



DEPARTMENT OF
HOUSING AND HUMAN CONCERNS
COUNTY OF MAUI

ALAN M. ARAKAWA
Mayor

CAROL K. REIMANN
Director

JAN SHISHIDO
Deputy Director

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2200 MAIN STREET • SUITE 546 • WAILUKU, HAWAII 96793 • PHONE (808) 270-7805 • FAX (808) 270-7165
MAILING ADDRESS: 200 SOUTH HIGH STREET • WAILUKU, HAWAII 96793 • EMAIL: director,hhc@mauicounty.gov

October 3, 2016

Honorable Alan M. Arakawa
Mayor, County of Maui
200 South High Street
Wailuku, Hawaii 96793

For Transmittal to:

Honorable Chair Stacy Crivello
Housing, Human Services,
and Transportation Committee
Maui County Council
200 South High Street
Wailuku, Hawaii 96793

APPROVED FOR TRANSMITTAL

Alan Arakawa 10/5/16
Mayor Date

Dear Chair Crivello:

SUBJECT: FAIR MARKET RENTS FOR MAUI COUNTY (HHT-42)

Thank you for your correspondence of September 22, 2016 regarding the above subject and its impact on the United States Department of Housing and Urban Development Section 8 Housing voucher program. The questions posed in your letter are listed below in bold and are followed by the Department's responses.

- 1. Provide a list of Federal or State funded programs for citizens from Micronesia or Bikini Island who now reside in Maui County. Explain how those programs assist those who migrated to Hawaii.**

In short, there are no Federal or State funded programs in Maui County specifically for citizens from Micronesia or Bikini Island. The request is specific to Micronesians and Bikini Islander and it is hard to separate these groups from other citizens who come from the countries included in the Compacts of Free Association (COFA). Additionally, Bikini Islanders are very hard to separate from other Marshallese as Bikini island inhabitants have been relocated over 50 years ago throughout the Marshall Islands.

Therefore, the information that you are provided herein applies for all COFA citizens that include Micronesians (citizens of the Federated States of Micronesia), Marshallese (citizens of the Marshall Islands) and Palauans (citizens of Palau).

The Federal Government provides funding to offset cost associated with COFA migration by reimbursing costs that the State attributes to services that the COFA population engage in. Below is a summary of programs and funding:

- **Compact Impact Funds:** The Federal Government has appropriated \$30 million in mandatory funds annually to defray costs associated with COFA citizens that migrate to Hawaii, Guam, American Samoa and the Commonwealth of the Northern Mariana Islands. There are also \$3 million in discretionary funds to specifically offset education impact.

In 2014 the State of Hawaii received \$12.4 million of these appropriations during which the State reported expenditures of \$163.3 million in services provided to COFA citizens in Hawaii. This figure is based on reports from various State departments. For example the Department of Education determined it spent \$87.2 million to educate 8,165 COFA students.

The 2014 US Department of Interior, Office of Insular Affairs Report contains more detail regarding Federal Compact Impact funds for the State of Hawaii; and the 2014 State of Hawaii report from Governor Ige to the US Department of Interior contains additional information on reported expenditures.

- **Federal Grants:** The University of Hawaii and other Hawaii-based organizations have received grant funding for programs specific to COFA citizens, however most of the funding and programs are on Oahu. At this point in time, there are no programs offered in Maui County. Additionally, much of the funding is directed at research or community-based participatory programs, thus limiting direct services.
- **We Are Oceania:** The Office of Insular Affairs' Technical Assistance Program provided \$325,000 to the Partners in Development Foundation in Hawaii to provide assistance to We Are Oceania whose mission is "to empower our Micronesian community to navigate success while honoring the integrity of our diverse heritage." The funds are intended to establish a one-stop service center linking the various COFA communities in the State of Hawaii with public services and other resources in the areas of health, education, housing, and homelessness, and labor/workforce development. To date, the one-stop shop has not come to fruition. However, We Are Oceania has provided cultural guidance, public talks and participated in workshops on Maui.
- **Programs Providing Services to COFA citizens:** COFA citizens qualify for almost all of the programs and services that U.S. citizens and Legal Permanent Residents can access. However, there are certain exceptions. In 1996, COFA migrants were removed from many federally funded welfare programs as part of President Regan's Welfare Reform Act. As part of this, COFA migrants were affected as follows:
 - They no longer qualify for food stamp programs unless they have children who are US citizens.

