



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

March 12, 2019

TO: The Honorable Senator Stanley Chang, Chair
Senate Committee on Housing

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

**SUBJECT: HB 1373 HD1 – RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY
BUDGET**

Hearing: Tuesday, March 12, 2019, 1:30 p.m.
Conference Room 225, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports this measure, as it addresses key aspects of the State's framework to address homelessness.

PURPOSE: The purpose of the bill is to appropriate funds for the fiscal biennium 2019-2021 to the Hawaii Public Housing Authority (HPHA) to establish new positions and for operating costs for Rental Housing Services (HMS 220) and Rental Assistance Services (HMS 222).

The HPHA has been a critical partner in addressing homelessness statewide. According to the U.S. Department of Housing and Urban Development (HUD), during the reporting period of September 2018 to December 2018, 83.1% of new admissions for the HPHA Section 8 voucher program were individuals experiencing homelessness. The percentage of new admissions experiencing homelessness for the HPHA program was far higher than the national average of 8.8%. Through programs such as Section 8, the HPHA addresses the affordable housing aspect of the State's framework to address homelessness and contributed to two consecutive decreases in the homeless point in time count between 2016 and 2018 – an 18% overall decrease during that period.

In particular, the Coordinator supports funding in Program ID HMS 222 for the state rent supplement program. The state rent supplement program is an effective tool in reducing and

preventing homelessness. The program provides a shallow rent subsidy for households that are low-income and would not otherwise be able to cover the full cost of rent on their own. Because the level of funding for the state rent supplement program is capped at a maximum of \$500 per month per household, the program can address a large number of households and is one of the more cost-effective programs to address homelessness. In addition to directly assisting homeless individuals and families to access housing, the state rent supplement program prevents homelessness for households that – but for the additional funding provided by the program – find themselves at imminent risk of homelessness.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING

Tuesday, March 12, 2019
1:30 PM - Room 225, Hawaii State Capitol

In consideration of
HB 1373, HD1
RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY BUDGET

Honorable Chair Chang and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning House Bill (HB) HB 1373, HD1, relating to the Hawaii Public Housing Authority Budget.

The Hawaii Public Housing Authority (HPHA) **supports the intent, with amendments**, the enactment of HB 1373, HD1, which appropriates additional funds for the fiscal biennium 2019-2021 to the Hawaii Public Housing Authority to establish new positions and for operating costs for Rental Housing Services (HMS 220) and Rental Assistance Services (HMS 222).

The HPHA's mission is to promote adequate and affordable housing in perpetuity, economic opportunity and a suitable living environment free from discrimination through its public housing and rental assistance programs. The HPHA serves the State's most disadvantaged populations, including the homeless and those at risk of homelessness, those earning less than thirty percent of the Area Median Income (AMI), the disabled and the elderly. The HPHA respectfully requests the support of the Legislature as we continue to provide stable housing for approximately 37,000 people statewide.

Increase Fringe Benefits.

For Program IDs HMS220 and HMS222, the HPHA is requesting federal fund ceiling increases for FY20 and FY21 of \$745,126 and \$841,944, and \$257,731 and \$264,510 respectively. The requested ceiling increases are needed to match the federal fringe assessment rate of 60% for FY20 and FY21 per Executive Memorandum 18-16.

HMS220

This Program ID contains the operating budget for the HPHA's Federal and State public housing programs. These programs provide decent, safe rental housing for eligible low-income families, the elderly, and persons with disabilities. Some positions included in HMS220 are Public Housing Supervisors, Building Maintenance, General Laborers, Electricians, Plumbers, Carpenters, and Multi-Skilled Workers. All these positions are needed as the funding mechanism from U.S. Department of Housing and Urban Development (HUD) is based on occupied units. All positions, except for two (2), are Federal or Revolving funded.

