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DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
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Statement of
DEAN MINAKAMI
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON HUMAN SERVICES

April 13, 2023 at 9:15 a.m.
State Capitol, Room 329

In consideration of
S.C.R. 55

**URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND
SUPPORT LEGISLATION TO AMEND TITLE IV-A OF THE SOCIAL SECURITY ACT
TO ALLOW TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS TO BE
USED BY STATES TO BUILD TRANSITIONAL SUPPORTIVE HOUSING AND
AFFORDABLE RENTAL HOUSING.**

HHFDC agrees that homelessness is one of the most pressing problems in the state, which is the highest in the nation, and that developing a more robust inventory of affordable rental units could help address it.

HHFDC **strongly supports** S.C.R. 55. Funding is a major factor in the creation of affordable housing, and supportive housing requires even greater subsidies to build. The ability to use TANF funds for the construction of transitional supportive and affordable rental housing would greatly augment existing financial resources and allow more units to be built.

Thank you for the opportunity to provide testimony.

JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



CATHY BETTS
DIRECTOR
KA LUNA HO'ŌKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'ŌKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWELAWE KANAKA
Office of the Director
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Honolulu, Hawaii 96809-0339

April 12, 2023

TO: The Honorable Representative John M. Mizuno, Chair
House Committee on Human Services

FROM: Cathy Betts, Director

SUBJECT: **SCR 55 – URGING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE AND SUPPORT LEGISLATION TO AMEND TITLE IV-A OF THE SOCIAL SECURITY ACT TO ALLOW TEMPORARY ASSISTANCE FOR NEEDY FAMILIES FUNDS TO BE USED BY STATES TO BUILD TRANSITIONAL SUPPORTIVE HOUSING AND AFFORDABLE RENTAL HOUSING.**

Hearing: April 13, 2023, 9:15 a.m.
Conference Room 329 and Via Videoconference, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the resolution's intent and respectfully provides comments.

PURPOSE: The purpose of the resolution is to urge Hawaii's congressional delegation to introduce and support legislation to amend Title IV-A of the Social Security Act to allow Temporary Assistance for Needy Families (TANF) funds to be used by states to build transitional supportive housing and affordable rental housing.

DHS appreciates the Legislature's attention and willingness to support Hawaii's low-income families with children to meet Hawaii's high cost of living.

The US Department of Health & Human Services administers the federal TANF program. Its mission is "to enhance the health and well-being of all Americans, by providing for effective health and human services and by fostering sound, sustained advances in sciences underlying medicine, public health, and social services." Whereas the mission of the US Department of

Housing & Urban Development (HUD) is “to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business.” Given the departments’ respective missions, requesting Congress to increase housing resources to HUD may be the more appropriate request.

Regarding TANF, under section 401 of the Social Security Act [42 U.S.C. 601], the federal TANF block grant (“federal funds”) may only be expended for benefits and services that accomplish one or more of the following four purposes:

1. To provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;
2. To end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
3. To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
4. To encourage the formation and maintenance of two-parent families.

Furthermore, federal funds may only be used to assist eligible families that receive TANF cash assistance benefits as well as needy families who do not receive benefits but meet the following criteria:

1. Include a minor dependent child who resides with a custodial parent or other adult caretaker relative;
2. Meet citizenship requirements; and
3. Are financially eligible according to the income standard established by the state. Hawaii’s income standard is currently at 250% of the 2018 Federal Poverty Level based on family size. This equates to a monthly gross income of about \$4,979 for a family of three persons or \$6,014 for a family size of four.

The use of federal funds for capital improvement projects is not permissible per 2 CFR Part 200 – *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, section 200.439. Accordingly, Federal TANF funds may not be used for any capital expenditures, including the acquisition of general-purpose equipment, buildings, and land, and to make improvements to such capital assets that will materially increase their value or useful life.

Given how the TANF program currently works, if federal laws were amended to allow an additional purpose for capital expenditures, then it is likely that transitional supportive housing and affordable rental housing paid with TANF funds may only be afforded to families who are determined “TANF eligible.”

In recent years, DHS has worked with the Legislature to create additional opportunities to use TANF funds for the program’s four purposes. We look forward to continuing the partnership and request support for programs identified in the executive budget targeted at assisting families in the TANF and state-funded Temporary Assistance for Other Needy Families.

Thank you for the opportunity to testify and provide comments on this measure.



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The State Legislature
House Committee on Human Services
Thursday, April 13, 2023
Conference Room 329, 9:15 a.m.

TO: The Honorable John Mizuno, Chair

RE: Support for SCR 55 – Resolution for Affordable Housing

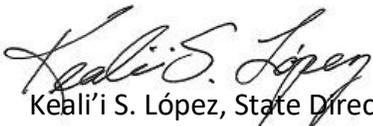
Aloha Chair Mizuno and Members of the Committee:

My name is Keali'i Lopez and I am the State Director for AARP Hawai'i. AARP is a nonpartisan, social impact organization that advocates for individuals age 50 and older. We have a membership of nearly 38 million nationwide and nearly 140,000 in Hawaii. We advocate at the state and federal level for the issues that matter most to older adults and their families.

