

CATHOLIC CHARITIES HAWAI'I

COMMENTS IN SUPPORT OF SB 515 SD1: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair, Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

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

Hearing: Friday, 2/22/13; 9:00 am; CR 211

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Means:

Thank you for the opportunity to comment on SB 515, SD1, with <u>one amendment suggested</u> <u>below for Part II, Section 8</u>. I am Betty Lou Larson, Legislative Liaison for Catholic Charities Hawaii. Catholic Charities Hawaii strongly supports this bill. This bill is important not only to create new rentals but to prevent homelessness, address the chronically homeless, and create a new strategy of shallow subsidies to house working homeless families in existing housing while new affordable rentals are being built. Catholic Charities Hawaii supports:

Part I, Section 4: The Rental Housing Trust Fund (RHTF) has a proven track record of utilizing all its funding to produce housing. As of 6/30/12 **4,250** affordable rental units have been created. To make a significant impact on the 13,000 affordable units that are needed in Hawaii, a significant allocation is needed to the Trust Fund. In FY 2012, the Trust Fund received \$37 million in project requests, but could only fund \$20.7 million for 4 out of the 9 projects. FIVE more projects could have started construction if only there were additional funds. Investing in the Rental Housing Trust Fund will leave a legacy of housing as well as continue to help Hawaii's economy improve and stabilize.

Part IV, Section 11: Prevention is also key to ending homelessness. Catholic Charities Hawai'i gets hundreds of calls each month for help with housing. Neighborhoods are being flooded with more homeless persons. A **\$1 Million** appropriation for homeless prevention would provide critical short-term assistance to help families obtain or retain housing before they become homeless. We must lessen the wave of people falling into homelessness.

Part II, Section 8: In transitional shelters, homeless families work hard to change their lives, practice good budgeting, get a job and are ready to pay rent—but they still cannot afford market rents. For many, public housing has seemed to be the only option. Funding of <u>\$1.5 Million for ongoing Rental Assistance would provide a new and critical option to more rapidly move working families into permanent housing. One Amendment is suggested: clarify that the \$1.5 Million includes administrative costs to operate the program.</u>

Part III and IV, Section 14: Funding for Housing First (**\$1.5 million**) and Shelter Plus Care (**\$400,000**) are other crucial supports to assist chronic and/or disabled homeless person to gain housing and provide the needed wrap- around services to stabilize them in affordable housing.

We urge your support for SB 515 and its multiple strategies to end homelessness in our State.







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

Executive Director Victor Geminiani, Esq.

Testimony of Hawai'i Appleseed Center for Law and Economic Justice Supporting Senate Bill 515 Relating to Housing Senate Committee on Ways and Means Scheduled for Decision Making Friday, February 22, 2013, 9:00 AM, Room 211

Thank you for an opportunity to testify in strong support of Senate Bill 515, which appropriates funds for many vital programs, including homeless services, affordable housing, support services, rental subsidies and assistance, and other programs and initiatives aimed at ending homelessness and ensuring access to stable and affordable housing.

Hawai'i Appleseed Center for Law and Economic Justice 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.

SB 515 makes many important funding appropriations. We take particular note of the following programs:

• Rental Housing Trust Fund

- The Rental Housing Trust Fund (RHTF) is an important tool for the creation of affordable housing. Hawaii faces a serious shortfall of affordable housing, with the Hawai'i Housing and Planning Survey estimating that we will need 13,000 affordable units by 2016 to meet the demand for affordable rentals.
- As of June 2012, 4,250 rental units have been created or are underway with the assistance of the RHTF and other leveraged funding. The RHTF's flexibility allows it to provide loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. The competitive process for RHTF monies results in public-private partnerships that create broader, long-term solutions to the creation of affordable housing. However, the RHTF receives far more qualified applicants than it is able to fund, meaning that many affordable housing units are not being built due to lack of funds.

Rental assistance program

- A shallow rent subsidy is an important strategy to house homeless individuals and families who capable of renting, but for their low income and the high cost of housing.
- Recipients of the rent supplement must either be working or ready to rent, as demonstrated by their participation in training and other programs that promote self-sufficiency.

