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

## SENATE COMMITTEE ON HOUSING

Tuesday, March 15, 2022 1:00 PM – Videoconference – Room 225, Hawaii State Capitol

# In consideration of HB 1752, HD3 RELATING TO HOUSING

Honorable Chair Chang, and Members of the Senate Committee on Housing, thank you for the opportunity to provide testimony concerning House Bill (HB) 1752, HD3, relating to housing.

The Hawaii Public Housing Authority (HPHA) offers the following **comments** for HB 1752, HD3. This measure establishes the housing choice voucher landlord incentive program. Requires the Hawaii public housing authority to adopt rules without regard to chapter 91, HRS, 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. 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, so long as it does not adversely affect the Governor's Supplemental Budget.

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.

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 will certainly make a difference in the lives of our most disadvantaged families by assisting them to 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.

We strongly believe that the original measure included language that would address rental discrimination and would complement these proposed landlord incentives. We would hope that the language could be re-inserted going forward.

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

DAVID Y. IGE GOVERNOR OF HAWAII



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

STATE OF HAWAI'I STATE COUNCIL ON DEVELOPMENTAL DISABILITIES PRINCESS VICTORIA KAMĀMALU BUILDING 1010 RICHARDS STREET, Room 122 HONOLULU, HAWAI'I 96813 TELEPHONE: (808) 586-8100 FAX: (808) 586-7543 March 15, 2022

The Honorable Senator Stanley Chang, Chair Senate Committee on Finance The Thirty-First Legislature State Capitol State of Hawai'i Honolulu, Hawai'i 96813

Dear Senator Chang and Committee Members:

SUBJECT: HB1752 HD3 Relating to Housing

The Hawaii State Council on Developmental Disabilities offers comments on **HB1752 HD3** which establishes the housing choice voucher landlord incentive program. Requires the Hawaii public housing authority to adopt rules without regard to chapter 91, HRS, 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. 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 Section-8 housing choice voucher program helps our individuals with developmental disabilities live independently. Currently, many Section-8 voucher holders wait a substantial amount of time to receive their voucher, only to not use their voucher due to discrimination or stigma against the Section-8 program. We support this measure as it seeks to add securities and incentives to homeowners willing to rent to Section-8 participants.

Thank you for the opportunity to submit testimony regarding HB1752 HD3.

Sincerely,

Daintry Bartoldus Executive Administrator DAVID Y. IGE GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

OFFICE OF THE PUBLIC DEFENDER



CRAIG K. HIRAI DIRECTOR

GLORIA CHANG DEPUTY DIRECTOR

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

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 SENATE COMMITTEE ON HOUSING ON HOUSE BILL NO. 1752, H.D. 3

# March 15, 2022 1:00 p.m. Room 225 and Videoconference

## **RELATING TO HOUSING**

The Department of Budget and Finance (B&F) offers comments on this bill. House Bill No. 1752, H.D. 3: 1) 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; 2) 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; 3) appropriates an unspecified amount of general funds for HPHA in FY 23 to provide expanded incentives to Section 8 landlords; and 4) appropriates an unspecified amount of general funds for HPHA in FY 23 to hire unspecified amounts of permanent Housing Quality Standards Inspector II positions and 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.

# **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 HD3: RELATING TO HOUSING

TO:Senate Committee on HousingFROM:Partners In Care (PIC)Hearing:Tuesday, 3/15/22; 1:00 pm; via videoconference

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

Thank you for the opportunity to provide Comments on HB 1752 HD1, which would create a landlord incentive program for Section 8, and require the Hawaii Public Housing Authority to adopt rules to complete the housing inspection within 15 days. 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 now placed over 300 families into permanent housing, many utilizing rental assistance programs and landlord incentives that we have available. We have seen that the incentives that we can offer to landlords work. We have seen the benefits both to stabilze rents for the formerly homeless tenants and the landlords. <u>However, our effectiveness is hampered due to the lack of landlords who will consider this valuable resource</u>. For example, one homeless individual was issued a voucher in Feburary 2021, and although they received multiple extensions and submitted multiple applications each week, were still unable to find a lordlord willing to consider the housing voucher as of November 2021.

