JOSH GREEN, M.D. GOVERNOR OF HAWAI'I KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAI'I

KENNETH FINK, MD, MGA, MPH DIRECTOR OF HEALTH KA LUNA HO'OKELE



CAROLINE CADIRAO DIRECTOR

> Telephone (808) 586-0100

Fax (808) 586-0185

STATE OF HAWAII EXECUTIVE OFFICE ON AGING NO. 1 CAPITOL DISTRICT 250 SOUTH HOTEL STREET, SUITE 406 HONOLULU, HAWAII 96813-2831

Testimony in SUPPORT of HB648 Relating to Kupuna Housing

COMMITTEE ON HOUSING REPRESENTATIVE TROY HASHIMOTO, CHAIR REPRESENTATIVE MICAH P.K. AIU, VICE CHAIR

Testimony of Caroline Cadirao Director, Executive Office on Aging Attached Agency to the Department of Health

Hearing Date: February 8, 2023 9:30 AM Room Number: 312 via Videoconference

1 EOA's Position: The Executive Office on Aging (EOA), an attached agency to the Department

2 of Health, supports HB648, Relating to Kupuna Housing.

3 Fiscal Implications: This measure appropriates an unspecified amount of funds from the

4 general revenues of the State for fiscal year 2023-2024 and the same amount as may be

5 necessary for fiscal year 2024-2025 to the Hawai'i Public Housing Authority for a state rent

6 supplement program for kupuna, including an unspecified number of public housing specialist

7 positions within the Hawaii Public Housing Authority to support the program.

8 **Purpose and Justification:** The purpose of this bill is to temporarily expand the state rent

9 supplement program to specifically target qualified kupuna who are sixty-two years of age or

10 older and are homeless or at imminent risk of becoming homeless and appropriate funds for this

11 purpose. According to the latest U.S. Census Bureau data the poverty rate amongst Americans

age sixty-five and older has increased from 8.9% in 2020 to 10.3% in 2021. As housing costs

13 and inflation rise, kupuna who rely on retirement income from Social Security and/or are on

fixed incomes, are struggling to pay for basic necessities. As a result, kūpuna are forced to cut 1 back on essential expenses, such as food, transportation, and medication just to stretch their finite 2 funds. Any setback in their income can affect their ability to pay their mortgage or rent and put 3 them at risk of becoming homeless. Creative, long-term, affordable housing strategies are needed 4 to prevent kūpuna, who are financially struggling, from becoming homeless. 5 Recommendation: The EOA supports the intent of this measure and defers to the Hawaii Public 6 7 Housing Authority to provide state rent supplement assistance and services to Hawaii's 8 vulnerable kupuna.

9 Thank you for the opportunity to testify.

JOSH GREEN, M.D. GOVERNOR KE KIA'ĀINA



BONNIE KAHAKUI ACTING ADMINISTRATOR

STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I STATE PROCUREMENT OFFICE

P.O. Box 119 Honolulu, Hawaii 96810-0119 Tel: (808) 586-0554 email: <u>state.procurement.office@hawaii.gov</u> <u>http://spo.hawaii.gov</u>

TESTIMONY OF BONNIE KAHAKUI, ACTING ADMINISTRATOR STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE ON HOUSING February 8, 2023, 9:30 AM

HOUSE BILL 648 RELATING TO KUPUNA HOUSING

Chair Hashimoto, Vice Chair Aiu, and members of the committee, thank you for the opportunity to submit testimony on House Bill 648.

The State Procurement Office (SPO) supports the intent of the bill, however, objects to the procurement exemption for the selection of a qualified non-profit organization. The SPO recommends that the exemption language noted below be removed.

Page 4, lines 7 through 10 set forth below.

(d) The Hawaii public housing authority shall be exempt from chapter 103D in selecting a qualified non-profit organization to administer the long term rental assistance program for kupuna, and shall, without regard to chapter 91 establish rules and qualification standards for participants of the long term-rental assistance pilot program.

Exemptions to the procurement code have always been a concern of the SPO. As stated in the National Association of State Procurement Officials (NASPO) white paper on "Ethics and Accountability," "Maintaining the integrity of public procurement is one of the most important pillars of government."