- They also no longer qualify for Medicaid unless they are a minor or a pregnant woman. The Affordable Care Act applies to COFA migrants but they are credited at 100% of the poverty level, even if their income is below that level, as opposed to US citizens or Legal Permanent Residents who are credited at what level they are at below 100%. Senator Hirono and Senator Schatz introduced Bill S.1301 and Representative Gabbard with late Representative Takai introduced Bill H.R.2249 "Restoring Medicaid For Compact of Free Association Migrants Act of 2015". Both are under review at respective committees.

In addition, there are various additional programs that offer services to COFA migrants as part of their general services offered to all migrants. A couple programs stand out because the majority of their clientele are from COFA countries. They include:

- Job Corps Hawaii: Job Corps Hawaii of the US Department of Labor has a Maui satellite campus. Job Corps Hawaii specifically caters to the regional area which includes COFA Countries. 70% of their students come from the Federated States of Micronesia, Palau, Marshall Islands, Guam, CNMI and American Samoa. The program includes GED achievement and training in Business Office Technology, Culinary Arts, Facilities Maintenance, and Retail Sales.
- Goodwill Hawaii: Funded by US Department of Labor
 - Employment Core Services for Immigrants. Does not service specifically COFA migrants. Filipino and COFA migrants are the major clientele. They provide employment training and preparation to assist immigrant to find and maintain jobs.
 - Immigrant Resource Center. Does not specifically service COFA migrants. Filipino and COFA migrants are the major clientele. They assist COFA migrants with US Citizenship and Immigration and US Customs and Boarder Protection paperwork. Mostly assisting with paperwork to replace I-94 documents which show legal entry into the US and is required to receive most benefits and authorization to work.
- Faith Action for Community Equity (FACE): A statewide non-profit organization with an active Maui Chapter. Received Federal Grant for Hawaii Coalition for Immigration Reform.
 - Hawaii Coalition for Immigration Reform. Received funding through a Federal grant. The coordinator for the program is Maui based and included Maui based organization. However the program focused on all immigration reform which included some COFA topics and issues.
 - COFA Community Coalition: In July 2016, FACE started to build a community coalition to assist in addressing issues faced by COFA citizens and to help with acculturation, self-resilience, and community capacity development. The coalition is in development and not funded by the State or Federal government but could be the only organization specifically focused on the COFA community that is not a church.

In regard to the ability to access information from Maui County's Section 8 program, the HUD system does not track clients or applicants by nation of origin.

2. Provide the housing criteria for landlords of the Section 8 program.

A document entitled "Information for Owners & Landlords" which provides a general overview of the Section 8 Housing Choice Voucher Program along with the housing criteria for landlords is attached.

Owners play a major role in the Housing Choice Voucher (HCV) Program by providing decent, safe and sanitary housing for participating families. They also have the responsibility under this program to screen and lease their unit to the family of their choice, maintain the unit, enforce the lease and comply with various contractual obligations.

All housing units occupied by voucher-holders on the HCV Program must meet HUD'S Housing Quality Standards (HQS) to ensure decent, safe and sanitary housing conditions. Units must pass an initial inspection prior to the approval of a lease, and at least once every 24 months during the term of the contract. Typically inspections occur once per year.

HUD also requires the PHA to determine that rents for the units are reasonable when compared to comparable units in the same market area.

3. Provide a copy of the Director's opening comments stated at the meeting.

The opening comments made at the September 20, 2016 committee meeting were as follows:

"The housing choice voucher program is the federal government's program for assisting very low and extremely low income families to afford decent, safe, and sanitary housing in the private market. Housing assistance is provided on behalf of the family or individual and participants are able to find housing of their choice, such as single-family homes, townhouses and apartments.

Housing choice vouchers are administered locally by our Housing Division Section 8 program. We receive federal funds from the U.S. Department of Housing and Urban Development (HUD) to run the program. For the current fiscal year, we are allocated approximately \$16.9 million. With an average of 1,390 families on the program this past year; the average assistance provided per family equates to approximately \$12,200 per family per year.