While we support the incentives in this bill, Partners In Care also respectfully urges you to **amend this bill to include a strong prohibition of source of income discrimination. We respectfully suggest that the language from SB 206 or SB 2399 be added to this bill.** Our community should work on landlord concerns like the time for inspections, and other creative incentives, but we also need a level playing field for voucher holders to access available rentals.

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. A high percentage of Section 8 participants are single women with children. Allowing source of income discrimination may sometimes result in sex or family/children discrimination.

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 govennment 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 a rental

Bob Wardlaw, Advocacy Chair, PARTNERS IN CARE, OAHU'S CONTINUUM OF CARE 200 North Vineyard Boulevard • Suite 210 • Honolulu, Hawaii 96817 • (808) 285-4451 • <u>PICadvocate@gmail.com</u> 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.

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.

We urge your support for a balanced approach that prohibits discrimination based on an applicant participating in government rental assistance programs, as well as providing incentives to landlords to address concerns about timeliness, loss of income, damages, etc..

Mahalo.



# CATHOLIC CHARITIES HAWAI'I

## COMMENTS on HB 1752 HD3: RELATING TO HOUSING

TO: Senate Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: Tuesday, 3/15/22; 1:00 pm; via videoconference

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

Thank you for the opportunity to provide **Comments on HB 1752, HD3**, which would establish the housing choice voucher landlord incentive program, and require the Hawaii Public Housing Authority to adopt rules to establish a maximum period of 15 days for unit inspections for 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 creating incentives to address issues raised by landlords for the Housing Choice Voucher (Section 8) Program. This federal program brings tens of millions of dollars into Hawai`i to make rents affordable. We recognize that we must support landlords as well as tenants in this program. Adding incentives to reduce the burden that inspections or other program requirements may place on landlords would be helpful to increase the inventory of Section 8 units.

**Suggested Amendment:** We also feel that there needs to be a balance between addressing landlord concerns and the concerns of tenants who need housing and can pay stable rent with a voucher. Catholic Charities Hawai`i urges that there needs to be a strong prohibition of source of income discrimination to really address the root problem of the lack of rentals available to people who absolutely need some government rental assistance to obtain and become stable in housing. We respectfully urge your Committee to add language to HB 1752 to prohibit this discrimination. We suggest that language from SB 2399 or SB 206 be added to this bill. The original version of HB 1752 did include some prohibitions of discrimination; however this section was confusing and was removed from the original bill. Adding a strong prohibition of discrimination would create a balanced approach to this critical issue.

As long as landlords can legally discriminate against persons with housing subsidies, they often do an automatic screening out. The prohibition of this discrimination would give a chance for an elder, or a veteran, or a working family to speak directly to the landlord and tell their story, instead of being shut out of housing. It would give a chance for landlords to hear that there ARE good tenants and even incentives that may be beneficial to them. Not only homeless people need a chance, but many working families and elders with stable but low incomes could





move away from the edge of homelessness and be good tenants if they could utilize their Section 8 voucher or other rental subsidies. Landlords could continue to evaluate all applicants on their ability to pay rent, credit worthiness, etc. And now they could hear of the benefits of incentives, such as in this bill, along with the stable monthly payments that vouchers provide.

### Honolulu is one of the largest metropolitan areas in the US that does not prohibit this

**practice.** With Hawaii's severe housing crunch and high rate of homelessness, it is time to establish a strong prohibition of discrimination only because someone has a rent subsidy.

Catholic Charities Hawai`i is very concerned about our Kupuna. 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. We are very concerned about housing single parents, especially the many lower income women with children. Source of income discrimination is sometimes a veiled form of sex and family/children discrimination.

CCH's Housing Assistance Program currently has 53 seniors who are over 62 on our urgent waitlist. <u>The average age is 75 years old!</u> They are often long term renters who have been <u>displaced</u>. K. cannot afford an increase in rent (\$1,200/month) and is afraid of becoming homeless. D's lease ended and could not 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 utilize ongoing rental assistance programs. 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.

