



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

February 20, 2014

MEMORANDUM

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

FROM: Barbara Yamashita, Deputy Director

SUBJECT: **H.B 1886, H.D. 1 – RELATING TO HOUSING**

Hearing: Thursday, February 20, 2014; 12:00 p.m.
Conference Room 308; State Capitol

PURPOSE: The purpose of H. B. 1886, H.D. 1, is to appropriate unspecified funds for several housing programs. Funds would be appropriated to the Department of Human Services for the Housing First Program, state matching funds for the HUD Continuum of Care permanent supportive housing programs and for a rental supplement program.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this proposed bill as it would provide funding for a variety of programs related to housing the homeless, or preventing individuals and families from becoming homeless, however, the Department is very concerned about the impact that this bill will have on the priorities detailed in the Supplemental Executive Budget.

The Department asks that the Legislature support the Department's priorities as requested in the Executive Supplemental Budget submitted by Governor Abercrombie

which contains a request for \$1,500,000 for continuation of the Housing First Program. The second year of the State's Housing First program will be favorably impacted by the Department of Health's recent award from the Substance Abuse and Mental Health Services Administration (SAMHSA) grant for intensive support services for unsheltered homeless who have severe psychiatric disabilities and/or co-occurring substance abuse disorders. Legislative support of the Governor's budget request will allow the Housing First program to be operated for a third fiscal year with substantial opportunity for leveraging of funding with the DOH's program.

Housing First is a nationally recognized best practice that was implemented for the first time in Hawaii in 2012. The Housing First program, administered by DHS, has been successful in engaging and placing some of urban Honolulu's most chronically homeless and vulnerable individuals into stable housing. A rich array of support services (substance abuse, mental health, general health/disability treatment) has been accessed to help provide the "wrap around" services that are necessary to maintain this population in stable housing situations.

The funding requested in the Executive Supplemental Budget for the Housing First Program is critical to addressing housing for the chronically homeless. Including Housing First funding in the DHS base budget will allow the issuing of contracts for multiple years and bring stability for the providers resulting in more stable housing options for Hawaii's homeless.

The DHS appreciates the intent to provide state matching funds for the HUD-funded Continuum of Care (CoC) permanent supportive housing programs across the State, and provides the following comments. The state matching funds are used by agencies to leverage approximately \$8 million of HUD federal funds to house over 500 eligible disabled homeless individuals and families. Many agencies utilize matching

funds to pay a portion of the very substantial administrative demands of the program. For example, every month providers must not only work with clients placed in housing and ensure support services are provided, but they must also pay landlords for every person who is housed. The Department suggests that consideration be given to allow the City and County of Honolulu (which would administer the funding for Oahu providers via a Memorandum of Agreement) to request reasonable administrative fees.

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

February, 20, 2014

To: House Committee on Finance
Re: HB 1886, HD1

Aloha Chair Luke and the members of the committee,

On behalf of the Community Alliance for Mental Health along with United Self Help we most strongly support HB 1886, HD1, the Housing First Initiative.

I cannot stress strongly enough how important this program is not only for the taxpayers of Hawai'i but for the lost souls that reside upon our streets and their families that prematurely mourn them.

The most important thing that you and the citizens of our islands need to understand is that it can cost up to nine times more to not treat a homeless person and to leave them on the street untreated. Treatment programs cost roughly between \$6,000 and \$12,000 a year.

Having an untreated mental health consumer can be far more costly. Repeated hospital in-patient stays cost \$1,200 a night. Imprisoning them can cost up to \$50,000 a year. Fundamentally it's cheaper to treat a mental health consumer than it is to leave them on the street.

The one big problem we face together is the lack of housing for these lost souls. You see no one can begin their journey of recovery on the street. For a person to make any progress at all they have to be housed first. The journey back into any kind of productive life has some clear and definite requirements. You have to have a secure and permanent roof over your head with a door that locks. You have to have a bed and an alarm clock. You absolutely have to have a phone so that God forbid you need help you can call for it before you slip back into crisis. You have to have a shower and access to laundry facilities because you cannot go to programs, school, or work without them.

All of these problems are addressed by Housing First. This is the door to the road of recovery and it is the kindest, most efficient, and lastly the cheapest way to address the problem of homelessness.

You have to remember that the vast majority of the people you see sleeping on the streets of Waikiki, Downtown, Chinatown, and all the nooks and crannies of our beautiful islands need at least some psychiatric help. This is not to say that all the homeless are mentally ill but the healthy ones find safer and more private places to live. This program initially will address the most medically vulnerable (and expensive,) of our Ohana.