Eligibility for a housing voucher is based on the total annual gross income and family size set by HUD. Basically, families whose income is considered "very low" or at 50% of the area median income and below can qualify. 50% of the area median income for Maui is \$40,250. For example a family of 4 would qualify if their income was

\$40,250 or less. The tenant pays 30% of their income as their portion of the rent and the program subsidizes the remainder.

A family that is issued a voucher is responsible for finding a suitable housing unit of their choice where an owner agrees to rent under the program.

As of September 14, there are 1,383 families participating in our program and there are 197 who have been issued vouchers and are now searching. The maximum number of families that we are able to accommodate is 1,464.

In July, we opened up our wait list and received 1,144 applicants. We are currently processing 50 for eligibility, as not everyone who applies necessarily qualifies. In addition, we have 30 families on average leaving the program each month for various reasons such because there no longer need the program because they are able to improve their income levels or they move off island.

Historically for Maui, families with vouchers have had difficulties in finding units. This basically is due to the shortage of rentals on Maui that negatively affects the ability of Section 8 participants find homes, as they must compete with families who can afford to pay more. So, we are very hopeful that the new increases in payment standards will help more families find units.

This concludes our opening statement. Linda Munsell, our Assistant Housing Administrator who oversees our Section 8 program and I are here to answer any questions. Thank you!"

4. Explain the one-year residency requirement for the Section 8 voucher program.

As stated in our current Administrative Plan, the one-year residency requirement for the Housing Choice Voucher Program applies to all new applicants. An applicant is defined as an individual or family who has been called up from our waiting list, determined eligible for participation, but who has not yet leased their first unit under our program.

At the submission of the initial application, if neither the head of household nor the spouse/co-head of an applicant family had a domicile (legal residence) in the County of Maui, they must lease a unit within the jurisdiction of the County of Maui for at least 12 months before eligible.

The County will consider exceptions to this policy for purposes of reasonable accommodation (typically related to disability), or reasons related to domestic violence, dating violence, sexual assault, or stalking.

This policy precludes an applicant with no intention of living in Maui County, from applying to our program, obtaining a voucher, and then continuing to live in their current location, (possibly) subsidized by Maui once a voucher is issued.

Honorable Chair Stacy Crivello
Housing, Human Services,
and Transportation Committee
October 3, 2016
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Thank you for the opportunity to provide this information. Should you have any questions, please feel free to contact me at Ext. 7805.

Sincerely,

A handwritten signature in black ink, appearing to read 'Carol K. Reimann', with a horizontal line extending to the right.

CAROL K. REIMANN
Director of Housing and Human Concerns

Attachment

INFORMATION FOR OWNERS & LANDLORDS

Section 8 Housing Choice Voucher Program Overview

The Section 8 Housing Choice Voucher Program is designed to help income eligible families pay their monthly contract rent to private landlords.

Persons determined eligible for the program receive a Housing Choice Voucher to lease a dwelling unit of their choice within the County of Maui. The Section 8 Program provides families a choice in selecting any type of dwelling unit, as long as it meets certain requirements for rent limits, rent reasonableness, and Housing Quality Standards (HQS). The landlord retains private property rights, including management, tenant selection, and maintenance.

The U.S. Department of Housing and Urban Development (HUD) determines the rules and regulations for the Section 8 Program.

Under the Section 8 Program, participants are able to find their own housing, including single family homes, townhouses, and apartments and housing assistance is provided on behalf of the family or individual,. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

Housing Choice Vouchers are administered locally by the County of Maui Housing Division. The County receives federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer the voucher program. A family that is issued a housing voucher is responsible for finding a suitable housing unit of the family's choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet the minimum standards of health and safety, as determined by the County of Maui Housing Division.

A housing subsidy is paid to the landlord directly by the County of Maui on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

- Families pay up to 40% of their total monthly adjusted income for rent and utilities.
- The County sends the monthly housing assistance payments directly to the landlord on behalf of the family.
- The County annually re-certifies families for rental assistance, which involves reviewing their eligibility status.
- The County annually inspects housing units to ensure that they meet the program's Housing Quality Standards.

