

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII

HAWAII PUBLIC HOUSING AUTHORITY
1002 NORTH SCHOOL STREET
POST OFFICE BOX 17907
HONOLULU, HAWAII 96817

Statement of
Hakim Ouansafi

Hawaii Public Housing Authority
Before the

HOUSE COMMITTEE ON HOUSING

Tuesday, February 3, 2022

9:30 AM – Via Videoconference – Room 423, Hawaii State Capitol

In consideration of

HB 1752

RELATING TO HOUSING

Honorable Chair Nakamura and Members of the House Committee on Housing, thank you for the opportunity to provide testimony concerning House Bill (HB) 1752, relating to housing.

The Hawaii Public Housing Authority (HPHA) **supports** the enactment of HB 1752. Part I prohibits negative advertising relating to source of income for available rental units and provides potential tenants with remedies against a landlord for a violation of the prohibition. Part II requires the HPHA to adopt rules without regard to chapter 91, Hawaii Revised Statutes (HRS), to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the U.S. Housing Act of 1937. Part III requires that the HPHA adopt rules to establish a minimum of fifteen days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program.

One of the programs in which the HPHA assists our low-income families is through the Section 8 Housing Choice Voucher Program, also known as "Section 8 HCV". The Section 8 HCV program is one of the federal government's major programs for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market, including single-family homes, townhouses and apartments. This program currently brings \$44.70 million dollars a year primarily on the island of Oahu, supports over 3,200 families and over 11,200 individuals.

Because of the much-anticipated appropriation of additional federal funding currently being negotiated in Congress, and the overwhelming need in our community to assist our low-income

families, we are hopeful that with the passage of this measure, our current and future Section 8 HCV participants will be considered as tenants and given a chance to apply for vacant rental units in the private market.

In the last few years, the HPHA received feedback that many landlords advertise “No Section 8” and refuse to consider Section 8 participants because they believe that they will not be good tenants. After launching a “lease in place” preference at the end of 2020, we were surprised to learn that many landlords did not want to participate in the Section 8 program even though their current renters had been with them for many years. We discovered that many landlords prefer cash payments for tax purposes. While some landlords that currently participate in the Section 8 program have legitimate concerns that we’ve addressed, other landlords still refuse to consider Section 8 participants because of the stigma that they are not good tenants, and/or they prefer, due to cash advantages, cash payments instead of receiving the 1099 that we are required to send.

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 incentives program fund will certainly make a difference in the lives of our most disadvantaged families by assisting them find suitable permanent housing.

In October of 2021, the HPHA applied for the last spot available nationwide for large public housing authorities to join the “Moving to Work” (MTW) Demonstration Program expansion – Landlord Incentives Cohort with the U.S. Department of Housing and Urban Development (HUD). The MTW designation would allow the HPHA the flexibility to use its currently restrictive federal funding to increase economic self-sufficiency and prosperity, create innovative local solutions to address unique needs in Hawaii, and would increase housing choices for low-income families in Hawaii.

The HPHA’s application would seek to implement 3 landlord incentives:

1. Provide a landlord up to 1 month of contract rent as reimbursement for the time the unit spent vacant in between Section 8 participants.
2. Provide a landlord up to 1 month of contract rent as reimbursement for the time the unit spent vacant when the previous tenant was not a Section 8 participant.
3. Provide an incentive payment, or “signing bonus”, of up to 1 month of contract rent to incentivize landlords to join the Section 8 program.

On January 27, 2022, the HPHA received an award letter from HUD indicating that the HPHA was selected for admission to HUD’s Landlord Incentives Cohort of the MTW Demonstration Program. The HPHA believes that the proposed landlord incentives will be an extremely useful tool that will allow the HPHA to increase the effectiveness of administering the Section 8 program.

The HPHA accepted the designation and anticipates that it will take approximately 1 year to complete its MTW plan and officially roll out the landlord incentives. With the creation of these landlord incentives, combined with the needed positions to administer unit inspections within 15 days, the HPHA will be able to provide these landlord incentives right away, and then be able to use its federal funds to serve more families.

The Section 8 HCV program is an important part of the State's efforts in addressing the affordable housing needs of our low-income families. All families go through a criminal background, sex offender and Homeland Security screenings before being given a voucher to pursue a rental unit, and the HPHA is willing to work and assist all landlords that would like to participate in the program.