In areas that prohibit this type of discrimination, <u>renters with housing vouchers are 12% more</u> <u>likely to obtain housing than in areas that do not prohibit this discrimination</u>. Hawai`i needs all the help it can get to stably house our lower income families and to end homelessness! <u>Hawai`i</u> residents must not be shut off from using these extremely valuable resources.

Please contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or <u>alohabettylou@hotmail.com</u> if you have any questions.



Housing is a human right; therefore, the mission of Faith Action HousingNOW! is to end Hawai'i's housing crisis by building community power, and advocating for just, equitable solutions that ensure housing for whom the market is not serving.

# Support HB 1752 HD3

Aloha Senate Housing Committee,

Faith Action HousingNOW! supports HB 1752 HD3 relating to a housing choice voucher landlord incentive program.

The rental market in Hawai'i does not serve the people in our community defined as low-income. According to the National Low Income Housing Coalition, a minimum wage worker in Hawai'i can afford to pay \$525/month for rent and a household earning up to 30% of the area median income can afford to pay \$751/month. However, fair market rents are reported to be \$1,501 for a 1-bedroom and \$1,960 for a 2-bedroom unit.

The continued stagnation of housing supply Hawai'i residents can actually afford in the free market results in a need for subsidy solutions that alleviate the problem. Subsidies such as the Section 8 housing choice voucher program are intended to extend opportunities to our extremely low-income community to find stable and secure housing.

The program is designed to enable low-income households to participate in the rental market. However, the stigma of paying a portion of rent with a housing choice voucher remains pervasive in our community, resulting in an inability for Section 8 beneficiaries from accessing the full range of opportunities. Multiple strategies can be deployed that may be described as "carrot" or "stick" approaches to addressing the problem. HB 1752 offers a "carrot" to the lessors of rental properties to help ease worries and stigmas.

The "carrot" is a positive approach that may over time eliminate stigma among property owners who participate in the Section 8 program. The HB 1752 language offers incentives and processes to file claims for participants but does not have language that holds all property owners leasing in our rental market accountable for offering fair opportunities for all rental applicants. Additional measures should still be considered mirroring language of SB 206 that would include language preventing discrimation by source of income. A Section 8 housing choice voucher is a reliable source of payment for lessors and should not be the basis for rejecting a rental applicant.

HB 1752 is a positive step and additional changes could make it even better.

Mahalo for accepting our input,

Foo Pham Faith Action HousingNOW! Chair



# **TESTIMONY IN SUPPORT OF HB 1752, HD 3**

TO: Chair Chang, Vice Chair Kanuha, & Committee Members

FROM: Nikos Leverenz Grants & Advancement Manager

DATE: March 15, 2022 (1:00 PM)

Hawai'i Health & Harm Reduction Center (HHHRC) <u>supports</u> HB 1752, HD 3, which establishes the housing choice voucher landlord incentive program. We hope this bill can be amended to include a provision that prohibits discrimination based on income sources.

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 HHHRC staff. This program would encourage more properties to extend rental units to those with Section 8 vouchers.

HHHRC Executive Director Heather Lusk currently serves as Board Chair of <u>Partners in Care</u> <u>O'ahu</u>, 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. HHHRC provides homeless outreach and housing placement navigation services in urban Honolulu and the Upper Windward Coast, including North Shore.

HHHRC'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.

Thank you for the opportunity to testify on this measure.



Committees: Hearing Date/Time: Place: Re: Committee on Housing 1:00pm, March 15, 2022 Conference Room 225 & Videoconference <u>Testimony of the ACLU of Hawai'i with Comments on H.B. 1752, H.D. 3,</u> <u>Relating to Housing</u>

Dear Chair Chang, Vice Chair Kanuha, and members of the Committee:

The American Civil Liberties Union of Hawai'i writes **with comments on H.B. 1752, H.D. 3.** This bill establishes a housing choice voucher landlord incentive program, among other related reforms.<sup>1</sup> The ACLU of Hawai'i applauds efforts to increase the accessibility and efficacy of affordable housing programs through landlord incentives such as those included in H.B. 1752, H.D. 3. However, while the ACLU of Hawai'i supports the intent of this bill as an important and perhaps necessary step toward improving the housing crisis in our state—we emphasize that these reforms **must be made in conjunction with an explicit prohibition on all forms of source-of-income discrimination in rental transactions.** 

The ACLU of Hawai'i notes that **S.B. 206, S.D. 2**, which is still in consideration this session, addresses this issue of housing discrimination in a comprehensive, detailed manner. As a result, we urge the Committee to either **amend H.B. 1752, H.D. 3 to include the language from S.B. 206, S.D. 2 prohibiting source-of-income discrimination, or otherwise to pass both measures.** The landlord incentives provided by H.B. 1752, H.D. 3—while valuable—cannot and should not be considered a substitute for explicit prohibitions on source-of-income discrimination.

The State of Hawai'i continues to struggle with one of the highest rates of houselessness in the country, at over 2.5 times the national average.<sup>2</sup> This is due, in large part, to the high cost of living and lack of affordable housing in the state.<sup>3</sup> Housing assistance programs like the federal Housing Choice Voucher program ("Section 8") are an essential means of alleviating high rental costs for struggling families—and in turn fighting our state's housing crisis. In 2016, a federal Department of Housing and Urban Development ("HUD") study found that compared to other means of intervention, long-term rental

<sup>&</sup>lt;sup>1</sup> Earlier versions of this bill also included provisions that would prohibit discrimination in rental advertising against individuals participating in housing assistance programs. These provisions were removed in the House due to a concern that prohibiting only negative advertising—but not other forms of actual discrimination—could lead to an unintended adverse impact on voucher holders.

<sup>&</sup>lt;sup>2</sup> State of Homelessness: 2020 Edition, NAT'L ALL. TO END HOMELESSNESS, available at <u>https://endhomelessness.org/homelessness-in-america/homelessness-statistics/state-of-homelessness-2020/</u> (HUD's 2019 Annual Point-in-Time Count found a national average of 17 homeless individuals per 10,000 people in the general population; Hawai'i had a rate of 45.1 homeless individuals per 10,000).

<sup>&</sup>lt;sup>3</sup> Hawaii 's Affordable Housing Crisis, HAWAI'I APPLESEED CTR. FOR LAW & ECON. JUSTICE, at 3–4 (July 2014), available at http://www.hiappleseed.org/sites/default/files/Hi%20Appleseed%20Housing%20Crisis%20Report.pdf.

Chair Chang and Members of the Committee on Housing March 15, 2022 Page 2 of 3

subsidies that enabled families to offset the cost of a unit in the private market led to the **best outcomes** for reducing family houselessness "by far."<sup>4</sup>

However, programs like Section 8 depend on private landlords' willingness to rent to participating individuals. Unfortunately, discrimination based on "source-of-income" is well-documented in housing markets across the country—and **there is no general federal law that protects against it.**<sup>5</sup> As a result, many landlords flat out refuse. This prolongs the housing search for many renters, makes it extremely difficult to find habitable, safe housing, and can ultimately lead to the expiration of a voucher if certain time limits run out.

To combat this problem and allow housing assistance programs to serve their intended function, numerous states, cities, and counties have already adopted laws prohibiting source-of-income discrimination.<sup>6</sup> Several studies have found that people living in areas with these non-discrimination laws are **more likely to succeed in securing a unit using a housing voucher.**<sup>7</sup> Given their success, it is time for Hawai'i as a state to join this growing list of locales as they break down a critical barrier to affordable housing and improve geographic mobility for low-income families.

Importantly, discrimination based on source of income **often also functions as discrimination against women and children** in reality. One 2016 report noted that 83% of households participating in the Section 8 voucher program were led by women, and 43% of participating households contained children.<sup>8</sup> Property owners and landlords in Hawai'i should not be permitted to engage in behavior that is tantamount to sex or familial status discrimination under the pretense that they do not accept certain sources of income.

