



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

March 22, 2013

MEMORANDUM

TO: The Honorable David Y. Ige, Chair
Senate Committee on Ways and means

FROM: Patricia McManaman, Director

SUBJECT: **H.B. 519, H.D. 1 – RELATING TO HOUSING**

Hearing: Friday, March 22, 2013; 9:00 a.m.
Conference Room 211, State Capitol

PURPOSE: H.B. 519, H.D. 1 appropriates an unspecified amount of funds in fiscal year 2013-14 and 2014-15 to the Department of Human Services to continue to administer Housing First programs for chronically homeless individuals in the State.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) supports the intent of this bill as it is supportive of our objectives. A request was submitted in the Governor's Executive Biennium Budget for \$1,500,000 for continuation of the Housing First Program, and expansion beyond urban Honolulu to entire island of Oahu and to the Neighbor Islands. This request was deleted from the budget in H.B. 200, H.D. 1. The Department asks that the Legislature support the Department's priorities as requested in the Executive Biennium for the Housing First program. It is anticipated that \$1 million of the \$1.5 million will be used to continue to focus on urban Honolulu, while other areas of Oahu and the Neighbor Islands would share the remaining \$500,000.

The Housing First program, as administered by the Department, 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 current Housing First program is being implemented by US Vets and the Institute of Human Services (IHS). Between them, the two agencies have housed 34 of the most vulnerable, chronically homeless individuals (and one family) in urban Honolulu, with another 12 being engaged. The projected service goals are 56 individuals for the current year. The average cost of housing per person has been $\$1,000/\text{month} \times 34 \text{ people} \times 12 \text{ months} = \$408,000$.

For both USVets and IHS approximately 60-64% has been allocated for direct client assistance such as housing, housing supplies, bus passes, and emergency food supplies. Other costs for items such as staffing (20%), sub-contracting, mileage (for outreach efforts), telecommunications, and administrative fees are kept very low. These other costs include agency services for determining eligibility, establishing what resources are available to clients, assisting clients in locating suitable rental housing, assisting with securing of housing deposit and utility deposit, conducting unit inspections, working with landlords, setting up representative payee if necessary, recruiting landlords, and providing case management to support the provision of stable housing and required support services. Ramp up time and costs were mitigated somewhat by the existence of other leveraging resources.

If granted the same amount of funding next year to continue service focused on urban Honolulu, the providers believe they could serve approximately 14-20 additional individuals. This is because their agency infrastructures are already set up and they

wouldn't need to spend money on ramping up the program. The “new” providers selected to serve other areas of Oahu and the Neighbor Islands would incur the same type of ramp up costs as US Vets and IHS did at the time they began service, so numbers served in those areas are projected to be initially a little lower than in urban Honolulu. If the service goals for the expanded areas are estimated at 28 people, the \$1.5 million funding would serve a total of approximately 104 individuals statewide.

The following information describes the people currently being assisted through the Housing First program: longest period of homelessness – 16 years; all have disabilities (for example, chemical dependency, AIDS, Hepatitis C, Diabetes); been outreached by as many as four different agencies in the past; age between 51-68 years old.

Evaluating Housing First solely on the basis of cost per person is short-sighted because the major benefit to our community comes in the form of cost savings due to the increased stability of the individual, and thus a reduction in the use of more expensive crisis response systems such as emergency rooms, emergency psychiatric hospitalizations, and use of 911/ambulance services. In Colorado, for example, a 2006 study found that Housing First reduced emergency service costs for chronic homeless with disabilities in 24 months by 72.95%. Cost savings averaged \$31,545 per person.

In September, 2012, our community worked collaboratively to implement the 100,000 Homes Campaign on Oahu, a proven strategy to address housing for the most chronic and vulnerable homeless. Homeless individuals and families were interviewed and assessed using a standardized, evidenced based vulnerability index (tool) that helped to assess which persons were most likely to die on the street due to age, health, and other conditions that caused them to be more vulnerable. These 100+ individuals who most need housing are already identified through the 100,000 Homes campaign. Housing First funds have been used to help house and support these and other folks

who most need our help. There is definitely a population across the State that could benefit from Housing First services.

“Chronically homeless” describes those individuals who have been living in unsheltered homeless situations for the longest time. Through the tracking available in the Homeless Management Information System (HMIS) data base, we know that these same individuals have been encountered numerous times over the years and have not been willing to enter shelters or otherwise engage with services. “Vulnerable” individuals are those who are most likely to die on the streets if they do not get help. Many of these people have chemical dependency, untreated mental health disorders, or other chronic diseases such as HIV/AIDS or diabetes or Hepatitis that severely compromise their health and well being. Aside from determining eligibility for the Housing First program, the agencies establish what resources are available to clients, assist clients in locating suitable rental housing, assist with securing of housing deposit and utility deposit, conduct unit inspections, work with landlords, set up representative payee arrangements if necessary, recruit landlords to participate, and provide case management to support the provision of stable housing and support services.