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



HAWAI‘I CIVIL RIGHTS COMMISSION

830 PUNCHBOWL STREET, ROOM 411 HONOLULU, HI 96813 · PHONE: 586-8636 FAX: 586-8655 TDD: 568-8692

February 3, 2022, 9:30 a.m.
Via Videoconference
Conference Room 423

To: The Honorable Nadine K. Nakamura, Chair
The Honorable Troy N. Hashimoto, Vice Chair
Members of the House Committee on Housing

From: Liann Ebesugawa, Chair
and Commissioners of the Hawai‘i Civil Rights Commission

Re: H.B. No. 1752

The Hawai‘i Civil Rights Commission (HCRC) has enforcement jurisdiction over Hawai‘i’s laws prohibiting discrimination in employment, housing, public accommodations, and access to state and state funded services. The HCRC carries out the Hawai‘i constitutional mandate that no person shall be discriminated against in the exercise of their civil rights. Art. I, Sec. 5.

The HCRC supports Part I of H.B. No. 1752. Part I of the measure prohibits negative advertising relating to source of income for available rental units and provides potential tenants with remedies against a landlord for a violation of the prohibition. **The HCRC has not taken a position on Parts II and III of the bill, deferring to the Hawai‘i Public Housing Authority on the need and justification for those parts.** Part II requires the Hawaii public housing authority to adopt rules without regard to chapter 91, Hawaii Revised Statutes, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice

voucher program under section 8 of the United States Housing Act of 1937. Part III requires that the Hawaii public housing authority adopt rules to establish a maximum of fifteen days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program.

In recent years a number of states and municipalities have enacted laws prohibiting discrimination in housing based on lawful source of income, including Section 8 vouchers as a source of income. Courts have held that these state and local laws are not preempted by federal Section 8 law (which states that participation in the Section 8 program is voluntary), and that the burden of participating in the Section 8 program is not onerous.

As the COVID-19 pandemic continues, its economic repercussions continue to affect income and housing. In this crisis, it is even more important to prohibit rental discrimination based on source of income.

The HCRC has supported bills in the past which prohibit discrimination based on participation in a housing assistance program, or receipt of other legal source of income, specifically those that have placed the new prohibited practice(s) in a new chapter of the HRS, with enforcement through direct civil action and appropriate remedies. Although this bill stops short of that, only prohibiting negative advertising relating to source of income, and is placed in the Landlord-Tenant Code, it is a step in the right direction, and the **HCRC supports Part I of H.B. No. 1752.**

HB-1752

Submitted on: 2/1/2022 5:06:27 PM

Testimony for HSG on 2/3/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Robin Wurtzel	Hawai`i Civil Rights Commission	Support	Yes

Comments:

Our agency, Hawaii Civil Rights Commission, submitted testimony. William Hoshijo submitted written testimony on behalf of our Chair, Liann Ebesugawa. I will be testifying at the hearing on behalf of Chair Ebesugawa.

DAVID Y. IGE
GOVERNOR



EXECUTIVE CHAMBERS
HONOLULU

February 3, 2022

TO: The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **HB 1752 – RELATING TO HOUSING.**

Hearing: Thursday, February 3, 2022, 9:30 a.m.
VIA VIDEO CONFERENCE

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this bill and respectfully offers comments regarding Part I, supports Part II, and defers to the Hawaii Public Housing Authority (HPHA) regarding Part III.

If this measure proceeds, the Coordinator requests that its passage not replace or adversely impact priorities indicated in the executive budget request.

PURPOSE: The purpose of Part I of this bill is to prohibit negative advertising relating to source of income for available rental units and provides potential tenants with remedies against a landlord for a violation of the prohibition. Part II requires HPHA to adopt rules without regard to chapter 91, Hawaii Revised Statutes, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937. Part III requires the HPHA to adopt rules to establish a maximum of fifteen days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program. The bill also makes appropriations for Parts II and III.

According to feedback from service providers, many landlords are reluctant to rent to individuals who receive housing assistance through a Section 8 Housing Choice Voucher or other housing assistance programs. Numerous advertisements for housing specifically state

"No Section 8" or "No Vouchers." The stories and feedback related to source of income discrimination and challenges related to finding landlords open to housing assistance are captured online in interviews with landlords, service providers, and homeless individuals at: <https://homelessness.hawaii.gov/landlord-engagement>. This bill attempts to address the identified challenges through a combination of regulating advertisements for rental housing, implementing targeted incentives for landlords, and establishing timeframes for unit inspections required for the HPHA Section 8 program.

Part I of this bill prohibits and establishes penalties for rental advertisements that explicitly state "No Section 8" and include similar language. However, Part I does not include similar explicit prohibitions and penalties for landlords that deny a potential tenant's application based solely on source of income and participation in a housing assistance program. As currently drafted, a landlord may refuse to rent to Section 8 participants and is prohibited from making this clear to potential tenants, while potential tenants may apply without knowing the application will not be considered. In this scenario, the potential tenant is adversely impacted. It may be more difficult for the tenant to locate a rental unit within the short timeframe provided by Section 8, typically 60- or 90- days. If this measure proceeds, the Legislature may consider amending Part I to include more explicit language to prohibit denial of a rental application based upon source of income, as well as clear penalties to disincentivize such actions.