Remember too that Medicaid is the single largest line item on the state's budget. Ninety percent of Medicaid dollars are expended on just fourteen percent of the Medicaid population and two thirds of that fourteen percent suffer from severe mental illness.

Housing First is designed to address those individuals, the low hanging fruit if you will. There is the potential to save the state millions of dollars in medical and criminal justice expenditures; money which could then be invested in schools, highways, and more low income, and working force housing.

Housing First simply makes sense and again we most strongly support the passage of HB 1886, HD1.

Scott Wall
VP/ Legislative Advocate
Community Alliance for Mental Health

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TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Representative Aaron Ling Johanson, Vice Chair
Members, Committee on Finance

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: House Committee on Housing
Thursday, February 20, 2014, 12:00 p.m. in Conf. Rm. 308

Testimony in Support of HB1886 HD1, Relating to Housing.

Thank you for the opportunity to provide testimony in **strong support** of HB1886, which appropriates funds for a range of critical programs aimed at addressing and ending homelessness in Hawaii. PHOCUSED is a statewide coalition of health, housing, and human services organizations committed to strengthening policies and programs that benefit the marginalized and underserved in Hawaii.

As a community, it is critical that we support a comprehensive array of programs and services that aid Hawaii's homeless individuals and families in their efforts to obtain and maintain permanent, stable housing. PHOCUSED recommends that appropriations be made in the following amounts for the programs described in this measure:

- **\$1.5 million** for the **Housing First** program to place chronically homeless individuals into permanent housing with intensive support services;
- **\$500,000** to provide matching funds for **HUD-funded Continuum of Care Permanent Supportive Housing programs**; and
- **\$1 million** for the **Shallow Subsidy** rental assistance program to assist homeless working families.

Once again, PHOCUSED strongly urges your support of this bill and requests amendments that would insert appropriations in the above stated amounts.

Thank you for the opportunity to testify. If you have any questions, please do not hesitate to contact PHOCUSED at 521-7462 or by e-mail at admin@phocused-hawaii.org.

TESTIMONY IN SUPPORT OF HB 1886: RELATING TO HOUSING

TO: Representative Sylvia Luke, Chair; Representative Aaron Ling Johanson, Vice Chair; and members of the House Committee on Finance

FROM: Connie Mitchell, Executive Director
IHS, The Institute for Human Services, Inc.

Hearing: Thursday, February 20, 2014, 12:00 PM, Room 308

Dear Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, and members of the Committee:

I am writing in strong support of HB 1886 to appropriate funding for the Housing First Initiative, matching funds for the Department of Housing and Urban Development's (HUD) Continuum of Care Permanent Supportive Housing Programs and for the Shallow Subsidy Program. Appropriating these funds will increase the number of affordable public housing units and provide shelter and services to homeless persons across the state of Hawaii. IHS, The Institute for Human Services, Inc. provides an array of homelessness prevention and post-shelter services including housing placement and rental assistance for at-risk families, community-based mental health case management, employment placement, children's enrichment services, health services such as screenings, community re-entry for non-violent offenders, and permanent supportive housing. Housing First is a best practice that places chronically homeless individuals in permanent housing with intensive support services. Individuals are stabilized as a result of permanent housing and comprehensive support services. An array of services are available to address the homelessness issues facing the state provided that there is continued funding to sustain these programs.

HB 1886 is also appropriating matching funds to the HUD funded continuum of care programs. The measure is requesting *a portion* of the matching funds required by HUD for each agency providing continuum of care services to homeless persons and a very small portion, approximately 5% of the overall program amount to support the non-profits who do the work. HUD requires each agency to provide a total of 25% matching funds. These programs draw down about \$8 million in federal housing subsidies for homeless individuals with disabilities. Continuum of care programs are designed to address homelessness through coordinated community-based processes of identifying needs and building a system to address the array of needs. The approach is based on the understanding that homelessness is not only a result of having no shelter, but involves an array of underlying, physical, economic, and social needs.

Please pass HB 1886 funding the Housing First Initiative, support shelter and services needed for the homeless and to provide rental subsidies for those who cannot otherwise afford private rentals.



