



RESOLUTION

REQUESTING THE CITY AUDITOR TO CONDUCT A PERFORMANCE AUDIT OF THE CITY'S SECTION 8 TENANT-BASED ASSISTANCE PROGRAM.

WHEREAS, the Section 8 Tenant-Based Assistance Program ("Section 8 Program") is federally funded and provides rental subsidies that are paid directly to landlords on behalf of low-income individuals and families, the elderly, and persons with disabilities; and

WHEREAS, under a contract with the U.S. Department of Housing and Urban Development ("HUD"), the Department of Community Services ("DCS") is responsible for administering the Section 8 Program in the City and County of Honolulu ("City"); and

WHEREAS, to be eligible for the Section 8 Program applicants must meet income limits and furnish evidence of citizenship or eligible immigrant status; and

WHEREAS, according to Section 8 Program guidelines, tenant responsibilities include finding a suitable unit, paying the security deposit and the tenant's share of the rent, abiding by all lease terms, and notifying the City of any changes in income and/or family composition within 10 days; and

WHEREAS, according to Section 8 Program guidelines, the City's responsibilities include determination of eligibility, inspection of rental units prior to initial approval of rental assistance and at least once annually thereafter, and reexamination of the family's income and family composition at least once annually; and

WHEREAS, the demand for Section 8 Program assistance far exceeds the supply and the City stopped accepting applications for the Section 8 Program in 2005 due to excessive demand and an already lengthy waiting list; and

WHEREAS, in 2015 the City accepted new applications for the Section 8 Program for the first time in a decade, which resulted in more than 14,000 applications being submitted within in a one-week period, of which 3,100 were randomly selected for addition to the waiting list; and

WHEREAS, the thousands of individuals and families who were not selected must wait for another opportunity to apply and those who were selected may still have to wait several years to receive assistance through the Section 8 Program; and

WHEREAS, many individuals and families report having difficulty securing housing even after being offered Section 8 Program assistance, as property owners are



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sometimes reluctant to accept Section 8 vouchers, especially in a tight rental market;
and

WHEREAS, it has been reported that the City's delayed inspection of rental units may be discouraging prospective landlords from renting to Section 8 Program participants; and

WHEREAS, rumors of fraud, bureaucratic burdens for landlords, and irresponsible tenant behavior have also tarnished the reputation of the Section 8 Program; and

WHEREAS, the 2015 Homeless Point-in-Time Count reports that there are 4,903 homeless individuals in the City, a 4% increase over 2014; and

WHEREAS, rental assistance, such as the funding provided through the Section 8 Program, is considered to be a critical tool for the reduction and prevention of homelessness; and

WHEREAS, the Council believes it is critical that the Section 8 Program be administered effectively in order to ensure that housing assistance is provided to as many needy individuals and families as possible; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City Auditor is requested to conduct a performance audit of the City's Section 8 Program, to determine whether the City is effectively and appropriately administering the federal program; and

BE IT FURTHER RESOLVED that the performance audit specifically include the following:

- 1) A determination whether current City staffing levels are sufficient;
- 2) A discussion of barriers to participation for property owners and recommendations for expanding the list of participating landlords;
- 3) Fraud prevention, detection, and reporting practices; and
- 4) Section 8 best practices from other jurisdictions;

and