For these reasons, the ACLU of Hawai'i continues to advocate for legislation stopping source-of-income discrimination, and **urges the Committee to ensure that explicit prohibitions on such discrimination are enacted into law, either by amendment to H.B. 1752, H.D. 3, or by the passage of S.B. 206, S.D. 2.** 

American Civil Liberties Union of Hawai'i P.O. Box 3410 Honolulu, Hawai'i 96801 T: 808.522-5900 F: 808.522-5909 E: office@acluhawaii.org www.acluhawaii.org

<sup>&</sup>lt;sup>4</sup> Family Options Study: 3-Year Impacts of Housing and Services Interventions for Homeless Families, Summary Report, U.S. DEP'T OF HOUS. & URBAN DEV., OFFICE OF POLICY DEV. & RESEARCH, at 4 (2016).

<sup>&</sup>lt;sup>5</sup> Mary K. Cunningham, Martha Galvez, Claudia L. Aranda, Robert Santos, Doug Wissoker, Alyse Oneto, Rob Pitingolo, James Crawford, *A Pilot Study of Landlord Acceptance of Housing Choice Vouchers: Executive Summary*, U.S. DEP'T OF HOUS. & URBAN DEV., OFFICE OF POLICY DEV. & RESEARCH, at 3–4 (2018); Alison Bell, Barbara Sard, Becky Koepnick, *Prohibiting Discrimination Against Renters Using Housing Vouchers Improves Results: Lessons From Cities and States That Have Enacted Source of Income Laws*, CTR. ON BUDGET & POLICY PRIORITIES, at 1–2 (2018).

<sup>&</sup>lt;sup>6</sup> Solomon Greene, Patrick Spauster, Martha Galvez, Daniel Teles, Philip Tegeler, *State and Local Voucher Protection Laws*, THE URBAN INST., at 3 (2020).

<sup>&</sup>lt;sup>7</sup> Alison Bell, Barbara Sard, Becky Koepnick, *Prohibiting Discrimination Against Renters Using Housing Vouchers Improves Results: Lessons From Cities and States That Have Enacted Source of Income Laws*, CTR. ON BUDGET & POLICY PRIORITIES, at 1, 5–6 (2018).

<sup>&</sup>lt;sup>8</sup> Gail Quets, Áine Duggan, Gail Cooper, A Gender Lens on Affordable Housing, RE:GENDER, at 7 (2016).

Chair Chang and Members of the Committee on Housing March 15, 2022 Page 3 of 3

Thank you for the opportunity to testify.

Sincerely,

Hope Kerpelman Legal and Legislative Fellow ACLU of Hawaiʻi

The mission of the ACLU of Hawai'i is to protect the fundamental freedoms enshrined in the U.S. and State Constitutions. The ACLU of Hawai'i fulfills this through legislative, litigation, and public education programs statewide. The ACLU of Hawai'i is a non-partisan and private non-profit organization that provides its services at no cost to the public and does not accept government funds. The ACLU of Hawai'i has been serving Hawai'i for over 50 years.

> American Civil Liberties Union of Hawai'i P.O. Box 3410 Honolulu, Hawai'i 96801 T: 808.522-5900 F: 808.522-5909 E: office@acluhawaii.org www.acluhawaii.org



Committee on Housing Chair Chang, Vice Chair Kanuha

Tuesday, March 15, 2022, 1 PM, Room 225 & Videoconference HB 1752 HD3 — RELATED TO HOUSING

TESTIMONY Beppie Shapiro, Legislative Committee, League of Women Voters of Hawaii

Chair Chang, Vice Chair Kanuha, and Committee Members:

The League of Women Voters of Hawaii supports HB1752 HD3 which establishes the housing choice voucher landlord incentive program; requires the Hawaii public housing authority to adopt rules 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; 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; and appropriates funds.

The League of Women Voters supports legislation addressing the housing crisis that confronts very low- and extremely low-income families. The effects of this crisis are seen in almost every community in Hawaii. HB1752 HD3 takes steps to increase the availability of Section 8 housing units, a critical unmet need.

We hope to see the implementation of this legislation as soon as possible – every year before its implementation will see more people unable to access housing through the Section 8 vouchers which are their only hope for affordable housing.