HPCA

HAWAII PRIMARY CARE ASSOCIATION

House Committee on Finance

The Hon. Sylvia Luke, Chair

The Hon. Scott Y. Nishimoto, Vice Chair

The Hon. Aaron Ling Johnson, Vice Chair

Testimony in Support of HB 1886

Relating to Housing

Submitted by Robert Hirokawa, Chief Executive Officer

February 20, 2014, 12:00 pm, Room 308

The Hawaii Primary Care Association (HPCA), which represents the federally qualified community health centers in Hawaii, supports House Bill 1886, appropriating funds for the Housing First initiative.

The HPCA is a staunch believer in the social determinants of health, those economic and social conditions that influence an individual and a community's health status. These conditions serve as risk factors endemic to a person's living and working environment, rather than their behavioral or genetic histories. Factors such as income, education, access to recreation and healthy foods, housing, and employment, can and do have measurable impacts on a person and a community, both in health and financial outcomes.

House Bill 1886 speaks to one of these major determinants directly by appropriating funds for the Housing First initiative. This is a measure the HPCA believes in, has worked with state and county officials on, and looks forward to doing more of moving forward.

For these reasons, we strongly support this measure and thank you for the opportunity to testify.



PARTNERS IN CARE Oahu's Coalition of Homeless Providers

TESTIMONY IN SUPPORT OF HB 1886: RELATING TO HOUSING

TO: Representative Sylvia Luke, Chair; Representative Aaron Ling Johanson, Vice Chair; and members of the House Committee on Finance
FROM: Peter K. Mattoon, Advocacy Committee Co-Chair, Partners In Care
Hearing: **Thursday, February 20, 2014, 12:00 PM, Room 308**

Dear Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, and members of the Committee,

Thank you for the opportunity to provide testimony **in strong support** of HB 1886, appropriating funding for a variety of critical programs targeted at addressing and ending homelessness. I am Peter K. Mattoon, and I am an Advocacy Committee Co-Chair for Partners In Care (PIC), a coalition of care providers focusing on the needs of homeless persons and strategies to end homelessness. Partners In Care supports:

Housing First Programs funding of **\$1.5 million**: Housing First is a best practice that places chronically homeless individuals in permanent housing with intensive support services. Individuals are stabilized as a result of permanent housing and comprehensive support services. As a result, costs such as hospitalization, emergency services, and incarceration are dramatically reduced. Communities around the country have seen large decreases in their chronically homeless population and costs associated with homelessness as a result of Housing First. Cities such as Denver, Los Angeles, and Seattle have reduced public costs by around 75% for each individual housed, resulting in millions of dollars saved. **The research indicates that Housing First is the way to end chronic homelessness.** For example, Utah has seen the rate of chronic homelessness reduced by 74% since 2007 since the program was implemented and is actually closing shelters. Programs consistently report high success rates of keeping residents in permanent housing. We also urge that this funding be put into the **base budget for the program.**

Permanent supportive housing funding of **\$500,000** to provide matching funds for HUD-funded Continuum of Care programs: These programs draw down about \$8 million in federal housing subsidies for homeless individuals with disabilities. Currently, 600 homeless individuals with disabilities are able to maintain housing in our communities as a result of these programs. However, service providers must match these federal funds and provide the wraparound services needed to keep these individuals housed. By funding these programs, the state will be helping homeless individuals stabilize their lives and remain housed while also leveraging a large amount of federal funding.

Shallow Subsidy Program funding of **\$1 million**:

Many homeless families work to attain self-sufficiency, and even once they find employment, they still struggle to find affordable housing. For many, public housing or deeply subsidized housing is all they can afford, yet the long wait for units or other housing subsidies means that these households languish in transitional housing. Under this program, families will pay 40 percent of their income toward rent which will then be augmented by a maximum subsidy of \$300 to cover the gap between what they can pay and market rent. This program will provide another route to stable housing for families who are ready to rent.

Again, thank you for providing Partners In Care the opportunity to testify in strong support of HB 1886 providing funds for Housing First, Continuum of Care, and Shallow Subsidy programs.

Partners In Care, c/o Aloha United Way, 200 N. Vineyard Blvd. Suite 700
Honolulu, Hawaii 96817

Partners in Care is a membership organization of homeless service providers, other service professionals, units of local and state government, homeless consumers, and other community representatives located in Hawai'i on O'ahu. It is a planning, coordinating, and advocacy body that develops recommendations for programs and services to fill gaps in the Continuum of Care on O'ahu.