The bill does not cite a justification why the Kupuna program needs to be exempt from Hawaii Revised Statutes (HRS) chapter 103D, "Hawaii Public Procurement Code" (Code). The SPO

House Bill 648 Committee on Housing February 8, 2023 Page 2

recommends that the bill include compelling reasons for this exemption, otherwise, the agency should adhere to the Code.

Chapter 103D, HRS, is the State's single source of public procurement policy to be applied equally and uniformly, while providing fairness, open competition, a level playing field, government disclosure, and transparency in the procurement and contracting process vital to good government. Public procurement's primary objective is to provide everyone equal opportunity to compete for government contracts, to prevent favoritism, collusion, or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with both Chapter 103D and 103F, HRS, conveys a sense of disproportionate equality in the law's application.

Exemptions to the Code mean that all procurements made with taxpayer monies will not have the same oversight, accountability and transparency requirements mandated by those procurements processes provided in the code. It means that there is no requirement for due diligence, proper planning, or consideration of protections for the state in contract terms and conditions, nor are there any set requirements to conduct cost and price analysis and market research or post-award contract management. As such, Agencies can choose whether to compete any procurement or go directly to one contractor. As a result, leveraging economies of scale and cost savings efficiencies found in the consistent application of the procurement code are lost. It also means Agencies are not required to adhere to the code's procurement integrity laws.

The National Association of State Procurement Officials states that "Businesses suffer when there is inconsistency in procurement laws and regulations. Complex, arcane procurement rules of numerous jurisdictions discourage competition by raising the costs to businesses to understand and comply with these different rules. Higher costs are recovered through the prices offered by a smaller pool of competitors, resulting in unnecessarily inflated costs to state and local governments."

When public bodies are removed from the Hawaii Public Procurement Code, it results in the harm described above. As these entities create their own procurement rules, businesses are forced to track their various practices. Moreover, a public body often can no longer achieve the benefits of aggregation by using another public body's contract because different state laws and regulations may apply to the various public bodies making compliance more difficult.

Each year new procurement laws are applied to state agencies causing state agency contracts to become more complex and costly, while other public bodies, such as agencies with strong legislative influence, are exempted. Relieving some public bodies from some laws by exempting or excluding them from compliance with a common set of legal requirements creates an imbalance wherein the competitive environment becomes different among the various jurisdictions and the entire procurement process becomes less efficient and costlier for the state and vendors.

Thank you.

House Bill 648 Committee on Housing February 8, 2023 Page 3

•

JOSH GREEN, M.D. GOVERNOR



HAKIM OUANSAFI EXECUTIVE DIRECTOR

BARBARA E. ARASHIRO EXECUTIVE ASSISTANT

IN REPLY, PLEASE REFER TO:

STATE OF HAWAII HAWAII PUBLIC HOUSING AUTHORITY 1002 NORTH SCHOOL STREET POST OFFICE BOX 17907

HONOLULU, HAWAII 96817

Statement of Hakim Ouansafi, Executive Director Hawaii Public Housing Authority

Before the House Committee on Housing

9:30 a.m., February 8, 2023 Hawaii State Capitol Room 312

In consideration of HB 648 RELATING TO KUPUNA HOUSING

Honorable Chair Hashimoto and members of the House Committee on Housing, thank you for the opportunity to provide testimony on HB 648, relating to kupuna housing.

The Hawaii Public Housing Authority (HPHA) is in <u>support</u> of HB 648 which would temporarily expand the State's Rent Supplement Program to target qualified individuals who are sixty-two years or older and at imminent risk of homelessness.

The HPHA's mission is to provide Hawaii's residents with adequate and affordable housing, economic opportunity, and suitable living environments that are free from discrimination through both its public housing and rental assistance programs. The HPHA serves our state's most disadvantaged populations, including families earning less than thirty percent of the Area Median Income, the disabled, and the elderly.

The HPHA would truly appreciate the opportunity to expand the capacity of the Rent Supplement Program to serve more of our community's at-risk kupuna. Our agency has the expertise to develop and manage the expansion of this program as well as a proven track record of successful collaborations with the non-profit community. House Committee on Housing February 8, 2023 Page 2

Please know that one (1) Public Housing Specialist II position will be needed for every 250 households served.

