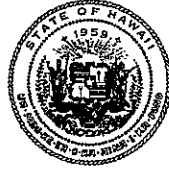


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WRITTEN COMMENTS
OF
RUSS K. SAITO, COMPTROLLER
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TO THE
HOUSE COMMITTEES
ON
HUMAN SERVICES
AND
HOUSING
ON
August 18, 2010

HOMELESSNESS BRIEFING

Chair Mizuno, Chair Cabanilla, and members of the Committees, thank you for the opportunity to comment on this matter.

Let me start by affirming that the State's efforts to address homelessness directly involve three key State agencies.

The Department of Human Services Homeless Programs Branch provide homeless and at-risk homeless families and individuals opportunities to stabilize their housing, health, employment and social issues to achieve long term stability and economic independence. Among its responsibilities the Homeless Programs Branch manages \$13.4 million for its Stipend Program (shelters), \$2.4 million on its Outreach Program, \$2.4 million on its Housing Placement Program, \$2.1 million on its Homelessness Prevention and Rapid Re-housing Program, and \$1.2 million on its Shelter Plus Care Program.

The Hawai'i Public Housing Authority operates 6100 federal and state public housing units for low income families and seniors, manages the Section 8 federal rent subsidy program, and the state Rent Supplement program.

The Hawai'i Housing Finance & Development Corporation has increased the supply of workforce and affordable housing by developing or preserving 2,900 rental units from 2000 to 2009. It also has a five year goal of 5000 new or preserved units for sale or rent, and currently has 2000 rental units in the pipeline.

The State's homeless population is also served by three departments that provide service to the population at large, including the homeless. These departments are the Department of Human Services, the Department of Health, and the Department of Labor and Industrial Relations. Food stamps, Medicaid, welfare, health, mental health, and substance abuse care, unemployment compensation, and job training are services the homeless benefit from.

A look at the homeless statistics shows us where the needs are:

2010 Homeless Individuals By Island			
Island	Unsheltered	Sheltered	Total
O'ahu	1374	2797	4171
Maui	399	392	791
Kaua'i	213	60	273
Hawai'i	313	286	599
Total	2299	3535	5834

A look at O'ahu's unsheltered population shows where efforts need to be focused:

Area	Unsheltered Individuals
Downtown Honolulu	394

East Honolulu	307
‘Ewa	76
Kane‘ohe to Waimanalo	77
Wahiawā to North Shore	96
Upper Windward	14
Wai‘anae Coast	410
Total	1374

I would also like to suggest that looking to reduce homelessness by eliminating duplication of service, as the agenda suggests, will not produce much leverage. The basic problem is not a duplication of services but rather a level of service that is lower than the demand. And, efforts between federal, state and county governmental agencies can and should be better coordinated. However, it is clear that the agencies and service providers do strive to work together to optimize the use of and sharing of resources to help the homeless.

Housing First programs have been found to work well for the chronically homeless. The programs include rent subsidies, case management and various services. Housing first programs require agencies and service providers to work with participants over the long haul in engaging support services that address their mental health, addictions, medical, and financial assistance needs that ultimately help them progress towards self sufficiency. For a successful Housing First Program the State needs to do the following:

1. Identify and secure sustainable funding source for rent subsidies
2. Develop/identify services for the Housing First tenants
3. Estimate the size and cost of an ongoing Housing First Program
4. Fund the Housing First Special Fund

Funding and services should be developed in partnership with non-profit organizations, service providers, State, and County agencies. Many existing services can be adapted for the Housing First program. The Shelter Plus Care program is an example. To develop or assemble the total suite of services for the program, a task force of non-profit organizations, service providers, State and County agencies may be worthwhile to consider. I note that there are programs in operation that can be used as models for the Housing First program. One is the Shelter Plus Care program and the other is the Rapid Rehousing program.

The Housing First Program can be implemented with dedicated construction projects, but can also be implemented with units set aside from state, county, or privately developed affordable and workforce housing units. There must be affordable housing available, and landlords willing to participate in the program. Thus, another key ingredient of a successful Housing First program is the securing of agreements/contracts with landlords to make units available for the Housing First program.

The Housing First program should not be started until and unless the requirements for sustained funding are assured. There should be no attempt to take money from other programs to provide seed money for the Housing First program. In addition, the notion of a pilot should be carefully considered. Starting a Housing First program and then stopping it after the pilot is over will create problems. If funding is made available on an ongoing basis, the Housing First approach promises to take the chronically homeless off the streets and out of the parks, into a program of rehabilitation.

The Housing First program has great promise if properly implemented. Attached is a write-up on the Housing First approach based on the original developer.

One caution is that the Housing First approach addresses a segment of the homeless population but is not a total solution. Other programs need to be pursued to reduce the homeless

problem to its practical limit. Of necessity, these programs will likely require private/public/non-profit partnerships. The traditional Ohana approach will be key.

Safe Zones, homeless camps and similar programs have been getting lots of attention lately. They appear to offer a quick fix, but I would caution these committees to carefully look at the requirements for their success and to make sure the components are in place before moving forward on them. First of there is a need for space. The City, counties, and private land owners who are willing to offer up their properties must be identified, and the neighborhood business and community group's concurrence must be obtained. Then there is a need for sanitary facilities and security. This will cost money. The idea of just finding space and letting the homeless move in to pitch their tents, organize, run their communities, and win the support of their neighbors is a formula for failure.