AARP supports SCR 55 urging Hawaii's congressional delegation to introduce and support legislation to amend Title IV-A of the social security act to allow temporary assistance for needy families funds to be used by states to build transitional supportive housing and affordable rental housing.

Hawaii's high cost of housing is making it unaffordable for many, but especially for those at low or fixed income. These residents are more vulnerable of becoming dependent on other family members for shelter, or face homelessness. The Habitat for Humanity's 2021 State of Home Affordability in Hawaii reports that 1 in 5 households spend half or more of their income on housing. According to the same report, in total, 53% of renters and 30% of homeowners are cost-burdened, paying more than 30% of their income on housing. According to AARP/Statista analysis of close to 1000 older adults (age 55+) are expected to be evicted in 2023 and more than 1500 older (55+) are expected to experience homelessness in 2023 in Hawaii. Having access to the Temporary Assistance for Needy Family (TANF) block grants will help many vulnerable kūpuna and families seeking affordable housing. Funds can be used to develop a more robust inventory of affordable rental units as well as provide rent subsidies. Thank you very much for the opportunity to testify in support **SCR 55**.

Sincerely,


Keali'i S. López, State Director



SCR55 Tax Support for Supportive Housing

COMMITTEE ON HUMAN SERVICES

Rep. John M. Mizuno, Chair

Rep. Terez Amato, Vice Chair

Thursday, Apr 15, 2023 9:15: Room 329

Hawaii Substance Abuse Coalition Supports SB1397 HD1:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery services.

HSAC believes that TANF funds would really help to build transitional supportive housing and affordable rental housing.

Supportive Housing (SH) is community-based housing targeted to low-income households with that combines housing with case management and wrap around care.

The Hawai'i Supportive Housing Work Group was formed by the Hawaii Interagency for Homelessness through funding by the 2022 Hawaii State Legislature to establish a broad stakeholder group that could benefit from supportive housing, by pairing a housing unit with a rental subsidy and supportive services that fit the residents' needs.

- **This combination enables housing stability for community members with higher needs who may not be able to stay housed with a housing unit alone.**
- Local and national studies demonstrate the benefits of supportive housing on individual residents, our public systems, and our entire community.

SH is not formal treatment but has elements similar to treatment in that they involve peer support and other addiction recovery aids.¹ It's important to have various housing options for people because recovery is unique to each person.

SAMHSA's Definition for Homeless towards Recovery²

1. Choice - Making informed, healthy choices that support physical and emotional wellbeing.

¹ SAMHSA Affordable Housing Models and Recovery <https://www.samhsa.gov/homelessness-programs-resources/hpr-resources/affordable-housing-models-recovery>

² SAMHSA's Working Definition of Recovery. <http://store.samhsa.gov/shin/content//PEP12-RECDEF/PEP12-RECDEF.pdf>

2. Home—A stable and safe place to live.
3. Purpose—Meaningful daily activities, such as a job, school, volunteerism, family caretaking, or creative endeavors, and the independence, income and resources to participate in society.
4. Community—Relationships and social networks that provide support, friendship, love, and hope.

Supportive Housing (SH) helps to develop and provide housing and related supportive services for higher needs people moving from homelessness to independent, supportive living.³ Program funds help homeless people live in a stable place, increase their skills and their income, and gain more control over the decisions that affect their lives.

Services include housing subsidies, transitional housing, outreach, case management, childcare, social skills development, job training/placement, health care, and transportation. Medicaid or Supplemental Security Income (SSI) can help with funding. Supportive housing combines non-time-limited affordable housing assistance with wrap-around supportive services for people experiencing homelessness, as well as other people with disabilities including substance use disorders and mental health disorders.

Study after study has shown that supportive housing not only **resolves homelessness** and increases housing stability, but also improves health and **lowers public costs by reducing the use of publicly-funded crisis services, including shelters, hospitals, psychiatric centers, jails, and prisons.**

- The SH model has been demonstrated to permanently keep the majority of persons who enter the program from ever becoming homeless again.
- A primary goal is to address those significant challenges to help people avoid future episodes of homelessness.
- It's a higher level than a shelter that often limits the hours when a person can be onsite resulting in homeless individuals wandering through the neighborhood during the day.

Core Components

Supportive housing links decent, safe, affordable, community-based housing with flexible, support services designed to help the individual stay housed and live a more productive life in the community. There is no single model for supportive housing's design.

We appreciate the opportunity to provide testimony and are available for further questions.

³ HUD Exchange SHP Supportive Housing Program <https://www.hudexchange.info/programs/shp/>

SCR-55

Submitted on: 4/11/2023 12:46:24 PM

Testimony for HUS on 4/13/2023 9:15:00 AM

Submitted By	Organization	Testifier Position	Testify
Tadia Rice	Individual	Support	Written Testimony Only

Comments:

Please **SUPPORT SCR55** that will provide TANF Funds and allow Transitional Supportive Housing, and Affordable Rental Housing. Mahalo!