The Coordinator notes there are other measures in consideration that address discrimination based upon source of income, including two administration bills – [SB1135 SD1](#) and [HB981 HD1](#) – that carried over from the 2021 session. A similar measure, [SB206 SD2](#), recently passed out of the Senate Judiciary Committee and is scheduled for Third Reading in the Senate.

Regarding Part II, the Coordinator notes that other housing programs, such as the State and City Housing First programs and Partners in Care's Oahu Housing Now (OHN) program, include similar incentives to encourage greater landlord participation. For example, the State and City Housing First programs include damage mitigation payments for landlords. The Partners in Care OHN program offers additional incentives, such as a 24-hour landlord support

line, a two-month lease bonus, and up to \$3,000 for damage mitigation. The inclusion of landlord incentives in OHN enabled the program to house 287 households (750 individuals) since April 2021.

The need to encourage increased landlord participation in housing assistance programs is critical given the ongoing COVID-19 pandemic and its impacts on low-income households. In January 2021, the Economic Roundtable released a report that projected the pandemic recession would increase chronic homelessness in the United States by 49% over the next four years. Similarly, historical data for the statewide homeless Point in Time (PIT) count also indicates that demand for homeless services is likely to increase in the wake of the current economic recession. Following the last significant downturn in 2009, the statewide PIT count increased 37% between 2009 and 2016. A combination of landlord incentives and the implementation of policies to discourage source of income discrimination will be helpful tools to reduce upfront barriers that prohibit low-income families from accessing existing rental housing and housing assistance.

The Coordinator understands reducing upfront barriers to rental housing is just one piece of a more comprehensive effort to address homelessness and housing instability. In addition, the Hawaii Interagency Council on Homelessness (HICH) – a 27-member advisory council chaired by the Coordinator - has prioritized low-income housing development for individuals transitioning out of homelessness, the scaling of shallow rental subsidies, and the expansion of programs that assist key homeless sub-populations (e.g., unsheltered youth, adults with severe mental illness, etc.). For more information about the 2022 HICH policy priorities, visit: <https://homelessness.hawaii.gov/advocacy>.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

GLORIA CHANG
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

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 HOUSING
ON
HOUSE BILL NO. 1752

February 3, 2022
9:30 a.m.
Room 423 and Videoconference

RELATING TO HOUSING

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 1752: 1) amends Chapter 521, HRS, to prohibit landlords from utilizing advertisements that explicitly discourage potential tenants from applying due to their intended source of funding for rent and to set penalties and remedies for violations; 2) amends Chapter 356D, HRS, to require the Hawai'i Public Housing Authority (HPHA) to adopt rules to expand incentives for landlords participating in or initially joining the Section 8 Housing Choice Voucher Program to include reimbursements for eligible unit vacancy periods and signing bonuses and to set requirements for reimbursements for tenant-caused property damage when the repair costs exceed the security deposit as authorized by Act 215, SLH 2019; 3) requires HPHA to adopt rules to establish that a reasonable time within which to inspect a Section 8 landlord's property after receiving a request for inspection will be a maximum of 15 days; 4) appropriates an unspecified amount of general funds for HPHA in FY 23 to provide expanded incentives to Section 8 landlords; and 5) appropriates \$360,500 in general funds for HPHA in FY 23 to hire 2.00 permanent Housing Quality Standards Inspector II positions and 3.00 permanent

Public Housing Specialist II positions to support the Section 8 Housing Choice Voucher Program.

B&F notes that, with respect to the general fund appropriations in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D.
DIRECTOR OF HEALTH

STATE OF HAWAII
STATE COUNCIL
ON DEVELOPMENTAL DISABILITIES
PRINCESS VICTORIA KAMĀMALU BUILDING
1010 RICHARDS STREET, Room 122
HONOLULU, HAWAII 96813
TELEPHONE: (808) 586-8100 FAX: (808) 586-7543
February 3, 2022

LATE

The Honorable Representative Nadine K. Nakamura, Chair
House Committee on Housing
The Thirty-First Legislature
State Capitol
State of Hawai'i
Honolulu, Hawai'i 96813

Dear Representative Nakamura and Committee Members:

SUBJECT: HB1752 Relating to Housing

The Hawaii State Council on Developmental Disabilities offers comments on **HB1752** which prohibits negative advertising relating to source of income for available rental units and provides potential tenants with remedies against a landlord for a violation of the prohibition. Part II requires the Hawaii public housing authority to adopt rules without regard to chapter 91, Hawaii Revised Statutes, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937. Part III requires that the Hawaii public housing authority adopt rules to establish a maximum of fifteen days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program.

