



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

April 1, 2013

MEMORANDUM

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

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 515, SD2, HD1 – RELATING TO HOUSING**

Hearing: Monday, April 1, 2013: 2:00 p.m.
Conference Room 308; State Capitol

PURPOSE: The purpose of S.B. 515, S.D. 2, H.D. 1 is: 1) to appropriate unspecified funds to the Department of Human Services to assist families experiencing or at risk of experiencing homelessness with housing placement and employment services; 2) appropriating funds to the Department of Health for clean and sober housing support services; 3) appropriates funds for DHS to administer the Housing First program; 4) appropriates funds to DHS for Shelter Plus Care matching funds for housing and support services for homeless individuals and families; 5) the proposed bill also establishes the Return-to-Home program and special fund; and, 6) establishes nighttime parking lots and camping locations for homeless persons.

DEPARTMENT'S POSITION: The Department of Human Services appreciates the Legislature's support of the Homeless Programs office (HPO) and supports the intent of Part I, Section 2; and Part III, Section 8 of this bill provided it does not adversely affect priorities set forth in the Executive Biennium Budget.

Part II, Section 5 of this bill appropriates funding for the Housing First program. The Department of Human Services appreciates the intent of this appropriation as it is very supportive of our objectives. The Department asks that the Legislature support the Department's priorities as requested in the Executive Biennium Budget which contains a request for \$1,500,000 for continuation of the Housing First Program, and expansion beyond urban Honolulu to the entire island of Oahu and to the Neighbor Islands.

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.

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. We ask for the Legislature's support of the Executive Biennium Budget request.

In regard to Part IV of this proposed bill, the establishment of the "Return-to-Home" program, the Department has reservations about the cost implications and impact this program may have on the priorities in the Executive Biennium Budget. DHS also has concerns about the prescriptive language of the services to be provided, liability related to the requirement to obtain sufficient identification to enable travel, the costs associated with the acquisition of identification which can, in some cases, be a burdensome procedure requiring the assistance of legal counsel, and the need to verify the individual's arrest, parole, or probation status and ensure proper clearance to leave

the State as this may require extensive interaction with a variety of law enforcement agencies, public defenders, prosecuting attorneys, and others. Finally, the DHS takes exception to the suggestion that homeless persons are in need of “sufficient personal hygiene”, as an unnecessary and inappropriate stereotype.

In short, the HPO does not have the staffing or fiscal resources to administer this program. Providing transportation for a homeless individual back to their home state will not guarantee that the individual will not return to Hawaii and again become a consumer of homeless or other services in our state. The provisions of this bill may also be seen by those who might exploit it, as an invitation to come to Hawaii and partake of homeless services here, with an expectation that they will receive a free trip home.

Part V, Section 14 of the proposed bill calls for establishment of temporary nighttime parking lots for safe overnight parking for homeless individuals who live and sleep in their motor vehicles. The bill would require procedures for screening potential users and would prohibit alcohol and drug use by those utilizing the parking lots. While DHS understands the intent of this measure is to seek alternative solutions for the homeless who have no safe place to sleep, we note that the issue of liability remains a significant obstacle in implementation. If screening as prescribed by the bill is to be performed, resources for staffing, security and monitoring, access to bathroom facilities and potable water will need to be accessed as well. Funding costs may be up to a million dollars per site, not including the cost of liability coverage for the land owners and contractors providing the service.

And finally, Part VI, Section 16-17, would utilize designated surplus or vacant locations owned by the State to establish “safe havens” for the homeless. The bill would require DHS to establish durational restrictions for the homeless, and provide pavilions

with overhead shelter, showers and toilets, potable water, coin operated washing and drying machines, lockers for storage, security, and maintenance.

The Governor's Coordinator on Homelessness and the Hawaii Interagency Council on Homelessness (HICH) conducted a study as required (see "Report on Act 105, Section 4, Session Laws of Hawaii (SLH) 2012, Relating to the Hawaii Interagency Council on Homelessness") and provided findings to the Legislature prior to the beginning of the current session. In the report, the Coordinator and the HICH concurred that safe havens do not address the core solution to homelessness, which is permanent housing. Such encampments seldom receive support from neighborhoods, and are difficult to dismantle once established. Their existence does not necessarily mean that those who are unsheltered and living on the street will migrate there. Creation of safe havens as described in this proposed bill is contrary to the State's Plan to end homelessness, and as such, the DHS cannot support this provision.