PARTICIPATING FAMILIES ARE RESPONSIBLE FOR:

- Allowing the Housing Division to inspect their unit.
- Paying their share of rental and utility payments.
- Providing/Maintaining appliances for which they are responsible.
- Notifying the County and the Owner when vacating/moving/absence
- Complying with the terms of their lease.
- Keeping the unit clean.
- Avoiding damage to the unit.
- Allowing landlord access to the unit to make repairs.
- Paying their share of rental and utility payments.
- Paying any deposits for rent or utilities when moving into the unit.
- Using the assisted unit as their sole residence.
- Using the assisted unit for listed household members only.

PARTICIPATING LANDLORDS ARE RESPONSIBLE FOR:

- Creating and executing their own Lease Agreement with the tenant and to provide a copy of the proposed Lease Agreement to the Housing Division for review and approval prior to unit inspection.
- Maintaining the unit in accordance with the program's Housing Quality Standards (HQS).
- Providing the family with information on the status of lead-based paint in the unit.
- Complying with equal opportunity requirements.
- Complying with the lease and Housing Assistance Payments Contract.
- Allowing the County to make annual inspections and making any repairs determined necessary.

COUNTY OF MAUI HOUSING DIVISION IS RESPONSIBLE FOR:

- Inspecting units at least biennially to ensure compliance with HQS.
- Determining if the requested rent is reasonable.
- Determining the amount of the housing assistance payment and the family share of the rent.

MAKING YOUR UNIT AVAILABLE TO VOUCHER HOLDERS

If you wish to lease a house, cottage, apartment, or ohana unit through the Housing Choice Voucher Program, call the County of Maui Housing Division's Section 8 office at (808) 270-7751.

SCREENING TENANTS

When a voucher holder applies to rent your unit and live on your property, you should screen him/her in the same way you would screen any other potential tenant. This might include:

- Credit check
- Criminal check
- Landlord references
- Other references

Voucher holders may choose to stay in their current housing if the landlord agrees to accept a Housing Choice Voucher family as his/her tenant. The property must meet the Section 8 Program's Housing Quality Standards (HQS).

If requested, the County of Maui will provide prospective landlords with a family's current and prior addresses (as shown in the County's records) and the names and addresses (if known) of the landlord at the family's current and prior addresses.

The County of Maui will not provide any additional information, such as tenancy history, criminal history, etc.

RENT APPROVAL & INSPECTIONS

A Housing Specialist from the Housing Division must determine that the proposed rent is affordable for the voucher holder based on the adjusted monthly income of the family. Upon initially leasing a unit, monthly rental payments from voucher holders may not exceed 40% of their adjusted monthly income.

After the proposed rent is determined to be affordable for the family, a Housing Inspector from the Housing Division will visit the property to determine that it meets the program's HQS and will make a Rent Reasonableness determination.

PREPARING FOR AN INSPECTION

HUD has detailed requirements regarding the condition of housing for the Housing Choice Voucher Program, some of which include the following:

- For all units built prior to 1978, all surfaces (interior and exterior) must be free of chipping or peeling paint. The unit must also be free of paint chips from scraping.
- The unit must have at least a living room, kitchen, and bathroom. A one-room efficiency apartment with a kitchen area is all right. However, there must be a separate bathroom for the private use of the family.
- Generally, there must be at least one living/sleeping room for every two family members.
- All windows and doors that can be reached from the outside must be in good condition and lockable.
- All bathrooms must have a window that opens to the outside, a working exhaust fan, or other acceptable ventilation.
- The unit must have secure handrails on any extended length of stairs and any porches, balconies, or decks which are 30 inches or more above ground.
- A minimum of one working smoke detector on each level of the unit.

A Housing Division Inspector will be glad to assist you if you have any questions regarding other requirements before an inspection.

After the inspection, the Housing Inspector will mail you a list of any repairs needed for the unit to pass HQS or will notify you that the unit has passed the inspection.

