



EXECUTIVE CHAMBERS
HONOLULU

March 12, 2020

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

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

SUBJECT: **HB2411 HD1 – RELATING TO HOUSING ASSISTANCE**

Hearing: Thursday, March 12, 2020, 1:15 p.m.
Conference Room 225, State Capitol

POSITION: The Governor's Coordinator on Homelessness supports this bill provided that its passage does not replace or adversely impact budget priorities.

The Coordinator appreciates the amendment of the House Committee on Housing to clarify that any sums appropriated for the state rent supplement program shall be included in the base budget of the Hawaii Public Housing Authority (HPHA).

PURPOSE: The purpose of the bill is to appropriate funds to the HPHA for rent subsidy payments and additional staff related to the state rent supplement program.

The Hawaii Interagency Council on Homelessness (HICH), a 27-member advisory council chaired by the Coordinator, recently voted to prioritize sustained funding commitments for affordable rental housing as a part of its 2020 legislative priorities to address homelessness. The Coordinator notes that the state rent supplement program is an effective tool in addressing the affordability of housing and reducing and preventing homelessness.

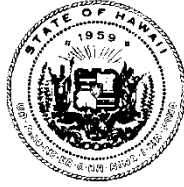
The state rent supplement program provides a shallow rent subsidy for households that are low-income and would not otherwise be able to cover the full cost of rent on their own. Because the level of funding for the state rent supplement program is capped at a maximum of \$500 per month per household, 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.

Homelessness remains one of the most pressing challenges facing Hawaii. In particular, the lack of available and affordable rental inventory is a barrier to homeless individuals and families. This barrier cannot be addressed solely by an increased investment in services, such as Housing First or Rapid Re-Housing, and requires a similar level of investment in building new inventory to meet statewide demand.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

STATE OF HAWAII
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Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HOUSING

Thursday, March 12, 2020
1:15 PM - Room 225, Hawaii State Capitol

In consideration of
HB 2411, HD1
RELATING TO HOUSING ASSISTANCE

Honorable Chair Chang and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning House Bill (HB) 2411, HD1, relating to housing assistance.

The Hawaii Public Housing Authority (HPHA) **strongly supports** the enactment of HB 2411, HD1, which appropriates funds for the state rent supplement program (RSP).

The RSP is a State funded program that was originally set up to assist middle-income families, who were not threatened by poverty, but were not economically sound to afford the high cost of living in Hawaii. The program was originally designed to assist teachers, policemen, and firemen. The program was later extended to include the general-public and has a maximum rental subsidy of \$500. This program is the most impactful and cost-effective program in homelessness prevention as it keeps its participants housed and employed and is currently keeping out of homelessness 77% of participants who are age 50 and over and 58% who are 62 and over.

The RSP program is facing a deficit of approximately \$750,000 for the upcoming fiscal year. The HPHA hopes that the Legislature can provide the funding needed to continue assisting the current families who are using this financial support to avoid homelessness. Please note that the HPHA has finalized its Administrative Rules and has a mechanism in place to terminate existing families from the program should there be a funding shortfall due to competing priorities. Similarly, if the Legislature wishes for the HPHA to open its waitlist to assist additional new families, please know that for every \$500,000, an average of 100 of the most vulnerable families will be able to keep their rental housing for a year.

The HPHA appreciates the opportunity to provide the Committee with the HPHA's testimony regarding HB 2411, HD1. We thank you very much for your dedicated support.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 2411 HD1: RELATING TO HOUSING ASSISTANCE

TO: Senator Stanley Chang, Chair, Senator Dru Mamo Kanuha, Vice Chair; and
Members, Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: Thursday, 3/12/20; 1:15 PM; CR 225

Chair Chang, Vice Chair Kanuha, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in strong support** of HB 2411 HD1, which provides funding to the State Rent Supplement Program at the Hawaii Public Housing Authority. I am Rob Van Tassell, with Catholic Charities Hawai'i. We are a member of Partners In Care.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 70 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. *Our Housing Assistance Program for elders finds that many of our clients who are homeless or at the point of homelessness could rapidly be housed with the type of ongoing rental subsidy proposed in this bill.*

Skyrocketing housing costs are an especially serious threat to Hawai'i's kupuna living on fixed incomes. One elderly veteran came to CCH after being homeless for 14 years. He was unable to afford a unit even though he was willing to share with a friend, also a homeless elder. Their salvation was a Rent Supplement subsidy which got them a unit where they no longer had to spend much of their budget on buying ice daily and eating out due to no place to cook. These kupuna were overwhelmed with gratitude that they would not have to weather gusty winds and could take a hot shower. Struggling families who are one pay check away from homelessness would also greatly benefit from an expansion of the Rent Supplement Program.

More elders are experiencing homelessness. Some estimates predict that the number of homeless elders **will triple over the next 10 years!** We need to take action now to prevent this crisis for these very vulnerable seniors, as well as to help our struggling families who are leaving the state.

Catholic Charities Hawaii supports a **\$5 million** appropriation. A minimum of \$750,000 is needed just to continue subsidies to current recipients who may be frail elders, formerly homeless and struggling families. We **strongly support inclusion of any increase in funding into the base budget of the Hawaii Public Housing Authority for the State Rent Supplement Program, and providing for additional staffing.** These are critical. A one year allocation would put the recipients at great risk of homelessness if their subsidy ends after just one year for lack of funds. Our kupuna need decent housing on an ongoing basis to age in place.

