

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN,
DIRECTOR

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DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

March 16, 2011

MEMORANDUM

TO: The Honorable Rida T.R. Cabanilla, Chair
House Committee on Housing

The Honorable Jerry L. Chang, Chair
House Committee on Water, Land, & Ocean Resources

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 912, S.D. 2 – RELATING TO THE HOUSING**

Hearing: Wednesday, March 16, 2011; 9:30 a.m.
Conference Room 325, State Capitol

PURPOSE: The purpose of S.B. 912, S.D. 2, is to appropriate funds for the housing placement program within the homeless programs office of the Department of Human Services (DHS); makes appropriations to improve the existing public and affordable housing stock and increase public and affordable housing units in the State; and requires DHS to immediately implement the housing first program..

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of Part I of this bill regarding the housing placement program but we are concerned about the impact to the priorities as indicated in Governor Abercrombie's Executive Biennium Budget.

The housing placement program cultivates landlords willing to take a chance on renting to credit risky families. The program also teaches families to understand the

terms of a lease agreement, how to budget wisely so as to make timely rent payments, and how to take care of the rental property.

The housing placement program has been administered for a number of years through the State Homeless Programs which is now with the Department of Human Services, Benefit, Employment and Support Services Division.

The program is currently funded with Temporary Assistance to Needy Family (TANF) allocations so participants are restricted to TANF-eligible families. Supplementary funding from the State would enable the contracted agencies to assist seniors, households without minor children and young adults. The program has been enormously successful in breaking the barrier of resistance in renting to Section-8 voucher holders and homeless families transitioning from a shelter to permanent housing.

DHS opposes Part III of this bill regarding the housing first program and recommends that it be deleted from this bill. The Homeless Programs Office does not have the staffing or the expertise to identify suitable properties for the housing first program and to conduct the required feasibility and cost analysis for an initial housing first model housing project and report to the Legislature by December 1, 2011.

Staffing for the Homeless Programs Office was reduced from ten to three. This has resulted in the inability to produce reports, monitor contracts, keep up on shelter maintenance, and other essential functions.

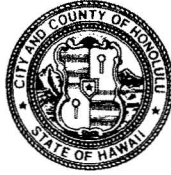
The Homeless Programs Office is anticipating the addition of three new positions who will have to be trained so that the Homeless Programs Office can catch up on the HUGE backlog of work necessary to maintain its current programs.

Thank you for the opportunity to provide comments on this bill.

DEPARTMENT OF COMMUNITY SERVICES
CITY AND COUNTY OF HONOLULU

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PETER B. CARLISLE
MAYOR



SAMUEL E. H. MOKU
DIRECTOR

BRIDGET HOLTHUS
DEPUTY DIRECTOR

Testimony of the Department of Community Services

MEASURE:

S.B. NO. 912, S.D. 2, RELATING TO HOUSING.

COMMITTEE(S):

HOUSE COMMITTEES ON HOUSING AND ON
WATER, LAND, AND OCEAN RESOURCES

HEARING DATE: Wednesday, March 16, 2011

TIME: 9:30 a.m.

LOCATION: State Capitol, Room 325

COMMITTEE REQUESTS 30 COPIES

TESTIFIER(S): Samuel E.H. Moku, Director
(Written testimony only. For more information, please call
Keith Ishida, Community Based Development Division, at 768-7750.)

Chairs Cabinilla and Chang and Members of the Committees:

The Department of Community Services strongly supports section 6 of this bill.

Section 6 of this bill makes appropriations to improve the existing inventory of public housing throughout Hawaii, and to improve and expand the inventory of affordable housing in Honolulu.

We believe it is fiscally prudent to provide State funding for the maintenance, renovation, and construction of affordable housing given the affordable housing crisis facing the State, the current state of the economy, and the pressing issue of homelessness. Without the preservation and expansion of affordable housing, many senior citizens and families will be forced to double-up with relatives. The worst case scenario would be homelessness, which places a tremendous financial strain on the public support system.

Furthermore, directing State funds into the preservation and development of affordable housing may enable more affordable housing projects to move forward, thereby providing urgently needed jobs for Hawaii's construction industry.