• Housing first programs

- Housing first places chronically homeless individuals in permanent housing and provides the intensive support services that they need to address the issues that may have led to them becoming homeless, such as mental illness or substance abuse.
- Communities around the country have seen large decreases in their chronically homeless population and costs associated with homelessness as a result of housing first. Individuals are stabilized as a result of permanent housing and comprehensive support services, and as a result, costs such as hospitalization, emergency services, and incarceration are dramatically reduced.

We also support the bill's other appropriations, including funds for shelter plus care, homeless prevention and rapid rehousing programs, and critical services such as substance abuse treatment, mental health support services, and clean and sober housing services. These services are essential to ending chronic homelessness and improving the well-being of our community's most vulnerable individuals.



PARTNERS IN CARE Oahu's Coalition of Homeless Providers

COMMENTS IN SUPPORT OF SB 515 SD1: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair, Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

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

Hearing: Friday, 2/22/13; 9:00 am; CR 211

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Means:

Thank you on behalf of Partners In Care (PIC), for the opportunity to provide comment on SB 515, SD1, with <u>one</u> <u>amendment suggested below for Part II, Section 8</u>. 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 supports this bill. This bill is important not only to create new rentals but to prevent homelessness, address the chronically homeless, and create a new strategy of shallow subsidies to house working homeless families in existing housing while new affordable rentals are being built. Partners In Care Supports:

Part I, Section 4: The Rental Housing Trust Fund (RHTF) has a proven track record of utilizing all its funding to produce housing. As of June 30, 2012, **4,250** affordable rental units have been created. To make a truly significant impact on the 13,000 affordable units that are needed in Hawaii, a significant allocation is needed to the Trust Fund. In FY 2012, the Trust Fund received \$37 million in project requests, but could only fund \$20.7 million for four (4) out of the nine (9) projects. FIVE more projects could have started construction if only there were additional funds readily available. *Investing in the Rental Housing Trust Fund will leave a legacy of housing as well as continue to help Hawaii's economy improve and stabilize.*

Part IV, Section 11: Prevention is one of the critical elements to ending homelessness. Partners In Care provider agencies receive hundreds of calls each month requesting assistance with housing needs. A **\$1 Million** appropriation for homeless prevention would provide critical short-term assistance to help families obtain or retain housing before they become homeless and to lessen the wave of people falling into homelessness.

Part II, Section 8: In transitional shelters, homeless families work hard to change their lives, practice good budgeting, learn financial literacy, obtain employment, and prioritize paying rent—but still they cannot afford market rents. For many, public housing seems to be the only option; however, funding of <u>\$1.5 Million for</u> ongoing Rental Assistance would provide a new and critical option to more rapidly move working families into permanent housing. *Partners In Care supports this measure with one suggested amendment: clarify that the \$1.5 Million includes administrative costs to operate the program.*

Part III and IV, Section 14: Funding for Housing First (**\$1.5 million**) and Shelter Plus Care (**\$400,000**) are other crucial supports to assist chronic and/or disabled homeless person to gain housing and provide the needed wrap-around services to stabilize them in affordable housing.

Partners In Care urges your support for SB 515, SD1, and its multiple strategies to end homelessness in our State.

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.



COMMENTS IN SUPPORT OF SB 515 SD1: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair, Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

FROM: Pamela Menter

Hearing: Friday, 2/22/13; 9:00 am; CR 211

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Means:

Thank you for the opportunity to comment on SB 515, SD1, with <u>one amendment suggested below for</u> <u>Part II, Section 8</u>. I am Pamela Menter, a former Chair of Partners in Care, Oahu's coalition of homeless service providers and other stakeholders. Partners in Care strongly supports this bill. This bill is important not only to create new rentals but to prevent homelessness, address the needs of the chronically homeless, and create a new strategy of shallow subsidies to house working homeless families in existing housing while new affordable rentals are being built. I urge you to please support the following:

Part I, Section 4: The Rental Housing Trust Fund (RHTF) has a proven track record of utilizing all its funding to produce housing. As of 6/30/12 **4,250** affordable rental units have been created. To make a significant impact on the 13,000 affordable units that are needed in Hawaii, a significant allocation is needed to the Trust Fund. In FY 2012, the Trust Fund received \$37 million in project requests, but could only fund \$20.7 million for 4 out of the 9 projects. FIVE more projects could have started construction if only there were additional funds. Investing in the Rental Housing Trust Fund will leave a legacy of housing as well as continue to help Hawaii's economy improve and stabilize.