Our agency stands ready to assist the Legislature in this endeavor and believes this measure is a significant step forward to solving our State's affordable housing crisis. The HPHA appreciates the opportunity to provide the Committee with its testimony regarding HB 648. We thank you for your dedicated and continued support.

<u>HB-648</u>

Submitted on: 2/4/2023 12:49:11 PM Testimony for HSG on 2/8/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Mike Golojuch, Sr.	Rainbow Family 808	Support	Written Testimony Only

Comments:

Rainbow Family 808 supports HB648. Please pass this bill.

Mike Golojuch, Sr., Secretary/Board Member



1001 Bishop Street | Suite 625 | Honolulu, HI 96813-2830 1-866-295-7282 | Fax: 808-536-2882 aarp.org/hi | <u>aarphi@aarp.org</u> | twitter.com/AARPHawaii facebook.com/AARPHawaii

The State Legislature House Committee on Housing Wednesday , February 8, 2023 Conference Room 312, 9:30 a.m.

TO: The Honorable Troy Hashimoto, Chair RE: Support for H.B. 648 Relating to Kupuna Housing

Aloha Chair Hashimoto, 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 H.B. 648 which temporarily expands the state rent supplement program to specifically target qualified individuals who are sixty-two years of age or older and are homeless or at imminent risk of becoming homeless.

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. It is essential to assist older adults from facing housing crisis and therefore, the proposed H.B.648 will help many vulnerable kūpuna from being displaced from their residence.

Thank you very much for the opportunity to testify in support H.B. 648.

Sincerely,



CATHOLIC CHARITIES HAWAI'I

TESTIMONY IN SUPPORT OF HB 648:

RELATING TO KUPUNA HOUSING

TO: House Committee on Housing
FROM: Rob Van Tassell, President and CEO, Catholic Charities Hawai'i
Hearing: Wednesday 2/8/23; 9:30 AM; CR 312 & via videoconference

Chair Hashimoto, Vice Chair Aiu, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony **in Strong Support** of **HB 648**, which would temporarily expand the State Rent Supplement Program to target kupuna, sixty-two years of age or older who are homeless, or at imminent risk of becoming homeless. 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 over 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.

Catholic Charities Hawai'i is gravely concerned about increasing homelessness among the kupuna in our community, mainly due to increasing rents. Many longtime elderly renters are coming to CCH for help since they cannot afford rising rents. Our Housing Assistance Program's waitlist for elders who are homeless or at imminent risk has almost doubled since last year. Many are over 75 years of age. Our biggest challenge is the lack of rentals that our clients can afford on their low incomes. Kupuna are forced to live in cars or on the streets when leases end or rents are raised.

Our kupuna have worked all their lives yet face homelessness when they are unable to work and must live on their low incomes. One sad example of kupuna at risk is an 81 year old woman with limited English. She had become homeless (living at a bus station) after she fell ill and could no longer work (at 81!). Although alert and able to use public transportation, all we could do immediately was to help her get on a waitlist for an emergency shelter which was full. She kept repeating, "I have never had to ask for help before." These sad stories go on and on.

This \$500 rent supplement would be a godsend to keep elders in stable housing before they face homelessness. We support funding for public housing specialist positions at the Hawaii Public Housing Authority in order to help these kupuna as fast as possible. The economic stress of homelessness and the anxiety of facing no place to go when a lease ends or rent is increased, can have a huge impact on their health.

<u>Please help. Please provide our kupuna with the assistance to pay the ongoing rent</u>. Contact our Legislative Liaison, Betty Lou Larson at (808) 373-0356 or <u>alohabettylou@hotmail.com</u> if you have any questions.





LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.



HEARING BEFORE THE HOUSE COMMITTEE ON HOUSING HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 312 WEDNESDAY, FEBRUARY 8, 2023 AT 9:30 A.M.

To The Honorable Troy N. Hashimoto, Chair The Honorable Micah P.K. Aiu, Vice Chair Members of the committee on Housing

SUPPORT FOR HB648 RELATING TO AFFORDABLE HOUSING

The Maui Chamber of Commerce **supports HB648** which temporarily expands the state rent supplement program to specifically target qualified individuals who are sixty-two years of age or older and are homeless or at imminent risk of becoming homeless.