The Council appreciates the intention of this bill and fully supports part II and part III of this bill. However, it was brought to our attention that part I targets rental discrimination against Section 8 vouchers specifically for advertisements. If discrimination is only targeted at an advertisement level, it may result in a worse experience for our community members who utilize Section 8 vouchers. While landlords would not be able to refuse to show the rental unit to a Section 8 voucher holder, their intention not to rent to them would still hold. This would result in false hope for the individual and possible money spent on an application with no real chance of getting the rental.

Thank you for the opportunity to submit testimony regarding **HB1752**.

HB1752 Relating to Housing

February 3, 2022

Page 2 of 2

Sincerely,



Daintry Bartoldus

Executive Administrator

TESTIMONY IN SUPPORT OF HB 1752

TO: Chair Nakamura, Vice Chair Hashimoto, & Committee Members

FROM: Nikos Leverenz
Grants & Advancement Manager

DATE: February 3, 2022 (9:30 AM)

Hawai'i Health & Harm Reduction Center (HHRC) supports HB 1752, which provides incentives for landlords who participate in government rental assistance programs, including the federal housing choice voucher program (Section 8). However, the bill should be modified to prohibit source of income discrimination in all real estate transactions, not just advertising. As the bill is currently written, it is foreseeable that income constrained Section 8 applicants will expend valuable dollars on application fees for rental opportunities that are foreclosed in fact, if not in form, to those supported with government resources.

This measure recognizes that many low-income persons and families who obtain needed assistance have great difficulty in finding and securing rentals in a perennially high-cost, low-supply housing landscape. This includes people living with HIV who receive federal housing assistance and are provided medical case management services by HHRC staff.

[Hawai'i should join the states of California, Connecticut, Colorado, Maryland, Massachusetts, New Jersey, New York, North Dakota, Oklahoma, Oregon, Rhode Island, Utah, Vermont, Virginia, and Washington, and the District of Columbia, in prohibiting rental discrimination based on income sources.](#)

HHRC Executive Director Heather Lusk currently serves as Board Chair of [Partners in Care O'ahu](#), a planning, coordinating, and advocacy alliance that develops recommendations for programs and services to fill needs within O'ahu's continuum of care for homeless persons. HHRC provides homeless outreach and housing placement navigation services in urban Honolulu and the Upper Windward Coast, including North Shore.

HHRC's mission is to reduce harm, promote health, create wellness, and fight stigma in Hawai'i and the Pacific. We work with many individuals impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those related to substance use and mental health conditions. Many of our program clients and participants have also been deeply impacted by trauma, including histories of physical, sexual, and psychological abuse.

Thank you for the opportunity to testify on this measure.



CATHOLIC CHARITIES HAWAI'I

COMMENTS FOR HB 1752: RELATING TO HOUSING

TO: House Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: **Thursday, 2/3/22; 9:30 AM; via videoconference**

Chair Nakamura, Vice Chair Hashimoto, and Members, Committee on Housing:

Thank you for the opportunity to provide COMMENTS on HB 1752, which would prohibit negative advertising re: source of income for rental units, and provide incentives for landlords and funding for staffing to improve the administration of the Section 8 program. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are also a member of Partners In Care (PIC).

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for 75 years. CCH has programs serving elders, children, families, homeless, and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Catholic Charities Hawai'i has a long history of working in the areas of affordable housing and homelessness.

We support the intent of this bill. We are concerned about Part 1, which only prohibits negative advertising. Besides focusing on negative ads, we need to clearly address all the levels of discrimination. The language is confusing and will put a greater burden on people who are searching for housing, as well as landlords who must respond to multiple calls from people desperate for housing. We hope to testify on HB 1826 which would establish a rental assistance pilot program so greatly needed for homeless elders. However, Kupuna who might be assisted by this rental assistance may continue to be blocked from housing by discrimination. Our Kupuna have worked long and hard to make Hawai'i the special place it now is. They and the many others faced with discrimination deserve a chance to be considered just as any other applicant, especially since they can offer stable rent payments to landlords.

