of Honolulu, and various social service providers to host a Landlord Summit. The goal was to educate landlords on the various government and social service programs that are available. Since then, REALTOR® Associations on Maui, Kaua'i and Hawai'i Island have hosted their own summits.

Through the process, it is clear that there is a great need for both affordable housing and rentals and that efforts that encourage landlords to participate in the Section 8 Program were also needed. As such, HAR believes that this helps to encourage landlords to participate in the program.

Mahalo for the opportunity to testify.