INITIAL PAYMENT NOTIFICATION

After the unit has passed inspection, a Housing Specialist will provide you with the following information:

- Total monthly contract rent.
- Housing Assistance Payment (HAP) to the Owner.
- Housing Choice Voucher holder's (family's) portion of the rent.
- Utility Reimbursement Payment to the family (if applicable)
- Effective date of the lease between the landlord and the family.
- The first month's pro-rated rent amount from the County of Maui and the family.

The County's first payment may take up to four weeks after the HAP Contract is signed and returned to our office. Thereafter, the County's portion of the rent will be mailed no later than the third working day of each month.

LANDLORD SIGNS THE HAP CONTRACT

The Housing Assistance Payments (HAP) Contract is an agreement between the Landlord and the County of Maui, stipulating the amount of rent the County will pay the Landlord on behalf of the Section 8 family. By entering into the HAP Contract, the Landlord agrees to maintain the contract unit and premises in accordance with HUD's Housing Quality Standards (HQS). The HAP Contract contains the entire agreement between the Landlord and the County of Maui.

VOUCHER HOLDER (FAMILY) SIGNS LEASE WITH LANDLORD

The initial lease is for one year (or slightly shorter if the commencement of the lease is after the first of the month). The assisted lease cannot start until the unit has passed inspection. You may want to hold-off on having your prospective tenant move in or sign a lease until the unit has passed inspection and you have signed the HAP Contract. The County of Maui will begin rental payments effective the beginning date of the lease.

LANDLORDS MAY REQUIRE A SECURITY DEPOSIT

Security Deposits may be up to one month's total rent. The voucher holder (family) is responsible to pay you the Security Deposit. When the family vacates the property, the Landlord may use the Security Deposit as a reimbursement for any unpaid rent or damage caused by the family. All requirements under the Hawaii Residential Landlord-Tenant Code apply.

LANDLORD RIGHTS & RESPONSIBILITIES

The Landlord has the right to:

- Set reasonable rules about the use of the unit and common areas(submit a copy of the house rules to the Housing Division).
- Collect a Security Deposit equal to one month's rent.
- Take legal action to evict a family when there is a lease violation.

The Landlord has the right to expect families to:

- Pay their rent on time.
- Comply with the terms of the lease.
- Keep the unit clean.
- Avoid damaging the unit.
- Limit occupants of the unit to only those on the lease.
- Permit the Landlord access for repairs.
- Not to have a pet(s) unless permitted (in writing).

The Landlord has a responsibility to:

- Maintain the property in good condition.
- Provide the family with information about lead-based paint in the unit.
- Complete repairs within a reasonable time.
- Complete emergency repairs within 24 hours.
- Give the family 48 hours notice when requesting entry to the unit except for emergencies.
- Comply with equal opportunity requirements.
- Comply with the lease and HAP Contract.
- Comply with the Hawaii Residential Landlord-Tenant Code.

Landlords/Prospective Landlords:

In preparation for the HQS inspection, we recommend that you check the unit in advance and correct any deficiencies which may cause the unit to fail HQS inspection.

Some of the things that you should check are:

- Make sure there are smoke alarm(s) – one on each level, and they are in working order
- Repair any broken jalousie cranks
- Replace any broken or missing jalousies
- Replace any burned-out light bulbs
- Replace any missing light fixture covers
- Replace all broken or missing electrical outlet covers and light switch cover plates
- Replace any missing drip pans for electric and gas ranges
- Replace any missing oven racks
- Bathroom showers must have a showerhead
- All sinks must have functioning stoppers.
- Electricity must be turned on for the inspection to be conducted
- Window screens must be in good condition (applies only if screens are present).
- Appliances need to be installed, connected to an activated power source, and in proper working order (range, refrigerator, water heater)
- Water heaters need to have a: pressure relief valve and a discharge line (copper or galvanized pipe) which should be 6"- 24" off the ground
- All exterior doors must be weather-tight to avoid any air or water infiltration, be lockable, have no holes, have all trim intact, and have a threshold
- All interior doors must have no holes all the way through the door, have all trim intact, and be openable without the use of a key
- All worn or cracked toilet seats and tank lids must be replaced and toilet tank lid must fit properly

The owner, agent, or other adult must be present for the inspection to be conducted. Please be advised that rental assistance payments will not commence until the unit passes the Housing Quality Standards (HQS) inspection.