Part IV, Section 11: Prevention is also key to ending homelessness. Homeless provider agencies are constantly inundated with calls each month for help with housing. More homeless persons continue to flood our neighborhoods. A **\$1 Million** appropriation for homeless prevention would provide critical short-term assistance to help families obtain or retain housing before they become homeless. <u>We must take this action to curtail the wave of people falling into homelessness</u>.

Part II, Section 8: In transitional shelters, homeless families work hard to change their lives, practice good budgeting, get a job and are ready to pay rent—but they still cannot afford market rents. For many, public housing has seemed to be the only option. Funding of **\$1.5** Million for ongoing Rental Assistance would provide a new and critical option to more rapidly move working families into permanent housing. **One Amendment is suggested:** clarify that the **\$1.5** Million *includes administrative costs to operate the program.*

Part III and IV, Section 14: Funding for Housing First (**\$1.5 million**) and Shelter Plus Care (**\$400,000**) are other crucial supports to assist chronic and/or disabled homeless persons to access housing and provide the needed wrap- around (supportive) services to stabilize them in affordable housing.

Please support SB 515 and its multiple strategies to end homelessness in our State.





<u>SB515</u>

Submitted on: 2/19/2013 Testimony for WAM on Feb 22, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Troy Abraham	Individual	Support	No

Comments:

Please note that testimony submitted <u>less than 24 hours prior to the hearing</u>, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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PATRICIA McMANAMAN DIRECTOR

BARBARA A. YAMASHITA DEPUTY DIRECTOR

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

February 22, 2013

MEMORANDUM:

TO:		The Honorable David Y. Ige, Chair Senate Committee on Ways and Means		
FROM:	Patricia Mo	Patricia McManaman, Director		
SUBJECT:	S.B. 515, S	S.B. 515, S.D.1 – RELATING TO HOUSING		
	Hearing:	Friday, February 22, 2013, 9:00 a.m. Conference Room 211: State Capitol		

PURPOSE: The purpose of S.B. 515, S.D.1 is to: 1) appropriate unspecified funds to the Homeless Programs Office of the Department of Human Services and the rental housing trust fund; 2) appropriate unspecified funds to the Department of Health for substance abuse treatment, mental health support services, and clean and sober housing services; 3) appropriate funds for a rental assistance program, also known as a shallow subsidy program; 4) appropriate funds to the Department of Human Services to continue to administer housing first programs for chronically homeless individuals and to reestablish the homeless prevention and rapid re-housing program; 5) appropriates funds out of the rental housing trust fund; and 6) appropriate matching funds for the federal shelter plus care program to provide rental assistance in connection with supportive services.

DEPARTMENT'S POSITION: The Department of Human Services appreciates the Legislature's support of the Homeless Programs Office (HPO) and supports the intent AN EQUAL OPPORTUNITY AGENCY of Part I, Section 2 (funding for services to homeless and at-risk individuals and families); Part II, Section 8 (funding for the shallow subsidy program); Part III, Sections 9 and 10 (funding for the housing first program); and Part VI, Section 15 (matching funding for the shelter care plus program), of this bill but we are concerned about the cost implications of this bill and the adverse impacts on the priorities in the Executive Biennium Budget.

Regarding Part III, Section 10 of this bill, the Department has requested \$1.5 million in the Executive Biennium Budget to continue the Housing First program, with expansion to the entire island of Oahu and the Neighbor Islands. We ask for the Legislature's support of the Executive Biennium Budget request.

Lastly, regarding Part IV, Sections 11-12 of this bill, the Homelessness Prevention and Rapid Re-Housing Program was funded by the federal government from 2009-2012 in the amount of approximately \$9 million statewide. Many at risk families were assisted and were kept out of homelessness with this assistance. S.B. 515, S.D. 1, proposes funding to continue the services provided by HPRP. The Department appreciates the intent of this proposed appropriation and agrees that there remains the need to provide services for those who are at risk of homelessness. The Department would require additional staffing to administer this program and is concerned about the cost implications of this part and its potential impact on the priorities stated in the Executive Biennium Budget.

The Department defers to the Housing Finance and Development Corporation, and the Department of Health on the other sections of this bill.

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