Thank you for the opportunity to submit testimony.

CHAMBER of SUSTAINABLE COMMERCE

Chair Stanley Chang Vice-Chair Dru Mamo Kanuha Senate Committee on Housing Monday, March 15, 2022, 1:00 PM Written & Oral Testimony

## RE: Support of HB1752 HD3 With Amendments - Housing Choice Voucher

Dear Chair Chang, Vice-Chair Kanuha & Committee Members,

Thank you for the opportunity to testify on behalf of the Chamber of Sustainable Commerce in support of HB1752 HD3 with amendments described below. As business owners who believe in strengthening our economy without hurting employees, communities and the environment, we urge this committee to pass a version of this bill that makes it illegal to discriminate against tenants who have housing subsidies while supporting landlords who do the right thing.

Section 8 tenants are armed with the full faith and credit of the government; the landlord is guaranteed payment whether a tenant loses their part-time job or is laid off due to a global pandemic. Section 8 pays even more rent than most landlords are collecting from non-section 8 tenants; a review of apartment buildings for sale will confirm this: most listings include rental income which is always less than the amount they would collect if every unit was rented according to the Section 8 payment chart. From a business perspective, Section 8 tenants should be highly sought after.

But this is not the case. Some Section 8 voucher holders wait years to get the voucher only to be loose it after 90 days because they cannot find a landlord willing to accept it. Whether or not there is animus on the landlords' part is less relevant that the discriminatory impact it has on women with children and people with disabilities. We have laws that prohibit discrimination on the bases of sex, familial status and disability because we need them; allowing landlords to continue discriminating against tenants because of a Section 8 voucher is a big loophole.

Depending on the ratio between the number of inspectors and number of units needing inspection, it could take less than a week to have an inspection done. With technology, like FaceTime, inspectors can have the landlord "walk" the inspector through a unit and test the smoke detectors, check appliances and view the general condition of the unit without going in person. Instead of two weeks, this bill should direct that inspections be done within one week.

Hawaii	Kim Coco Iwamoto	Elle Cochran	Russel Ruderman	Joell Edwards	Maile Meyer
Legislative	AQuA Rentals, LLC	Maui Surfboards	Island Naturals	Wainiha Country Market	Na Mea Hawaii
Council	Honolulu	Maui	Hilo / Kona	Kauai	Honolulu

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Because every child deserves a home.

March 14, 2022

RE: HB1752, relating to Housing

Since 2006, Family Promise of Hawaii has provided shelter, housing, and supportive services for over 5,700 parents and children experiencing housing instability on Oahu. Homelessness is one of the most complex social issues impacting our community. There are personal, programmatic, and systemic issues that have resulted in the current challenges our community faces in addressing homelessness. One of these challenges is locating landlords who are willing to accept rental assistance programs such as Section 8, Rapid Rehousing, and Permanent Supportive Housing vouchers.

Family Promise, along with Partners In Care, Alternative Structures International, Housing Solutions Inc., and the City and County of Honolulu's Department of Community Services created a program called Oahu Housing Now (OHN) during the pandemic. OHN ambitiously set out to house 300+ households experiencing homelessness through a combination of rental assistance and case management. Many of the households who were awarded vouchers through this program were delayed in moving from homelessness into housing because of the difficulty locating landlords willing to accept the voucher. This is a challenge many providers face.

We appreciate this opportunity to provide testimony in support of HB1752 with comments. We respectfully urge you to amend this bill to include a strong prohibition of source of income discrimination. We respectfully suggest that the language from HB 981 (2021) be added to this bill. 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.

We urge your support for a balanced approach that prohibits discrimination based on an applicant participating in government rental assistance programs, as well as providing incentives to landlords to address concerns about timeliness, loss of income, damages, etc.

With Much Aloha,

Samantha Church, MSW Executive Director

HB-1752-HD-3 Submitted on: 3/14/2022 12:40:23 PM Testimony for HOU on 3/15/2022 1:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Nancy Davlantes	Testifying for Koolaupoko Hawaiian Civic Club	Support	Written Testimony Only

Comments:

The Ko`olaupoko Hawaiian Civic Club strongly supports this bill.