CCH's Housing Assistance Program currently has 53 seniors who are over 62 on our urgent waitlist. The average age is 75 years old! They are often long term renters who have been displaced. K. cannot afford an increase in rent (\$1,200/month) and is afraid of becoming homeless. D's lease ended and could not afford a new rental due to low income, so is living in a van. C's brother died and the heirs want her out in a few months. These sad stories go on and on. **Their only hope is to obtain ongoing rental assistance. Please give them hope.** Please do not allow discrimination to continue to make so many elders face homelessness, when they have a solution in hand—stable rental assistance.

Catholic Charities Hawai'i **supports Parts II and III**, which would provide incentives to landlords and funding for staffing to improve the administration of Section 8. These would help to make housing subsidies advantageous to both tenants and landlords.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



PARTNERS IN CARE

Oahu's Continuum of Care

Our mission is to eliminate homelessness through open and inclusive participation and the coordination of integrated responses.

COMMENTS on HB 1752: RELATING TO HOUSING

TO: House Committee on Housing
FROM: Partners In Care (PIC)
Hearing: **Thursday, 2/3/22; 9:30 AM; via videoconference**

Chair Nakamura, Vice Chair Hashimoto, and Members, Committee on Housing:

Thank you for the opportunity to provide Comments on HB 1752, which would prohibit discrimination re: housing vouchers in advertising, provide incentives for landlords to utilize housing vouchers, and funding for staffing at the Hawaii Public Housing Authority to shorten the timeframe needed for inspection of unit. Partners In Care (PIC), a coalition of more than 60 non-profit homelessness providers and concerned organizations, works on Oahu to end homelessness.

Partners In Care works with landlords in our Oahu Housing Now program. We have successfully placed 286 families, as of January 2022, into permanent housing, many utilizing rental assistance programs. We have seen the benefits both to stabilize rents for the formerly homeless tenants and the landlords. However, we and all of our service providers also have a very difficult time helping holders of housing vouchers to actually find a landlord who will consider this valuable resource. For example, one homeless individual was issued a voucher in February 2021, and although they received multiple extensions and submitted multiple applications each week, were still unable to find a landlord willing to consider the housing voucher as of November 2021.

Honolulu remains one of the largest metropolitan areas in the United States that does not have a state or local prohibition on this practice, which may inadvertently be contributing to our high levels of housing insecurity. Our providers face barriers to placing individuals in permanent housing that other jurisdictions have removed.

Partners In Care supports the Intent of this bill. Hawai'i needs a bill that provides straightforward and clear language to both landlords and applicants. We are concerned that the current language is confusing and would create hardships for both applicants in their search and landlords to know what is allowed and not allowed. **Besides focusing on negative ads, we need to get to the root of the discrimination.** That may be hidden if we only focus on advertising. Our community can work on the landlord concerns like inspections, etc. but needs a level playing field for these voucher holders to access available rentals.

During the pandemic, more and more people have sought housing assistance and the tens of millions of Section 8 dollars and other subsidies have also supported landlords. The federal government responded to the pandemic by allocating hundreds of new Section 8 vouchers to the counties and state. Recently, Hawai'i received 700 new Housing Vouchers. If Hawai'i cannot use these vouchers, this valuable resource may be lost. Hawai'i needs to protect households with housing assistance from discrimination, allowing them to apply and be judged on the same tenancy qualifications as other applicants instead of being judged only on their participation in an assistance

program. It would not change the current standards of the industry and would allow landlords to verify income sources and evaluate prospective tenants like they would other tenants, including based on creditworthiness.

Partners In Care **supports Parts II and III**, which would provide incentives for landlords who accept these housing vouchers, and funding to shorten the inspection timeframe. We also want to support Hawaii's landlords who offer decent housing. These incentives and the effort to shorten the time it takes to complete inspections and start payments to landlords are also key to making Section 8 and other housing subsidies work for both applicants and landlords.

We cannot afford to lose these valuable housing subsidies. Even more so, if Congress approves more Section 8 funding in the future, our state must be ready to utilize these vouchers or possibly lose them.

Year after year, our housing crisis has worsened, and homelessness increased. The pandemic has revealed that housing stability is key for the future of our State. The State must encourage greater participation in comprehensive housing programs that stabilize our local families, help them compete with out-of-state renters, help sustain Hawai'i's middle class, and increase upward social mobility, while directly addressing Hawai'i's housing and homelessness challenges.



 | 808-733-7060

 | 808-737-4977

 | 1259 A'ala Street, Suite 300
Honolulu, HI 96817

February 3, 2022

The Honorable Nadine K. Nakamura, Chair

House Committee on Housing

Via Videoconference

RE: H.B. 2139, Relating to the Residential Landlord-Tenant Code

HEARING: Thursday, February 3, 2022, at 9:30 a.m.