Thank you for addressing prevention of homelessness for vulnerable kupuna and families. Please contact our Legislative Liaison, Betty Lou Larson, at (808) 373-0356 or bettylou.larson@catholiccharitieshawaii.org if you have any questions.



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PARTNERS IN CARE

Oahu Continuum of Care

Partners In Care is a coalition of Oahu's homeless service providers, government representatives and community stakeholders working together in partnership to end homelessness.

Testimony in Support of HB 2411 HD1: Relating to Housing Assistance

TO: Committee on Housing
FROM: Partners In Care (PIC)
HEARING: **Thursday, March 12, 2020 at 1:15 pm**, Conference Room 225

Dear Chair Chang, Vice Chair Kanuha, and Members of the Committee on Housing,

Thank you for the opportunity to provide testimony in **strong support of HB 2411 HD1**, which provides funding to expand the Hawaii Public Housing Authority (HPHA) Rent Supplement Program (RSP). **We support reports from the Finance and Housing Committees and to add RSP to HPHA's base budget plus establish additional staff positions.** Partners In Care (PIC), a coalition of more than 60 organizations working to address homelessness, **strongly supports this bill.**

The HPHA Rent Supplement Program (RSP) is an effective homeless prevention program that provides ongoing monthly shallow rental subsidies for various households. These subsidies range up to \$500/month, with about \$410 being the average subsidy. In 2017, Aloha United Way released the Asset Limited Income Constrained, Employed (ALICE), report. It showed that 48% of households in Hawaii were either living pay check to pay check or are under the Federal Poverty line. RSP is vital! It can prevent homelessness and keep people in their homes, such as ALICE households.

RSP is a cost efficient long term program that needs to be expanded. It is often closed to new applicants due to funding constraints. When RSP opened their waitlist in 2016, 1,578 applications were submitted during a three day period. Only 232 of those applications were funded. There is an extremely low turnover rate with less than five households per month being closed.

This is a proven, effective program that can easily be scaled up. The expansion of the RSP can help to stop the flow of new homeless households entering the system. Providers have seen some months where fifty households will exit homelessness but fifty new households enter the system. A strong multi-pronged prevention program is needed and RSP is one aspect.

In order to efficiently and effectively manage an increase in funding, this program will **need additional staff.** Hawaii has one of the highest rates of chronically unsheltered homeless per capita, thus, more clients will be seeking this assistance to be rehoused and come out of homelessness.

We urge your support for \$5.0 million to expand the Rent Supplement Program, add needed staffing to administer the program, and to add all funding into the base budget of the Hawaii Public Housing Authority.

Thank you for listening to our concerns. If you have questions, please contact our Advocacy Chair, Gavin Thornton, (808) 366-7875

PARTNERS IN CARE, c/o Aloha United Way
200 North Vineyard • Suite 700 • Honolulu, Hawaii 96817 • www.PartnersinCareOahu.org

TESTIMONY IN SUPPORT OF HB 2411, HD 1

TO: Chair Chang, Vice-Chair Kanuha, and Senate Housing Committee

FROM: Nikos Leverenz
Grants, Development & Policy Manager

DATE: March 12, 2020 (1:15 PM)

Hawai'i Health & Harm Reduction Center (HHHRC) supports HB 2411, HD 1, which provides funding to expand the Rent Supplement Program (RSP) of the Hawai'i Public Housing Authority (HPHA). We urge that RSP be expanded \$5 million be added to the base budget of HPHA.

HHHRC works with many individuals who are impacted by poverty, housing instability, and other social determinants of health. Many have behavioral health problems, including those relating to substance use and underlying mental health conditions. We are also a member of [Partners in Care Oahu](#), a coalition of Oahu's homeless service providers, government representatives, and community stakeholders working together in partnership to end homelessness.

According to last year's [Hawai'i Financial Health Pulse](#), "an in-depth view of the financial struggles faced by people in Hawai'i," 69% of this state's residents are struggling financially, 35% of state residents do not have three months of income set aside for emergencies, 54% of residents spend 50% or more of their income on housing, and 27% of residents reported being food insecure. [Aloha United Way's Asset Limited Income Constrained, Employed \(ALICE\) report](#) in 2017 showed that 48% of Hawai'i households are living paycheck to paycheck or under the federal poverty line.

Hawai'i urgently needs policy mechanisms to decrease housing instability and provide needed assistance to individuals and families who are on the precipice of homelessness. ***RSP expansion is an important mechanism that can help hundreds, and perhaps thousands, of households from falling into homelessness.*** When RSP opened in 2016, only about 1 in 8 applications were funded.

Thank you for the opportunity to testify on this measure.

HB-2411-HD-1

Submitted on: 3/11/2020 1:17:22 AM

Testimony for HOU on 3/12/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Goodman	Testifying for Hawaii Kai Homeless Task Force	Support	No

Comments:

HB-2411-HD-1

Submitted on: 3/10/2020 5:03:08 PM

Testimony for HOU on 3/12/2020 1:15:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lawson Fernandes	Individual	Support	No

Comments:

I am in support of this bill. This supplement program is really helpful in affording the cost of rent especially of how high the rent is in Hawaii.