Thank you for the opportunity to submit comments on this matter. We welcome the ideas and best practices others may offer for reducing the number of homeless people in the State.

Attachment A

Housing First Approach from Pathways- the New York based nonprofit that developed the Housing First model

A housing first approach rests on two central premises:

- Re-housing should be the central goal of working with people experiencing homelessness, and
- By providing housing assistance and follow-up case management services after a family or individual is housed, we can significantly reduce the time people spend in homelessness.

A housing first approach consists of three components:

- **Crisis intervention, emergency services, screening and needs assessment:** Individuals and families who have become homeless have immediate, crisis needs that need to be accommodated, including the provision of emergency shelter. There should be an early screening of the challenges and resources that will affect a re-housing plan.
- **Permanent housing services:** The provision of services to help individuals and families' access and sustain housing includes working with the client to identify affordable units, access housing subsidies, and negotiate leases. Clients may require assistance to overcome barriers, such as poor tenant history, credit history and discrimination based on ethnicity, gender, family make-up and income source. Providers may need to develop a roster of landlords willing to work with the program and engage in strategies to reduce disincentives to participate.
- **Case management services:** The provision of case management occurs after housing is obtained:
 - to ensure individuals and families have a source of income through employment and/or public benefits, and to identify service needs *before the move into permanent housing*; and
 - to work with families *after the move into permanent housing* to help solve problems that may arise that threaten the clients' tenancy including difficulties sustaining housing or interacting with the landlord and to connect families with community-based services to meet long term support/service needs.

There are some due diligence considerations for a community when looking to implement a Housing First Program. The following is an example of one community's process in developing a strategy for a Housing First Program. This is from the Shelter Network in San Mateo County.

1. Educate your staff and community on the principles of Housing First.

Housing First, housing is not used as leverage to ensure treatment compliance, but is considered an important individual right. Once individuals are housed, everything possible is done to help people maintain their housing.

2. Recognize that living in an apartment requires a completely different skill set from living on the streets.

Some problems that new Housing First programs face can be avoided by recognizing the different skill sets that are required to live in housing and on the streets. Staff needs to recognize that behaviors such as doubling up or hoarding are survival skills. Staff should try to think about and address the underlying issues, not just the behavior.

3. Collaborate with neighboring agencies.

Relationships with local providers allow programs to provide services that their organization may not provide. For example, programs may work with a mental health provider who can give clients a discounted rate, or with a food pantry to help keep residents' kitchens stocked.

4. Blend funding sources.

Continued funding is often a barrier for continued program delivery. Most programs need to rely on multiple sources of funds. The development of a Housing First approach to homelessness requires the coordination of multiple and varied funding sources because it involves the integration of affordable housing and supportive services. There are three types of costs associated with permanent supportive housing:

1. Development capital – provides the actual permanent housing
2. Operating subsidies – allows for the continued operation of the housing and maintenance; and
3. Supportive services

Many supportive housing projects carry debt, while others raise enough funds to cover the complete costs of acquisition and rehabilitation up front.

5. If your program does not own the housing units, build strong relationships with landlords and potential landlords.

Whether your housing program uses Single Room Occupancy units, or scattered site housing, developing relationships with housing management and landlords is critical to the sustainability of your program. Sometimes it is difficult to find landlords who are willing to work with a program, but once they see that staff can serve as intermediaries if problems arise, landlords often see a mutual benefit.

Can this work on Oahu?

An essential consideration for those adopting a housing first model is responding to the concerns of landlords. In many communities, it is very difficult to locate housing affordable to very low-income individuals and families.

Housing first providers rely on extraordinary efforts to attract and maintain a roster of landlords willing to accept their clients -- particularly those with more "challenging" appearance, mannerisms, and rental histories. Because housing first providers are so dependent upon their reputation among landlords to build a pool of housing opportunities for their clients, they must have some confidence in the clients' capacity to be good tenants.

Where are the units going to come from? People need to be housed first and the consumer is given a choice to participate in services or not. It's not a requirement.

What private landlord is going to waive their requirements, e.g., credit checks, criminal background checks to offer units to this difficult to serve population?

Possible Funding Sources for Housing First

	Development Capital	Operating Subsidies	Supportive Services
Description	Capital costs of acquisition, development and rehabilitation of units.	Bridges the gap between operating costs and rent. Usually a direct housing subsidy to the tenant or housing unit.	On-site and community based services, including physical health, mental health, chemical dependency treatment, employment and training, adult education, community building, budgeting, and recreational and leisure activities.
Examples of Funding Sources	<ul style="list-style-type: none"> • Continuum of Care Funds • Low Income Housing Tax Credits • State and local bonds • Housing Trust Fund • Community Development Block Grant • Other local programs • Private Lenders • Private Contributions • HOME funds 	<ul style="list-style-type: none"> • Continuum of Care Funds • Supportive Housing Program • Shelter Plus Care • Supplemental Security Income • Other local programs • Private contributions 	<ul style="list-style-type: none"> • Continuum of Care • Housing Trust Fund • Medicaid Reimbursement • Supportive Housing Program • Community Development Block Grant • Other local programs • United Way • Foundations • Private Contributions

Ongoing funding for a Housing First program is a collaborative effort with communities creating committed public-private partnerships. This requires all potential funders and service providers to commit to funding streams to this program. This will require HUD, the State, City and County of Honolulu, HHFDC, and non-profits to devise a program that works for Oahu, as all these entities have a stake in eliminating homeless.