Aloha Chair Nakamura, Vice Chair Hashimoto, 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 10,800 members. HAR **opposes** H.B. 1752 which, Part I prohibits negative advertising relating to source of income for available rental units and provides potential tenants with remedies against a landlord for a violation of the prohibition. Part II requires the Hawai'i Public Housing Authority ("HPHA") to adopt rules without regard to chapter 91, Hawai'i Revised Statutes, to establish specified incentives for landlords who participate in the tenant-based assistance housing choice voucher program under section 8 of the United States Housing Act of 1937. Part III requires that the HPHA adopt rules to establish a maximum of fifteen days after receipt of an owner's or landlord's inspection request as a reasonable time within which to inspect a dwelling unit for lease under the section 8 housing choice voucher program.

HAR believes that government subsidized housing assistance programs, such as Section 8, are an important part of our community's social safety net. However, the section 8 process mandates additional paperwork, inspections and processes, which is not required by other applicants. As a result, housing providers participating in section 8 often forfeit their first month's rent in addition to having to wait 3 months or longer for a subsequent rental check. While property managers may possess the experience and knowledge necessary to navigate safely through this process, it may be too complex, expensive and time consuming for the mom-and-pop housing providers.

HAR would note that government assistance housing programs are optional to participate in. As such, the focus should be on first providing incentives or removing barriers, such as those contained in this measure, to encourage housing providers to participate in these valuable programs.

Mahalo for the opportunity to testify.



COMMENTS ON HB1752: RELATING TO HOUSING

TO: Committee Chair, Vice-Chair and Members
FROM: Brandee Menino, CEO, Hope Services Hawai'i, Inc.
Hearing: HSG, 2-3-22 at 9:30

LATE

Aloha,

Thank you for the opportunity to provide input on HB1752, which addresses discrimination against prospective renters based on their voucher status.

As the CEO of Hawai'i Island's largest homeless service provider, I cannot emphasize enough how desperately we need to end rental income discrimination. **However, it is not clear whether HB1752 would fully outlaw actual discrimination, or only the mention of such discrimination in advertisements.** If this bill were to only outlaw the mention of discrimination in advertisements, it would leave our community in an objectively worse position than the status quo, where people searching for housing have no way to discern which homes featured advertisements would even be available to them. **Therefore we request the following amendments: 1) The full prohibition of discrimination based on a renter's housing voucher status, and 2) the enforcement of the prohibition of this practice through private civil action in court with damages that are high enough to dissuade the practice.**

Last year our housing team sounded the alarm that **rental housing discrimination is making it impossible to find housing for tenants who are employed, have a deposit, and are prepared to take care of their new home.** The team asked for help in educating landlords about renting to tenants on vouchers, in order to dispel pervasive myths, such as tenants on vouchers being destructive, and inspections being unreasonably difficult. Of course, we can (and do) share information to counter this narrative, such as recommendations from landlords we work with, and the entirely reasonable section 8 inspection checklist. But the reality is that **we cannot fix this problem on our own.** Many of the rental properties are owned by out-of-state landlords or Real Estate Investment Trusts, who'd be extremely difficult or impossible to persuade. The effort expended by our housing team in searching through ad after ad, only to find that the family they're working with won't even be given a chance to apply, is frustrating, demoralizing, and wasteful. It means that when our team could be taking their clients to view apartments, they are combing through Craigslist ads, only to find "No Hope Services" at the bottom of an otherwise promising listing. Instead of helping a family move into their permanent home, our team is calling a long list of realtors, begging them to make an exception. Instead of welcoming a disabled kūpuna living in a tent into a room in our emergency shelter, our team is pleading with property management companies, only to be told "the owner will not accept section 8."

As long as rental income discrimination remains legal, there will be a perception that it is acceptable, and no amount of education will change that. What's more, taxpayers are subsidizing this discrimination through



ADMINISTRATIVE OFFICE
357 Waianuenu Avenue
Hilo, HI 96720
phone: (808) 935-3050
fax: (808) 935-3794

BOARD OF DIRECTORS
President
Dean Au
Vice-President
Peter Hoffmann

Secretary
Patrick Hurney
Treasurer
Charlene Iboshi

Directors
Gwen DeCoito
David Kurohara
Anne Harpham
Rev. Robert Stark, SSS
Michael Stimson

EXECUTIVE LEADERSHIP
Chief Executive Officer
Brandee Menino



Inspiring Hope, Changing Lives

Visit us on the web: www.hopeserviceshawaii.org

Connect via email: info@hopeserviceshawaii.org

HOPE Help Line: 808-935-3050

the cost of government contracts that pay for the extra nights housing-ready families spend in shelters, and the extra labor our team does as they search for landlords willing to give our tenants a chance. With the rise in property purchases by out-of-state landlords paying above market value, this task is becoming a monumental challenge.