Position Request

- 1 W funded General Labor II to support Maui – (contaminated soil)
 - New position needed to monitor contaminated soils, provide maintenance of ground cover, provide landscaping maintenance, assist with vacant unit turnover, and address curb appeal in preparation for any upcoming REAC and health and safety inspections.

- 1 W funded General Labor II to support Kauai
 - New position is needed to provide landscaping maintenance, assist with vacant unit turnover, and address curb appeal in preparation for any upcoming REAC and health and safety inspections.

HMS222

This Program ID contains the operating budget for the HPHA's Housing Choice Voucher Program (Section 8) and State Rent Supplement Program. The Section 8 program is a 100% federally funded HUD program established to provide rental subsidies for units that are chosen by the tenant in the private market with assistance provided through tenant-based vouchers. It is the largest of the HPHA's rental subsidy programs and is administered on Oahu only. The HPHA also administers Non-elderly Disabled vouchers, Veteran's Affairs Supportive Housing vouchers, Performance Based Contract Administration (project based) vouchers, tenant protection vouchers, and Section 8 project-based vouchers. The State of Hawai'i provides the HPHA with funding for a Rent Supplement Program (RSP) that is administered similar to the federal program providing shallow rent subsidies for units statewide. Some positions included in HMS222 are Public Housing Specialists and Inspectors. All positions, excepts for 2.25, are Federal funded.

Position Request

- 1 N funded Landlord Liaison positions for Section 8
 - New position is needed for the Housing Choice Voucher Program to actively recruit and build relationships with area landlords or property managers to expand housing options; conducts Fair Market Rent analysis, Rent Reasonableness analysis, and other duties to assist Section 8 Branch operations. As the funding mechanism is based on previous year's utilization, adding the Landlord Liaison position will not only assist the existing 2,347 families, but also assist the over 200 families currently searching for a unit to rent.

Add general funds to maintain current Rent Supplement subsidies

HMS222

Currently, the HPHA's State Rent Supplement Program serves 390 families at a total cost of \$2,095,124 per year. The HPHA is therefore requesting an additional \$1,097,707.31 for FY20, and \$952,742.78 for FY21 for the State Rent Supplement Program (RSP). The requested funding will enable the HPHA to fund 100% of the RSP participants at the current authorized rate. In response to the demand for housing assistance for homeless individuals and families, in addition to the high rents in Hawaii, the HPHA increased both the number of families served and the total amount of assistance provided. The current base appropriation cannot support the current program participants and the HPHA may have to suspend assistance to participating families. The RSP is one of the most cost-effective rental assistance programs the HPHA has, and participants served under the RSP include formerly homeless and at-risk homeless families, the elderly, the disabled, and very low-income households.

Prog ID/Org	Description	MOF	FY 20			FY 21		
			FTE (P)	FTE (T)	\$ Amount	FTE (P)	FTE (T)	\$ Amount
220/RH	Federal Fringe Benefit increase	N			745,126			841,944
220/RH	Add 1.00 General Labor II Position and Revolving "W" Funds for Housing Support on Maui	W	1.00		33,818	1.00		66,086
220/RH	Add 1.00 General Labor II Position and Revolving "W" Funds for Housing Support on Kauai	W	1.00		33,818	1.00		66,086
222/RA	Federal Fringe Benefit increase	N			257,731			264,510
222/RA	Add 1.00 Federal "N" Landlord Liaison Position to Improve Relations and Increase Landlord Participation with the Section 8 Program.	N	1.00		45,465	1.00		84,730
222/RA	Add General funds for the State Rent Supplement Program	A			1,097,707			952,743

The HPHA would like to humbly request the following Program ID total to be inserted into the measure in regards to HMS220 to reflect that the two (2) General Laborer II positions should be Revolving Funded (W) and inserting the corrected salary amounts:

1. HMS220 - RENTAL HOUSING SERVICES

OPERATING	HMS	745,126N	841,944N
		2.00*	2.00*
	HMS	67,636W	132,172W

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding HB 1373, HD1. We thank you very much for your dedicated support.