We respectfully ask that this bill be passed.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 912 SD1: RELATING TO HOUSING

TO: Representative Rida Cabanilla, Chair; Representative Pono Chong, Vice Chair, and Members, Committee on Housing

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

Hearing: Wednesday, 3/16/11, 9:30 am; CR 325

Chair Cabanilla, Vice Chair Chong, and Members of the Committee on Housing:

Thank you for the opportunity to testify on this important bill which addresses prevention services (housing placement program, creation of new affordable rental housing and the housing first initiative. I am Betty Lou Larson, Legislative Liaison for housing and homeless issues at Catholic Charities Hawaii. Catholic Charities Hawaii strongly supports this bill.

Suggested Amendments:

1. Fund the Housing Placement Program at \$2 Million/year for prevention of homelessness.
2. Designate that funding to the Hawaii Housing Finance and Development Corporation would be **designated to the Rental Housing Trust Fund. We support \$20 million for this program to create affordable rental housing.**

This bill would create an overall plan to address both prevention of homelessness and solutions to the very tough issue of the chronic homeless via the Housing first model. Creation of affordable rental housing must also be a key element to provide long-term solutions.

Catholic Charities Hawaii has been operating a very successful Housing Placement Program for 6 years. In FY 10, 240 families were assisted to prevent homelessness. A major component in the ongoing success of this program has been the relationships developed with landlords. Catholic Charities Hawaii expanded these services with the federal ARRA funds which enabled us to assist non-TANF families (including singles, elders, and families with no minor children). However these funds end in August 2011. This bill would enable singles, elders and others to continue to be helped to avoid becoming homeless. By reducing the flow of people falling into homelessness, other services can then assist the homeless to transition back to permanent housing.

Thank you for supporting solutions to the many facets of homelessness.



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March 16, 2011

The Honorable Rida T.R. Cabanilla, Chair
House Committee on Housing

The Honorable Jerry L. Chang, Chair
House Committee on Water, Land, & Ocean Resources
State Capitol, Room 325
Honolulu, Hawaii 96813

RE: S.B. 912, S.D. 2, Relating to Housing

HEARING: Wednesday, March 16, 2011, at 9:30 a.m.

Aloha Chair Cabanilla, Chair Chang and Members of the Joint Committees:

I am Myoung Oh, Government Affairs Director, here to testify on behalf of the Hawai'i Association of REALTORS® ("HAR"), the voice of real estate in Hawai'i and its 8,500 members. HAR **supports the intent** of S.B. 912, S.D. 1, which appropriates funds to: 1) Create the housing placement program within the homeless programs office of DHS; 2) Improve the existing public and affordable housing stock and increase public and affordable housing units in the State; and 3) Require DHS to immediately implement the housing first program.

There are approximately 6,000 homeless living in Hawai'i, and it is of serious concern to many communities and residents throughout this State. Furthermore, the high cost of housing and living, here in the islands, may make it difficult for struggling families trying to make ends meet, and to be able to afford the opportunity to own, or even rent a home.

HAR has historically supported mechanisms to help increase the supply of low and moderate income affordable rental housing, such as the Rental Housing Trust Fund program, which helps provide these opportunities.

Through the creation of incentives for landlords to consider relaxing their screening criteria, we believe that the housing placement program can facilitate a balanced approach to help alleviate the homeless problem between homeless clients and landlords. However, HAR understands the difficult budgetary considerations that are currently before the legislature.

Mahalo for the opportunity to testify.

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Helping Hands Hawai'i

Wednesday, March 16, 2011
9:30 a.m.
Conference Room 325

To: Rep. Rida T.R. Cabanilla, Chair
Rep. Pono Chong, Vice Chair
House Committee on Housing

Rep. Jerry L. Chang, Chair
Rep. Sharon E. Har, Vice Chair
House Committee on Water, Land & Ocean Resources

From: Helping Hands Hawaii – Written Testimony Only

Re: **SB912 SD2, RELATING TO HOUSING.**

We testify in *strong support* of SB912 SD2, RELATING TO HOUSING.