It's important to note that homelessness doesn't cut across society equally. Native Hawaiians and Pacific Islanders are disproportionately impacted, as are single mothers and others who are marginalized in society. As our Housing Locator, Matthew Ua, testified last year, "We all know that discrimination occurs based on an applicant's race, gender, disability, age, and religious beliefs, but it is my opinion, that what I've witnessed is discrimination based on a piece of paper that covers all the aforementioned categories."

Real estate in Hawai'i is like a pie--when a person owns a slice (or two or three slices) it means there is less available for everyone else. The very least we should be asking of landlords is to equally consider applicants who have the ability to pay the rent--whether they need a government subsidy or not. Therefore, **we respectfully request that you amend HB1752.**

Mahalo nui for your consideration.

Sincerely,

Brandee Menino,
Chief Executive Officer



ADMINISTRATIVE OFFICE

357 Waiianuenue Avenue
Hilo, HI 96720
phone: (808) 935-3050
fax: (808) 935-3794

BOARD OF DIRECTORS

President
Dean Au
Vice-President
Peter Hoffmann

Secretary
Patrick Hurney
Treasurer
Charlene Iboshi

Directors
Gwen DeCoito
David Kurohara
Anne Harpham
Rev. Robert Stark, SSS
Michael Stimson

EXECUTIVE LEADERSHIP

Chief Executive Officer
Brandee Menino



HAWAI' APPLESEED

CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

OPPOSE – HB1752 RELATING TO HOUSING

Conference Room 423 & Videoconference

Thursday, February 3rd, 2022 at 9:30 AM

LATE

Aloha Chair Nakamura, Vice Chair Hashimoto and committee members,

Mahalo for the opportunity to testify on HB1752. Although we *support the intent* of this measure, to expand rental housing access for voucher holders, we oppose this bill as written because it would provide voucher holders with *false hope* and the impression that their voucher will be accepted when in fact it will not.

PART I of this bill prohibits a landlord from “Negative advertising relating to source of income”, but it does NOT prohibit *the actual practice of discrimination* solely because a tenant uses a voucher.

This creates the scenario where a tenant spends time finding apartments that they assume will accept vouchers based on the advertisement and then more time applying for those apartments, only to find out that the landlord will not accept tenants with vouchers after all. Not only have they wasted their time, but the rejection and disappointment is worse than if they had simply been told to not apply.

If you were applying to work for a company and they were only going to hire people with a PhD wouldn't you rather know ahead of time? It saves time and energy to be clear from the beginning.

Voucher holders have a very difficult time finding housing in Hawaii. Every county's housing department will tell you that a significant portion – sometimes 50% or higher- of their voucher holders are not able to find a place to rent. People who have waited *years* for access a voucher are unable to find a home and sometimes even end up back on the street.

We must do more to help these voucher holders, but banning *only the advertisement* is not the solution. Instead we recommend adopting language similar to HB1390 which actually prohibits landlord discrimination solely based on a person's source of income. This is much more straightforward.

We do support Part II and Part III and if the committee wanted to move forward by keeping those two parts and removing the first part that would make this bill much more compelling.

Mahalo for taking this testimony into consideration.



HAWAI' APPLESEED
CENTER FOR LAW & ECONOMIC JUSTICE

Testimony of the Hawai'i Appleseed Center for Law and Economic Justice

OPPOSE – HB1752 RELATING TO HOUSING

Conference Room 423 & Videoconference

Thursday, February 3rd, 2022 at 9:30 AM

HB-1752

Submitted on: 2/1/2022 9:26:40 AM

Testimony for HSG on 2/3/2022 9:30:00 AM

Submitted By	Organization	Testifier Position	Remote Testimony Requested
Kenna Stormogipson	Individual	Comments	Yes

Comments:

This bill needs to be strengthened!

DAVID W.H. CHEE

Attorney at Law
1001 Bishop Street
ASB Tower, Suite 585
Honolulu, Hawaii 96813
Facsimile No. 808-208-8689

David W.H. Chee
Telephone: 808-539-1150
Email: dchee@dcheelaw.com

Christine S. Prepose-Kamihara
Telephone: 808-784-4963
Email: cprepose@dcheelaw.com

February 2, 2022

HOUSE COMMITTEE ON HOUSING
Rep. Nadine K. Nakamura, Chair
Rep. Troy N. Hashimoto, Vice Chair

RE: HBI752- RELATING TO HOUSING

I am an attorney who has practiced landlord-tenant law for 29 years in Hawaii.