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



SB515 SD2 Housing: Homelessness Appropriation: Appropriates homeless funds to DHS and DOH for the rental housing trust fund, substance abuse treatment, mental health support services, and clean and sober housing services, shelter plus care grants, rental assistance program, housing first programs and rapid re-housing program

- ✚ COMMITTEE ON FINANCE: Representative Luke, Chair; Representative Nishimoto, Vice Chair; Representative Johanson, Vice Chair
- ✚ Monday, Apr. 1, 2013; 2:00 p.m. Room 308

Hawaii Substance Abuse Coalition Supports SB515 SD2 HD1

GOOD MORNING CHAIR LUKE, VICE CHAIR NISHIMOTO, VICE CHAIR JOHANSON AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide hui of more than twenty non-profit treatment and prevention agencies.

Those patients who have both a drug use disorder and a mental illness often exhibit symptoms that are more persistent, severe, and resistant to treatment compared with patients who have either disorder alone. Once patients reach a state of addiction, they have a medical condition that warrants immediate medical treatment. Integrated co-occurring disorder (substance abuse and mental health) treatment includes residential, intensive outpatient and outpatient coupled with case management teams.

Integrated treatment (treating both substance abuse and mental illness in one setting) is ideal for treating this population and takes place in various modalities (e.g., residential and outpatient).

- Practitioners often divide treatment into phases, usually including engagement, stabilization, primary treatment, and continuing care (also known as aftercare).
- Use of these phases enables the clinician (whether within the substance abuse or mental health treatment system) to apply coherent, stepwise approaches in developing and using treatment protocols.
- Following treatment, people in recovery apply what they learned and engage in a much longer recovery “support” process through participation in mutual self-help groups.
- It is critical that during this vulnerable time, recovery persons have clean and sober living conditions.

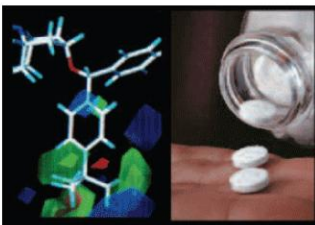
The integration of substance abuse treatment and mental health services for homeless persons has become a major treatment initiative for substance abuse providers.

- As developed in the substance abuse treatment field, the recovery perspective acknowledges that recovery is a process of internal change in which progress occurs in stages: engagement, stabilization, primary treatment and continuing care.
- Paramount to this is the development of peer driven strategies that are continued after treatment ends.
- Getting an addicted person to stop abusing drugs is just one part of a complex recovery process. Other rehabilitative services must address the compulsory nature of addiction that has disrupted how they function in their family lives, at work, and in the community,
- Comprehensive treatment regimens must also include clean and sober housing and mutual self-help groups.

Given the complexity of addressing the individual medical, psychological, social, vocational, and legal needs of their patients to foster their recovery from addiction, rent subsidies over a limited time are most helpful to ensure positive outcomes. A benefit of rental assistance is the ability to stay connected with the families to address any set-backs or relapses. The treatment phases - engagement, stabilization, primary treatment, and continuing care - can be re-engaged as needed in a rental support environment. This support of recovery would greatly increase outcomes.

Substance use disorder treatment reduces costs. Extensive studies have proven in recent years that treatment saves \$4 in health costs for every \$1 spent on treatment. When considering other costs, treatment saves \$7 in criminal justice and health costs for every \$1 spent on treatment. Moreover treatment is estimated to save 50 cents on the dollar for the first year of treatment compared to incarceration.

Addiction can be treated successfully. For many people with chronic dependence, addiction can't be cured. However, addiction need not be a life sentence. Like other chronic diseases, addiction can be managed successfully. Treatment enables people to counteract addiction's powerful disruptive effects on brain and behavior and regain control of their lives.



New drugs are now available to help the treatment of addiction.

Addiction is a treatable disease. Discoveries in the science of addiction have led to advances in drug abuse treatment that help people stop abusing drugs and resume their productive lives.

We appreciate the opportunity to provide testimony and are available for questions.



Housing Hawaii

Advocating Creating Maintaining Affordable Housing

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Testimony of Housing Hawaii
in regards to


Amending SB 515, SD2, HD1 Relating to Housing
House Committee on Finance
Monday, April 1, 2013, 2:00PM, Room 308

Chair Luke, Vice Chairs Nishimoto and Johanson and Members of the House Committee on Finance, Housing Hawaii is extremely disappointed that the appropriation of General Obligation Bond funds for deposit into the Rental Housing Trust Fund (RHTF) has been removed from this bill. The appropriation was initially included in Part I, Sections 3 and 4 of SB515 SD 2.

Housing Hawaii respectfully requests that your Committee reconsider the inclusion of an appropriation of funds to the RHTF. We would like to see at least \$30 million in General Obligation Bond funds dedicated to the RHTF. In the next four years, Hawai'i will need 13,000 more units to meet the need for affordable rentals. In Fiscal Year 2012 the Hawaii Housing Finance and Development Corporation (HHFDC) was only able to commit \$20.7 million to four rental projects that totaled 317 units. Requests for an additional 230 units went unfunded because of a lack of available funds. Even if HHFDC were able to fund all the developer requests we would only have produced 547 units and a portion of them would most likely have been for rehabilitation of existing units and not the development of new units. As you can see, the projected demand of 13,000 new units far exceeds our current production capability.