HAWAII CATHOLIC CONFERENCE

6301 Pali Highway
Kaneohe, HI 96744-5224

Submitted: Online
Hearing on: Thursday, February 20, 2014 @ 12:00 PM
Conference Room: 308

DATE: February 18, 2014
TO: House Committee on Finance
Rep. Sylvia Luke
Rep. Scott Nishimoto, Vice Chair
Rep. Aaron Ling Johanson, Vice Chair
From: Walter Yoshimitsu, Executive Director
Re: Support for HB 1886 HD1 Relating to Housing

Honorable Chair and members of the House Finance Committee, I am Walter Yoshimitsu, **representing the Hawaii Catholic Conference**. The Hawaii Catholic Conference is the public policy voice for the Roman Catholic Church in the State of Hawaii, which under the leadership of Bishop Larry Silva, represents Roman Catholics in Hawaii.

We support HB 1886 HD1 because homelessness continues to be one of the State's most significant and challenging social problems. The Diocese of Honolulu supports any strategic plan that makes homelessness and affordable housing one of its primary areas of focus. For many households in Hawaii at risk of becoming homeless, high housing costs mean skimping on food and medical care, moving frequently to find lower rents—which can interrupt a child's education—creating periods of homelessness. As people of faith, we simply cannot sit back and watch while families fall apart.

SUPPORT FOR HOUSING FIRST INITIATIVE

Research indicates that Housing First is a great way to end chronic homelessness in Hawaii while incorporating much needed support services. People in the community struggling with homelessness are able to stand on a stronger foundation as a result of permanent housing and these comprehensive support services.

Passage of Housing First will, in turn, will ultimately help Hawaii save money on programs aimed at helping the homeless, and will reduce the burden on charities and religious organizations. Some estimates are in the millions!

Housing First is a national model that delivers services in a more dignified and compassionate way by providing people who are homeless with the stability of housing and then offering supportive services to address their barriers to stabilization.

The Hawaii Catholic Conference believes that decent, safe, and affordable housing is a human right. Catholic teaching recognizes that communities and the government have an obligation to ensure the housing needs of all are met, especially poor and vulnerable people and their families. At a time of rising homelessness and when many workers' wages are stagnant and living expenses are rising, it is important to ensure housing security and the Housing First Initiative does just that.

Mahalo for the opportunity to testify.

TESTIMONY IN SUPPORT OF HB 1886: RELATING TO HOUSING

TO: Representative Sylvia Luke, Chair; Representative Aaron Ling Johanson, Vice Chair; and members of the House Committee on Finance
FROM: Fr. Robert Stark, Director, Office for Social Ministry of the Catholic Diocese of Honolulu
Hearing: **Thursday, February 20, 2014, 12:00 PM, Room 308**

Dear Chair Luke, Vice Chair Nishimoto, Vice Chair Johanson, and members of the Committee,

On behalf of the Office for Social Ministry of the Catholic Diocese of Honolulu, I want to express our gratitude for the opportunity to testify **in wholehearted support of HB 1886** appropriating funding for a variety of critical programs targeted at addressing and ending

Housing First Programs funding of \$1.5 million: Catholic parishioners and our Office for Social Ministry have seen and experienced firsthand through working with HOPE Services Hawaii Inc, Catholic Charities, and the Institute for Human Services that Housing First is a best practice that places chronically homeless individuals in permanent housing with intensive support services. Individuals are stabilized as a result of permanent housing and comprehensive support services. As a result, costs such as hospitalization, emergency services, and incarceration are dramatically reduced. Communities around the country have seen large decreases in their chronically homeless population and costs associated with homelessness as a result of Housing First. Cities such as Denver, Los Angeles, and Seattle have reduced public costs by around 75% for each individual housed, resulting in millions of dollars saved. **The research and our actual experience here in Hawaii indicate that Housing First is the way to end chronic homelessness.** For example, Utah has seen the rate of chronic homelessness reduced by 74% since 2007 since the program was implemented and is actually closing shelters. Programs consistently report high success rates of keeping residents in permanent housing.

Permanent supportive housing funding of \$500,000 to provide matching funds for HUD-funded Continuum of Care programs: These programs draw down about \$8 million in federal housing subsidies for homeless individuals with disabilities. Currently, 600 homeless individuals with disabilities are able to maintain housing in our communities as a result of these programs. However, service providers must match these federal funds and provide the wraparound services needed to keep these individuals housed. By funding these programs, the state will be helping homeless individuals stabilize their lives and remain housed while also leveraging a large amount of federal funding.

