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March 13, 2018

**TO:** The Honorable Senator Will Espero, Chair  
Senate Committee on Housing

**FROM:** Scott Morishige, MSW, Governor's Coordinator on Homelessness

**SUBJECT: HB 2745 HD1 – RELATING TO THE RENTAL ASSISTANCE PROGRAM**

Hearing: Tuesday, March 13, 2018, 2:45 p.m.  
Conference Room 225, State Capitol

**POSITION:** The Governor's Coordinator on Homelessness supports this measure to the extent that this appropriation does not replace or adversely impact priorities indicated in the Executive Budget.

**PURPOSE:** The purpose of the bill is to appropriate funds to expand the rental assistance program by increasing the minimum percentage of affordable units a rental housing project is required to maintain for eligible tenants. In addition, the bill appropriates funds to the HHFDC to support new rental assistance program contracts.

Homelessness remains one of the most pressing challenges facing Hawaii, and the State has adopted a comprehensive framework to address homelessness that focuses on three primary leverage points – affordable housing, health and human services, and public safety. In particular, the State has worked together with the Legislature and other stakeholders to increase resources for permanent housing programs, such as Housing First and Rapid Rehousing. Between 2015 and 2017, the number of permanent housing beds for homeless individuals statewide increased by 1,986 – an increase of 146%, more than doubling the supply of permanent beds.

The Coordinator notes that Hawaii is beginning to make progress in reducing the number of homeless individuals statewide. In 2017, the statewide Point in Time (PIT) count

found the number of homeless people in Hawaii had decreased for the first time in eight years – a decrease of 701 people between 2016 and 2017. It is critical that the State continue to invest in programs that have proven their effectiveness in transitioning homeless individuals to longer-term housing.

One strategy that has assisted homeless individuals or those at imminent risk of homelessness to obtain and maintain rental housing is the provision of shallow subsidies, such as those administered by the Hawaii Public Housing Authority's state rent supplement program or the HHFDC rental assistance program. However, the Coordinator is concerned about the potential adverse impact of this measure on priorities identified in the Executive Budget, including housing-focused programs such as Housing First and Rapid Rehousing.

Accordingly, the Coordinator respectfully requests the Legislature's support of the Governor's Executive Budget request, which includes over \$15 million for homeless services, including \$3 million for Housing First, \$3 million for Rapid Rehousing, \$1.75 million for homeless outreach services, \$680,000 for the Family Assessment Center, and \$1,551,577 for the state rent supplement program.

Collectively, the homeless programs administered by DHS, HPHA, and other State agencies represent an array of financial resources designed to provide one-time crisis assistance, as well as medium term (3-24 months) and longer-term support. This mix of short-, medium-, and long-term assistance is designed to transition at-risk and homeless individuals and families into stable housing, and is also designed to prevent homelessness by assisting formerly homeless individuals in maintaining housing over time.

Thank you for the opportunity to testify on this bill.