Because Housing First is a nationally recognized best practice that was implemented for the first time in Hawaii in 2012, the Administration has requested funding to continue this program that is critical to addressing housing for the chronically homeless, those individuals who are historically the most difficult to place because they have so many issues to mitigate and have grown accustomed to living in unsheltered conditions. We ask for the Legislature’s support of the Executive Biennium Budget request for the Housing First program.

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

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
 Supporting HB 519 Relating to Housing
 Senate Committee on Committee on Ways and Means
 Scheduled for Hearing Friday, March 22, 2013, 9:00 AM, Room 211

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 519, which would **fund Housing First programs** for people experiencing chronic homelessness. We respectfully request the committee appropriate **\$1.5 million**, as requested in the Governor's budget, which will enable this invaluable program to continue and to expand beyond urban Honolulu and help the hardest-to-reach homeless individuals on the neighbor islands.

Housing First saves lives.

- Housing First is an evidence-based practice that reduces chronic homelessness, improves the health and well-being of formerly homeless individuals, and lowers costs, including those related to emergency services and incarceration. Those placed in housing show improved mental and physical health, decreases in substance use, and overall quality of life.
- The Housing First model stabilizes individuals' housing situation and provides comprehensive support services so that participants can address the other issues they face, such as mental illness, substance abuse, and chronic health conditions. The approach has a proven record of success and considered a best practice.
- Both rural and urban areas around the country have used housing first to reduce homelessness. For example, Utah's statewide implementation of a housing first program has resulted in an incredible 72 percent decrease in the number of chronically homeless individuals since 2005.

Housing first saves money.

- Around the country, visits to emergency rooms, hospitalizations, outpatient treatment, detox services, incarceration, and shelter utilization have been dramatically reduced when chronically homeless individuals are placed in supportive housing. Mounting evidence has consistently indicated significant savings resulting from Housing First programs.
- A Seattle-based controlled study by the Robert Wood Johnson Foundation and published in the Journal of the American Medical Association found that placing 95 chronically homeless alcoholic individuals saved state and local governments \$4 million in the first year alone.
- The Los Angeles Homeless Services Authority's Homeless Cost Avoidance Study found a 79% reduction in public costs per homeless adult once they were placed in supportive housing. Denver, Colorado saw a 73% reduction in emergency -related costs through a Housing First program, according to the Denver Housing First Collaborative's Cost Benefit Analysis.

In Honolulu, eighteen of the fifty most frequent 911 callers are homeless; the average cost for each of these top callers is \$140,000 annually. By assessing the most medically vulnerable homeless individuals and placing them into housing first programs, we can expect to see a dramatic decrease in these costs and a net cost savings. **Housing first is a proven, cost-effective program that reduces chronic homelessness and saves lives.**



CATHOLIC CHARITIES HAWAII

COMMENTS IN SUPPORT OF HB 519, HD1: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair, Senator Michelle N. Kidani, Vice Chair, and Members, Committee on Ways and Means

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

Hearing: Friday, March 22, 2013; 9:00 am; CR 211

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Means::

Thank you for the opportunity to comment in **strong support for HB 519, HD1 and \$1.5 million in funding for Housing First**. I am Betty Lou Larson, Legislative Liaison at Catholic Charities Hawaii.

- This funding is critical to continue the implementation of the Housing First model in Hawaii. The public pays a heavy cost when people are chronically homeless on the streets. Public costs can be decreased by 79% by providing supportive housing with services.
- **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.
- A 10/28/12 article in the Star-Bulletin on the 50 most frequent users of 911 found that 36% of these callers were homeless. Of the top 50 users of 911, the direct costs for ambulance and ER services was conservatively estimated at \$2.6 million/year. When projected hospitalizations were included, the cost could be as high as \$7 million annually, about \$140,000 per person. **On average, the 18 homeless frequent callers would be costing the state \$936,000 for direct costs only, without including hospitalizations.**
- Neighborhoods and businesses are impacted by homeless sleeping on their streets. The impact on tourism is of great concern since this is Hawaii's economic driver.

The Housing First program has proven its success in many states as a way to more effectively address the chronically homeless. These homeless are often the most visible homeless, living in our neighborhoods, doorways, under bridges, etc. These persons experience homelessness over a long period of time and incur very significant public costs. Housing First assists them to gain permanent housing and then provides the services needed to keep them in housing and successfully transition off the streets.

We urge your support for \$1.5 million in funding for the Housing First program. This increase would enable Housing First to expand beyond urban Honolulu to other areas, including the Neighbor Islands.

We urge your support to continue and expand Housing First to reduce the public costs and to move the most vulnerable off our streets. Thank you.



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To: The Hawai'i State Senate Committee on Ways and Means
Re: HB 519 SD1

To: The Senator Ige and the members of the committee.