Shallow Subsidy Program funding of \$1 million: Many homeless families work to attain self-sufficiency, but even once they find employment, they still struggle to find affordable housing. For many, public or deeply subsidized housing is all they can afford, yet the long wait for units or other subsidies means that these households languish in transitional housing. Under this program, families will pay 40% of their income toward rent, which will then be augmented by a maximum subsidy of \$300 to cover the gap between what they can pay and market rent. This program will provide another route to stable housing for families who are ready to rent. We also support the provision to use funds for DHS staff to administer the program.

Again, thank you for providing the Catholic Office for Social Ministry the opportunity to testify in strong support of HB 1886 providing funds for Housing First, Continuum of Care, and Shallow Subsidy programs.

Partners In Care, c/o Aloha United Way, 200 N. Vineyard Blvd. Suite 700
Honolulu, Hawaii 96817

Partners in Care is a membership organization of homeless service providers, other service professionals, units of local and state government, homeless consumers, and other community representatives located in Hawai'i on O'ahu. It is a planning, coordinating, and advocacy body that develops recommendations for programs and services to fill gaps in the Continuum of Care on O'ahu.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 1886, HD1: RELATING TO HOUSING

TO: Representative Sylvia Luke, Chair, and Representative Scott Y. Nishimoto, Vice Chair, and Members, Committee on Finance

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

Hearing: Thursday, 2/20/14; 12:00 pm/Noon; CR 308

Chair Luke, Vice Chair Nishimoto, and Members, Committee on Finance:

Thank you for the opportunity to testify **in strong support** of HB 1886. I am Betty Lou Larson, Legislative Liaison at Catholic Charities Hawaii.

Catholic Charities Hawaii supports **\$1,500,000 for ongoing funding for Housing First. We urge that this funding be put into the base budget for the program.** Housing First is an evidence based initiative for moving chronically homeless people into permanent housing with wrap around services. **Housing First is cost-effective. The City of Seattle found that housing 95 homeless persons with alcoholism saved the city \$4 million in the first year of operation.** It cost \$13,440 per person (including housing costs) to administer their Housing First program, compared with a cost of \$86,062 per person annually before Housing First. Our homeless providers are collaborating with the state, counties, landlords, and other private entities, etc. on Housing First. There is great energy to move forward and make a significant impact on ending homelessness.

We also support **\$500,000 for matching funds** to HUD funded Continuum of Care permanent supportive housing programs. Statewide, these program bring in approximately \$8 million in federal monies to house homeless persons but they need to match these funds and provide the critical wrap-around services to stabilize them in affordable housing. The federal housing subsidies are the key to ending homelessness for these recipients. The State can greatly leverage its funds with these federal funds to enable over 600 disabled homeless to be re-integrated into our communities and maintain housing.

Catholic Charities Hawaii also supports **\$1,000,000 for the Shallow Rent Subsidy** program to create another pathway out of homelessness for working homeless. Working families and individuals have income to pay rent but it is not sufficient to pay the full market rent. In transitional shelters, they have worked hard to change their lives, learn good budgeting skills, get a job and are ready to pay rent—but they still cannot afford market rents. For many homeless people, waiting for public housing seems to be the only option. A shallow rental subsidy of no more than \$300/month, after the family pays 40% of their income for rent, would enable these working people to more rapidly move into permanent housing.

We urge your support for these important pathways out of homelessness.



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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 1886 Relating to Housing
House Committee on Finance
Scheduled for Hearing Thursday, February 20, 2014, 12:00 PM, Room 308

Hawai'i Appleseed Center for Law and Economic Justice is a nonprofit, 501(c)(3) law firm created to advocate on behalf of low income individuals and families in Hawai'i on civil legal issues of statewide importance. Our core mission is to help our clients gain access to the resources, services, and fair treatment that they need to realize their opportunities for self-achievement and economic security.

Thank you for an opportunity to testify in **strong support** of House Bill 1886, which would fund critical programs to address homelessness, including Housing First, Continuum of Care permanent supportive housing, and a shallow subsidy rental assistance program. We support **\$1.5 million** for **Housing First** programs and request this be part of the base budget for the program, as well as **\$1 million** for the **shallow subsidy program**, and **\$500,000** for Continuum of Care **permanent supportive housing programs**.