Helping Hands Hawaii is a 501(c)(3) non-profit social service agency, which was incorporated in 1974. HHH administers a variety of Behavioral Health and Human Services programs, which assist over 37,000 individuals and households each year.

Both our Behavioral Health and Human Services programs provide a wide range of services intended to prevent homelessness in Hawaii. Our agency provides case management services for adults with serious and persistent mental illness, including many who are currently homeless, and also provide case management specifically for Mental Health Kokua's Safe Haven Project in Chinatown.

In addition, our agency also offers emergency financial assistance to help individuals who are homeless to obtain and maintain long-term housing. In 2010, HHH assisted 113 households with essential housing payments for rent or utilities through our Homelessness Prevention & Rapid Re-Housing Program (HPRP).

HHH strongly supports SB912 SD2, which would appropriate general funds to the Department of Human Services to continue the State's Housing Placement Program, make appropriations to improve the existing public and affordable housing stock and increase public and affordable housing units in the State, and would require DHS to immediately implement the housing first program. This bill in its existing form establishes an overall plan that addresses the prevention of homelessness, and offers solutions to address chronic homelessness in our islands.

In addition to the personal struggles experienced by homeless individuals and families living in their cars, on the beaches, or in an emergency shelter – homelessness also has a significant social cost. The total cost of homelessness – which includes the combined costs of hospitalization, gaps in education, lack of job readiness, medical treatment, incarceration, police intervention, and emergency shelter expenses are significant. However, approaches that support permanent supportive housing can significantly reduce the cost of homelessness for the public. For example, a 2009 study of the homeless population in Los Angeles, California found that placing just four chronically homeless individuals into permanent supportive housing resulted in more than \$80,000 per year in savings to taxpayers, and improved quality of life for the individuals.¹

Although this bill appropriates State funds at a time when State funds are extremely limited, HHH believes that the upfront cost of supporting the activities outlined in this bill will result in significant long-term cost savings for the State. The activities outlined in SB912 SD2 – including both the Housing First model and the Housing Placement Program – have been proven effective, both locally and nationally, and represent a comprehensive plan to address homelessness that can not only achieve results, but also will have a community economic impact through cost savings for our State.

Once again, HHH strongly supports SB912 SD2 and believes that this is a step in the right direction to ending homelessness in Hawaii.

Thank you for the opportunity to testify.

¹ Lewit, M. (2009, November 19). Sheltering Homeless Saves Money, Study Says. University of Southern California. Retrieved March 14, 2011 from: http://uscnews.usc.edu/politics_society/sheltering_homeless_saves_money_study_says.html.



PARTNERS IN CARE
Oahu's Coalition of Homeless Providers

<http://www.partnersincarehawaii.org/>

COMMENTS IN SUPPORT OF SB 912, SD2: RELATING TO HOUSING

TO: Representative Rida Cabanilla, Chair, Committee on Housing, Representative Jerry Chang, Chair, Committee on Water, Land and Ocean Resources, and Members, Committees on Housing and Water, Land and Ocean Resources

FROM: Max Gray, Chair, Partners In Care Advocacy Committee

Hearing: Wednesday; 9:30 AM; Room 325

Dear Chair Cabanilla, Chair Chang, and Members of the Housing Committee and Water, Land and Ocean Resources Committee,

Thank you for the opportunity to submit comments on SB 912 which appropriates funds for the housing placement program, creates new affordable housing and implements a Housing First initiative. Partners In Care strongly supports this bill, with two important suggestions.

Suggestions:

1. Fund the Housing Placement Program at \$2 million per year.
2. Designate that funding to the Hawaii Housing Finance and Development Corporation would be **designated to the Rental Housing Trust Fund. We support \$20 million for this program to create affordable rental housing.**

This bill would create an overall plan to address both prevention of homelessness and solutions to the very tough issue of the chronic homeless via the Housing first model. Creation of affordable rental housing must also be a key element to provide long-term solutions.

Partners In Care, as a consortium of service providers from across O'ahu, advocates on behalf of a diverse population of homeless men, woman and children. Our clients' success relies on their ability to locate adequate and affordable housing. Partners In Care urges the Legislature to consider the above suggestions along with our firm endorsement of SB912.

Thank you for your time and your support.