March 15, 2022

# The Honorable Stanley Chang, Chair Senate Committee on Housing

Via Videoconference

# RE: H.B. 1752, HD2, Relating to Housing

# HEARING: Tuesday, March 15, 2022, at 1:00 p.m.

Aloha Chair Chang, Vice Chair Kanuha, and Members of the Committee,

I am Ken Hiraki, Director of Government Affairs, testifying on behalf of the Hawai'i Association of REALTORS<sup>®</sup> ("HAR"), the voice of real estate in Hawai'i, and its over 11,000 members. HAR **supports the intent** of House Bill 1752, HD3, which establishes the Housing Choice Voucher Landlord Incentive Program. Requires the Hawaii Public Housing Authority ("HPHA") to adopt rules without regard to chapter 91, HRS, 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. Requires that the HPHA to adopt rules to establish a maximum of 15 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. Appropriates funds.

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 is often too complex, expensive and time consuming for a mom-and-pop housing provider. As such, the amount of red tape within the process disadvantages both a housing provider and a tenant.

The more we make the process competitive and similar in timeframes to market rentals, the more housing providers would be willing to participate and the quicker tenants will be able to move in to a place to call home.

Mahalo for the opportunity to testify.



## HB-1752-HD-3

Submitted on: 3/14/2022 9:21:54 AM Testimony for HOU on 3/15/2022 1:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Arjuna	Individual	Support	Written Testimony Only

Comments:

Aloha members of the Senate Committee on Housing,

HB1752, HD3 has important incentives for landlords to accept housing voucher recepients. However, this bill does not protect against source of income discrimination. Therefore, I urge that the committee inserts language from SB206 SD2 to prohibit source of income discrimination in both advertisment and practice. Adding this language will address a key barrier to housing for many low-income and homeless individuals and families throughout the state. Prohibiting voucher discrimination is a critical step in enabling Hawaii residents to have a fair chance to obtain very affordable long-term housing and is a solving our affordable housing crisis.

Mahalo

## HB-1752-HD-3

Submitted on: 3/14/2022 9:44:32 AM Testimony for HOU on 3/15/2022 1:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Lindsay Ann Pacheco	Individual	Support	Written Testimony Only

Comments:

Without Bills like this in place, it makes it hard for people like me who are on a Housing First Voucher to even find a place to live. This is guaranteed payment to landlords who do not understand that and therefore I think that with more landlord education and incentives in place, there will be less voucher discriminations. I fully support this HB1752 HD3. Mahalo!

## HB-1752-HD-3

Submitted on: 3/14/2022 1:49:52 PM Testimony for HOU on 3/15/2022 1:00:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
David Deges	Individual	Support	Written Testimony Only

Comments:

Hearing Date: Tuesday March 15, 2022, 1PM Conference Room 225 & Zoom Senate Committee on Housing

HB1752, HD3: Relating to Housing

Aloha Chair Chang, Vice Chair Kanuha, and members of the senate housing committee, HiHAC is writing in support of HB1752, HD3 as well as offering comments. We support the intentions of HB1752 to establish the housing choice voucher landlord incentive program within the Hawaii Public Housing Authority (HPHA). This program gives financial assurance to landlords and establishes a maximum inspection time to 15 days, this will positively engage landlords in voucher programs.

HiHAC offers comments HB1752, HD3 as the bill does not offer protections against source of income discrimination, therefore we encourage that the committee inserts language from SB206 SD2 to prohibit source of income discrimination in both advertisment and practice. Adding this language will address a key barrier to housing for many low-income and homeless individuals and families throughout the state. Prohibiting voucher discrimination is a critical step in enabling Hawaii residents to have a fair chance to obtain very affordable long-term housing and is a solving our affordable housing crisis. 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, protecting against income discrimination is an important part of solving our affordable housing crisis. We urge this committee to add protections for voucher programs into HB1752, HD3.

Mahalo for this opportunity to testify.