Housing First is an innovative and highly successful approach to housing the most challenging populations of individuals experiencing homelessness. A person who has been chronically homeless needs, first and foremost, stable permanent housing. Once placed in housing, the individual can receive the services and supports necessary to address the underlying issues that lead to homelessness in the first place, such as mental illness or substance use disorders. Housing First has worked around the country, in both urban and rural areas, and kept the most vulnerable individuals housed and improved their quality of life. Research has also demonstrated the cost-efficacy of this approach: it often costs less to house a chronically homeless person and provide comprehensive supportive services than to leave them unsheltered, due to the high costs of emergency interventions such as ER visits or incarceration that leave individuals homeless.

The shallow subsidy program is targeted to help homeless households who are ready to rent to leave transitional housing and move into a permanent, market rate unit. Many families in transitional housing are ready to rent, but even if they are working full time, their income may be too low to afford market rents. This is no surprise, given that Hawai'i has the highest cost of shelter in the country and a severe shortfall of affordable rentals. Almost three out of four extremely low-income households are paying more than half of their income on rent. For those living in poverty, the severe housing cost burden is even greater. The options for public housing or other subsidies are extremely limited and have long waitlists. As a result of this lack of affordable rentals, families who are ready to rebuild their lives in stable housing are instead stuck in transitional housing.

With the shallow subsidy rental assistance program, a household would pay 40 percent of their income in rent and receive a maximum rental assistance payment of \$300 per month. This would help meet the gap for working homeless families who have income but cannot pay a full market rent. Permanent supportive housing services are another critical tool to helping homeless individuals with a high level of need. By funding Continuum of Care programs, the state will be able to leverage a significant amount of federal funds in housing subsidies.

Again, thank you for the opportunity to testify in support of HB 1886 to fund these critical homeless intervention programs.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 19, 2014 10:21 PM
To: FINTestimony
Cc: kat.caphi@gmail.com
Subject: Submitted testimony for HB1886 on Feb 20, 2014 12:00PM

HB1886

Submitted on: 2/19/2014
Testimony for FIN on Feb 20, 2014 12:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Kat Brady	Community Alliance on Prisons	Support	No

Comments: Housing First is an initiative that works, is cost effective, and has been endorsed as a best practice. This is an important bill for our communities. Please aloha our houseless community members by passing this bill.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE

CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF HB 1886, HD1: RELATING TO HOUSING

TO: Representative Sylvia Luke, Chair, and Representative Scott Y. Nishimoto, Vice Chair, and Members, Committee on Finance

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

Hearing: Thursday, 2/20/14; 12:00 pm/Noon; CR 308

Chair Luke, Vice Chair Nishimoto, and Members, Committee on Finance:

Thank you for the opportunity to testify **in strong support** of HB 1886. I am Betty Lou Larson, Legislative Liaison at Catholic Charities Hawaii.

Catholic Charities Hawaii supports **\$1,500,000 for ongoing funding for Housing First**. **We urge that this funding be put into the base budget for the program**. Housing First is an evidence based initiative for moving chronically homeless people into permanent housing with wrap around services. **Housing First is cost-effective. The City of Seattle found that housing 95 homeless persons with alcoholism saved the city \$4 million in the first year of operation.** It cost \$13,440 per person (including housing costs) to administer their Housing First program, compared with a cost of \$86,062 per person annually before Housing First. Our homeless providers are collaborating with the state, counties, landlords, and other private entities, etc. on Housing First. There is great energy to move forward and make a significant impact on ending homelessness.

We also support **\$500,000 for matching funds** to HUD funded Continuum of Care permanent supportive housing programs. Statewide, these program bring in approximately \$8 million in federal monies to house homeless persons but they need to match these funds and provide the critical wrap-around services to stabilize them in affordable housing. The federal housing subsidies are the key to ending homelessness for these recipients. The State can greatly leverage its funds with these federal funds to enable over 600 disabled homeless to be re-integrated into our communities and maintain housing.

Catholic Charities Hawaii also supports **\$1,000,000 for the Shallow Rent Subsidy** program to create another pathway out of homelessness for working homeless. Working families and individuals have income to pay rent but it is not sufficient to pay the full market rent. In transitional shelters, they have worked hard to change their lives, learn good budgeting skills, get a job and are ready to pay rent—but they still cannot afford market rents. For many homeless people, waiting for public housing seems to be the only option. A shallow rental subsidy of no more than \$300/month, after the family pays 40% of their income for rent, would enable these working people to more rapidly move into permanent housing.

We urge your support for these important pathways out of homelessness.