I am generally in favor of this bill in that advertising “No Section 8” is commonly viewed as unwelcoming to those seeking to find a landlord who participates in the Section 8 program.

The penalty provision of this bill, however, will make any mistake by a landlord extremely costly. The language of the bill says:

8 (d) Any person or potential tenant may recover a \$250 penalty against a landlord determined by the court to have violated this section for the first time. The court shall impose a \$500 penalty in favor of a person or potential tenant for any subsequent violation of this section by the landlord. The court may also order any injunctive or other equitable relief as it deems proper. No party shall be awarded attorney’s fees or costs in any action under this section.”

The way this is written, if a landlord puts a Craigslist advertisement that says, “No Section 8,” that landlord can be required to pay \$250 or \$500 to any person or potential tenant. Notably, this bill does not limit the number of people who can collect the \$250 or \$500 fine from the landlord. That means that if 20 people sue the landlord, the landlord is subject to paying at least \$5000. If 100 people sue the landlord, the landlord is subject to paying at least \$25,000. A creative class-action attorney could sue on behalf of every person in the State of Hawaii, and seek a multi-million judgment. Notably, this legislation does not even limit the potential plaintiffs to Hawaii residents, so anyone in the world could sue the landlord and get their \$250 from the landlord. This presents nearly unlimited liability for a mistake.

This provision could bankrupt even the largest landowners in Hawaii. However, the large landowners will likely be aware of the law. The ones that will violate will be the small landlords – the Mom and Pop landlords – who do not have (or cannot afford) professional management. They are the ones who will be tripped up and hit the hardest by this legislation.

If you want to pass this legislation, you must make clear that the maximum penalty to be extracted from any landlord should not exceed \$250 for each instance of placing an ad that violates the law. So, if the landlord runs a Craigslist ad for 2 weeks that says “No Section 8” the landlord should be subject to one penalty of \$250.

HOUSE COMMITTEE ON HOUSING

Rep. Nadine K. Nakamura, Chair

Rep. Troy N. Hashimoto, Vice Chair

February 2, 2022

Page 2

(HB1752)

You should also consider leaving enforcement to the Office of Consumer Protection or similar government agency so that enforcement is uniform and principled.

Please let me know if you have any questions.

Very truly yours,

/s/ David Chee

David W.H. Chee, Esq.

Daniel Drapesa Sr.
Commenting on HB1752

LATE

Aloha,

I am a Housing Case Manager in Hilo Hawaii but I am here in a personal capacity. My work experience provides me with insight into the root problem this bill is attempting to address. Income Discrimination. Whether that be in the form of advertisements or the actions of landlords it needs to be addressed. Discrimination in any form should be outlawed and it is appalling that it still takes place daily in this modern era. I feel the penalties are far too lenient, amounting to little more than a slap on the wrist for real-estate investors and property management companies. I have witnessed Landlords strongly imply that they would rather rent to an out of state family, moving here with a savings rather than our local low income community.

Though my work and personal experience I can tell you that we here in Hawaii county are in a housing crisis. A few years ago the lava flow in lower Puna displaced an immense number of people. This directly impacted the dwindling availability of housing from that time onward. The Covid Pandemic has caused an influx of people. I have observed an increase in out of state license plates on vehicles that still have the white window chalk on them from shipping and I have spoken to many of these new residents. Many of these people have learned over the course of the pandemic that their Jobs can be done remotely. Because of this fact they began to flock to Hawaii for better scenery, I have heard many variations of the statement: "If I can work from anywhere, why not Hawaii?" This further strangles the already limited availability of housing.

We have large numbers of local, predominantly Hawaiian, people whose income has decreased, directly resulting from the Pandemic. A vital life line that can assist them is a Housing Voucher...

Once these Families and individuals have a voucher, They're not out of the woods. Not they have to contend with many others who have better income and savings. They have to deal with Landlords who won't even review an application once they know a voucher is involved.

Hawaii public housing authority positions tied into this bill are beneficial to streamlining the process for those citizens that utilized these housing vouchers.

According to <https://www.rentdata.org/hawaii-county-hi/2020> the average Median Rent Price for a 3 bedroom home in Hawaii County is \$2070. Although this is lower than 80% of the state, our lower income families still struggle to meet this cost. Limiting them even further with discrimination and prejudice when all they need is that hand up to gain momentum to build a brighter future.

- Outlaw the discriminatory marketing
- Increase the fines
- Allocate more money for the vouchers themselves
- And employ more people in positions that will advocate for this suppressed population

Mahalo for hearing me out,
Daniel K. Drapesa Sr.
daniel.drapesa@gmail.com
Hilo Hawaii 96720