Housing Hawaii is aware of two affordable rental projects in the Ewa, Kapolei area that recently received a total of over 1,400 applications for 184 apartments - a glaring example of the pent up demand for housing. As a result of this housing shortfall, families struggle to keep themselves housed, multi-generational households are being stressed, and some families may even find themselves homeless. The Rental Housing Trust Fund, leveraged with other funding sources, has helped to create over 4,567 units, a noteworthy accomplishment. But there is no time to celebrate past achievements when our people need shelter from the elements. We respectfully request your unanimous support for continued funding of the Rental Housing Trust Fund.

Sincerely,



Kevin R. Carney, NAHP-e
President

Housing Hawaii, 841 Bishop Street, Suite 2208, Honolulu, HI 96813

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To: The Hawai'i State House of Representatives Committee on Finance
Re: SB 515 SD 2

To: The Honorable Representative Luke and the **members of their committee.**

Aloha,

The Community Alliance for Mental Health along with United Self Help strongly supports SB 515 SD 2. Funding for housing the homeless is of primary importance if we are to transform the delivery of health care to one of our most vulnerable populations.

It has been proven through evidence based practices used by time tested programs that it can be up to nine times cheaper to house and treat homeless individuals. The simple fact is that recovery cannot begin on the street. For a person to re-enter a normal life the need not only shelter they need laundry facilities, the need hygienic facilities, they need a bed, they need an alarm clock. The list goes on but all of this is required before a person can even try to get a decent job.

The ultimate goal of this bill is to help people get off of the dole. To help them to the best of our abilities achieve the best of their abilities and return to whatever level of work they are capable of. Many of them can be expected to transition into tax paying citizens again, to leave the welfare and Social Security systems altogether.

To do that however requires an investment on society's side. It is an investment however that we can't afford to avoid. Hospital Emergency Rooms cannot be used as primary care facilities and it cost up to fifty thousand dollars a year to house someone in prison.

Bearing all that in mind we strongly support SB 515, SD 2, and urge you to do the same.

Mahalo,
Scott Wall
Vice-President

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 30, 2013 1:49 PM
To: FINTestimony
Cc: bettylou.larson@catholiccharitieshawaii.org
Subject: *Submitted testimony for SB515 on Apr 1, 2013 14:00PM*

SB515

Submitted on: 3/30/2013

Testimony for FIN on Apr 1, 2013 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Betty Lou Larson	Catholic Charities Hawaii	Support	Yes

Comments:

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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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting SB 515 Relating to Housing
House Committee on Finance
Scheduled for Hearing Monday, April 1, 2013, 2:00 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 support of Senate Bill 515, which appropriates funds for programs aimed at ending homelessness and ensuring that everyone has access to stable and affordable housing. Hawai'i Appleseed Center for Law and Economic Justice strongly supports:

Housing First Programs funding of \$1.5 million

- Housing First places chronically homeless individuals in permanent housing with intensive support services.
- Individuals are stabilized as a result of permanent housing and comprehensive support services, and 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. This model is **cost-effective**: Cities such as Denver, Los Angeles, and Seattle have reduced public costs by around 75% for each individual housed, resulting in millions saved. A Robert Wood Johnson study found that a program housing just 95 individuals with alcoholism who were chronically homeless saved state and local governments saved \$4 million in the first year alone.
- Housing First is key to ending chronic homelessness. The state of Utah has seen the rate of chronic homelessness reduced by 72% in the last seven years since the program was implemented and is actually closing shelters.
- This funding would allow Housing First to continue and also expand beyond urban Honolulu to other parts of Oahu and the neighbor islands.

Homeless Programs Office at the Department of Human Services funding

- Adequate funding for homeless services programs is absolutely critical to effectively implementing solutions to homelessness. In addition to the current funding, we respectfully encourage the committee to provide additional funding beyond that in the Administration's budget for staffing at HPO to implement the new rent supplement program proposed in HB 518, should it be passed by the legislature.
- The rent supplement, or "shallow subsidy," program is a new initiative that would help move families who are homeless but ready to rent into permanent market housing. Without adequate staffing at the Homeless Programs Office, this important program will not be able to be implemented. We thank you for considering this in your review of SB 515 HD 1.

We also support shelter plus care funding, which is critical to helping the most vulnerable individuals to remain in housing and to leverage federal program funds. These services are essential to ending chronic homelessness and improving the well-being of our community's most vulnerable individuals. We appreciate the intent of the bill to address homelessness through a variety of methods.