The Chamber feels that homelessness is one of the most pressing problems in Hawaii, which requires a robust, comprehensive, long-term solution to address the State's affordable housing and homelessness crisis. One important component of this solution is ensuring that low-income kupuna are not forced into homelessness through a combination of fixed incomes and rapidly rising rents.

Many more kupuna face homelessness as rents skyrocket. Due to the fixed incomes of seniors, a state rent supplement program targeted toward kupuna that expands on the existing state rent supplement program administered by the Hawaii public housing authority is needed.

The Chamber supports this proposal because it will allow our kupuna on low fixed incomes relief from rising rents which would help keep them from becoming homeless. The bill also addresses mental health issues faced by some of these kupuna.

For these reasons, we support HB648.

Sincerely, amela Jumpap

Pamela Tumpap President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

<u>HB-648</u>

Submitted on: 2/5/2023 1:22:24 PM Testimony for HSG on 2/8/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

Houselessness is one of the most pressing problems in Hawai'i, which requires a robust, comprehensive, long-term solution to address the state's affordable housing and houselessness crisis. One important component of the solution is ensuring that low-income kupuna are not forced into houselessness through a combination of fixed incomes and rapidly rising rents.

The 2017 Homeless Service Utilization Report found that there are 1,386 houseless elders in the State. Many more elders face houselessness as rents continue to rise. Due to the fixed incomes of elders, a state rent supplement program targeted toward kupuna that expands on the existing state rent supplement program administered by the Hawai'i public housing authority is needed. Please pass HB648.

TESTIMONY OF ELLEN GODBEY CARSON IN SUPPORT OF HB 648

I write in strong support of HB 648.

While I write as an individual, I have served as president of the Institute for Human Services (IHS) and currently serve as a volunteer board member of IHS.

My heart aches seeing kupuna who are homeless on our streets or in our shelters, struggling to exist from day to day with no place to call home. They often have declining medical and mental conditions that warrant special support services, but it's very challenging to serve these individuals when they are exposed to the daily dangers of living on the streets or make-shift quarters. They need safe, stable housing and this bill can help in numerous ways.

Thank you for your consideration of my testimony and helping protect the most vulnerable of our residents.

Ellen Godbey Carson Honolulu, Hawaii

<u>HB-648</u>

Submitted on: 2/7/2023 12:14:35 AM Testimony for HSG on 2/8/2023 9:30:00 AM

Submitted By	Organization	Testifier Position	Testify
Barbara J. Service	Individual	Support	Written Testimony Only

Comments:

Please support any assistance for Kupuna, especially those in danger of becoming homeless.

Pass this bill, HB648 on, please.

Barbara J. Service. MSW (ret.)

Child Welfare Supervisor

Kupuna Advocate

Heading TO: House Committee on Housing FROM: Lourdes L. Adame DATE: February 8, 2023



RE: Testimony in Support to HB648

Thank you to the Honolulu House Committee on Housing for holding this hearing on the newly released bill HB648.

My name is Lourdes L. Adame, a Social Work student at UH Manoa and caregiver to an older adult. My testimony is my own opinion and does not reflect the opinion or views of the University of Hawaii at Manoa and the Thompson School of Social Work & Public Health. As a student, parent and caregiver a few of my values are in the importance of service and advocacy. My reason for this testimony is my belief that housing is a social determinant in an individual's health and wellbeing. For many older adults a rent supplement can stabilize their housing.

We know what was once affordable as recently as 5 years ago is no longer the case. This bill will not help solve the increasing cost of living that strains the fixed incomes of many older adults. Some may have pensions or even military retirement pay however many are surviving on Social Security alone. At the beginning of 2023 many Social Security recipients received a cost of living increase of approximately 8.7%. Sadly, many are seeing their rent increase as much as 5%, including their security deposit which means they received no cost of living increase.

Although temporary, this expansion to the state rent supplemental program specifically targeting older adults of sixty-two years of age or older and homeless or at imminent risk is the opportunity for many of them to finally have some relief and stability in finances and housing, which will in turn maintain their health.

Thank you for the opportunity to testify in support of HB648.

I urge you to support HB648 to expand the rent supplemental program to assist older adults from the risk of homelessness which can lead to negative health outcomes.