Aloha,

The Community Alliance for Mental Health along with United Self Help wholeheartedly supports HB 519 HD1.

Housing First is critical to the transformation of the delivery of care to our most vulnerable populations. Socially it may not be pretty but it works!

Homelessness is constantly listed as one of the primary problems in Hawai'i these days. However the problems go beyond those known to the general public. The homeless are inclined to use the Emergency Room for their primary care. We all know that the E.R. is one of the most expensive rooms on the planet. The homeless also have one of the highest rates of recidivism among our citizens. Prison can cost society up to \$50,000 a year.

Housing First programs are evidence based, have been in practice for years, their education modules are extant, and they can save society up to \$10,000 per person per annum in reduced medical services and criminal justice costs.

If we want to get the homeless off the streets and reduce the State's Medicaid cost then Housing First will be one of the pillars supporting that goal.

Mahalo,

Robert Scott Wall
Vice-President



PARTNERS IN CARE

Oahu's Coalition of Homeless Providers

COMMENTS IN SUPPORT OF HB 519, HD1: RELATING TO HOUSING

TO: Senator David Y. Ige, Chair; Senator Michelle N. Kidani, Vice Chair; and Members, Committee on Ways and Means

FROM: Gladys Peraro, Co-Chair Advocacy Committee, Partners In Care

Hearing: **Friday, March 22, 2013; 9:00 am; CR 211**

Chair Ige, Vice Chair Kidani, and Members, Committee on Ways and Means:

Thank you on behalf of Partners In Care (PIC), for the opportunity to provide testimony in support HB 519, HD1, which appropriates funds to continue the implementation of the Housing First model in Hawaii. I am Gladys L. Peraro, Advocacy Committee Co-Chair for Partners In Care, the coalition care providers focused on the needs of homeless persons and strategies to end homelessness.

The Housing First model of intervention has proven successful in many states as a way to more effectively address the chronically homeless population, who are often the most visible and most medically fragile homeless, living in our neighborhoods, doorways, under bridges, and other areas not meant for habitation.

In 2012, 100 medically vulnerable unsheltered homeless individuals were identified during the 100,000 Homes Campaign on Oahu. Homeless providers are currently working collaborative and aggressively to house the vulnerable individuals identified during the campaign period. Housing First, however, is only the first step in the process – the chronically homeless population will need ongoing services to ensure that their health and social needs are addressed.

The Housing First model can provide a means through which many of these 100 chronically homeless and medically vulnerable unsheltered individuals can receive the services they so desperately need. The benefit to these individuals is an improvement to their quality, and quantity, of life. The benefit to our community is reduced cost since the latest information on Partners In Care's "What is the Cost of Homelessness?" states:

- 38% of all public costs for those who are unsheltered are health care costs.
- The average public cost for an unsheltered homeless person is \$2,897 per month vs. the average public cost for a resident in supportive housing is \$605 per month. Public costs can be decreased by 79% by providing supportive housing with services.
- The average life expectancy for this fragile population is 25 years less than the average individuals.
- **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.
- A 10/28/12 article in the Star-Bulletin on the 50 most frequent users of 911 found that 36% of these callers were homeless. Of the top 50 users of 911, the direct cost for ambulance and ER services was conservatively estimated at \$2.6 million/year. When projected hospitalizations were included, the cost could be as high as \$7 million annually, about \$140,000 per person. **On average, the 18 homeless frequent callers would be costing the state \$936,000 for direct costs only, without including hospitalizations.**
- Neighborhoods and businesses across the state are impacted by homeless sleeping on their streets. The impact on tourism is of great concern since this is Hawaii's economic driver.

Partners In Care respectfully urge your support for \$1.5 million in funding for the Housing First program to expand beyond urban Honolulu to areas of critical need, including the Neighbor Islands, to move the most vulnerable off our streets into permanent housing. Thank you.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: connieM@ihs-hawaii.org
Subject: Submitted testimony for HB519 on Mar 22, 2013 09:00AM
Date: Wednesday, March 20, 2013 4:43:22 PM

HB519

Submitted on: 3/20/2013

Testimony for WAM on Mar 22, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Connie Mitchell	IHS, The Institute for Human Services, Inc.	Support	No

Comments: the State needs to continue to fund national best practice for serving chronically homeless individuals with medical and behavioral health vulnerabilities. We also need to expand this program to the neighbor islands. other municipalities invest far more per capita on this kind of program for the chronically homeless. Please fund and pass this bill

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From: mailinglist@capitol.hawaii.gov
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Cc: sarah.kahikilani@yahoo.com
Subject: *Submitted testimony for HB519 on Mar 22, 2013 09:00AM*
Date: Wednesday, March 20, 2013 2:34:22 PM

HB519

Submitted on: 3/20/2013

Testimony for WAM on Mar 22, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
sarah	Individual	Support	No

Comments:

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