

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
P.O. Box 3378  
HONOLULU, HAWAII 96801-3378

In reply, please refer to:  
File:

## House Committee on Finance

### S.B. 515 HD1, Housing

#### Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H. Director of Health

April 1, 2013

1 **Department's Position:** The Department of Health (DOH) appreciates the intent of this measure  
2 provided that its enactment does not reduce or replace priorities within our Executive Biennium Budget  
3 Request for Fiscal Biennium 2013-2015.

4 **Fiscal Implications:** Section 3 appropriates an unspecified sum for the Department of Health for clean  
5 and sober housing support services.

6 **Purpose and Justification:** Section 3 of the measure appropriates an unspecified sum to be expended  
7 in each of the years of Fiscal Biennium 2013-2015 by DOH for clean and sober housing support  
8 services.

9 Stable housing is a critical component in the continuum of substance abuse treatment and  
10 recovery. Approximately 16 percent of clients served by ADAD contracted providers did not have  
11 stable housing at admission. At discharge and follow-up, unstable housing status was reduced to  
12 13 percent and 2 percent, respectively.

13 As a member of the Governor's Hawaii Interagency Council on Homelessness which is  
14 comprised of community leaders, state department directors, and federal agency representatives, DOH is

1 involved with the development of a unified plan on addressing homelessness by increasing transitional  
2 and permanent housing options and acquiring increased federal funding.

3 We are aware of the need for clean and sober housing support services for those who are  
4 homeless or at risk of becoming homeless. Within DOH, efforts to address homeless clients with mental  
5 health, substance use and co-occurring mental illness and substance use disorders are coordinated  
6 between the Alcohol and Drug Abuse and Adult Mental Health Divisions to ensure that clients receive  
7 appropriate care. It should be noted, however, that as needs are identified and priorities are assigned to  
8 address the issue of homelessness, the proposed services in this measure must also be viewed within the  
9 context of the Department's Biennium Budget Request.

10 Thank you for the opportunity to testify on this measure.

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**LATE**

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
SENATE BILL NO. 515, S.D. 2, H.D. 1

April 1, 2013

RELATING TO HOUSING

Senate Bill No. 515, S.D. 2, H.D. 1, appropriates unspecified funds to various agencies and programs for housing and supportive services for homeless individuals and families; establishes nighttime parking lots for homeless persons; and establishes safe haven camping locations for homeless persons. The bill also establishes a Return-to-Home program and a Return-to-Home Special Fund into which shall be deposited appropriations by the Legislature; donations and grants from public agencies and non-profit organizations; and matching funds from the counties. Monies in the Return-to-Home Special Fund shall be administered by the Department of Human Services to provide Return-to-Home programs and services.

While the Department of Budget and Finance (B&F) appreciates the intent of the bill to assist homeless persons and families, as a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the HRS. Special or revolving funds should:

- 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program;
- 2) provide an appropriate means of financing for the program or activity; and
- 3) demonstrate the capacity to be financially self-sustaining.

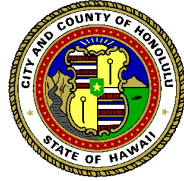
In regards to Senate Bill No. 515, S.D. 2, H.D. 1, it is difficult to determine whether the fund will be self-sustaining.

We encourage the Legislature to scrutinize the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, HRS.

**LATE**

**OFFICE OF THE MANAGING DIRECTOR  
CITY AND COUNTY OF HONOLULU**

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KIRK CALDWELL  
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EMBER LEE SHINN  
MANAGING DIRECTOR

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DEPUTY MANAGING DIRECTOR

TESTIMONY OF EMBER LEE SHINN, MANAGING DIRECTOR  
CITY AND COUNTY OF HONOLULU  
BEFORE THE HOUSE  
COMMITTEE ON FINANCE  
Monday, April 01, 2013, 2:00 p.m., Conference Room 308

**SENATE BILL 515, SD2, HD1, "RELATING TO HOUSING"**

**Position: Comments**

To: The Honorable Sylvia Luke, Chair  
and Members of the Committee on Finance

The City and County of Honolulu ("City") supports the intent of SB 515, SD2, HD1, but has concerns because it grants the State Department of Human Services (DHS) unilateral authority to designate county parking lots for temporary nighttime parking for homeless individuals without approval of the counties. In its present form, SB 515 SD2, HD1 only requires that DHS consult with the mayor of the applicable county before designating parking lot(s) within the county for temporary nighttime parking for homeless individuals.

Many of the City parking lots are subject to use restrictions imposed by the federal or state funding source or underlying conveyance documents which strictly prohibit non-parking lot uses (i.e., living accommodation). Many public parking lots have operational hours which conflict with the parking lot hours set forth in SB 515, SD2, HD1. Likewise, parking lots in public parks are closed during evening hours pursuant to park closure laws and could not be used to accommodate the temporary nighttime parking for the homeless. Other public parking lots do not have public restroom facilities or cannot accommodate temporary restroom facilities without resulting in a reduction in available parking spaces. Some of the City parking lots which adjoin residential/commercial facilities have restroom facilities which are incorporated into the common elements of the residential/commercial facilities. Use of those restroom facilities would require approval of the owners of the adjoining residential/commercial facilities.

Should this bill pass out of the Committee on Finance, the City requests that Section 14, paragraph (c) of SB 515, SD2, HD1 be further amended as stated below to provide that designation of any county parking lot as temporary nighttime parking for the homeless shall be subject to the prior approval of the applicable county mayor, who is better able to evaluate and consider the diverse funding and use restrictions associated with the parking lot facilities under county control:

(c) The department, in consultation with the mayor of the applicable county, the Hawaii community development corporation, and any interested public or private homeless assistance programs, and subject to the approval of the mayor the applicable county, may designate in each county temporary nighttime parking lots that will be used to provide safe overnight parking for homeless individuals who live and sleep in their motor vehicles and who would otherwise park overnight on public or private roads or property. To accommodate regular public parking daily from 6:00 a.m. to 7:00 p.m., nighttime parking for homeless at these designated parking lots shall be allowed daily from 7:00 p.m. to not later than 6:00 a.m. the next day. The department shall adopt rules in accordance with chapter 91 to implement this subject section, including rules: . . .

Mahalo for the opportunity to testify on this bill. Should you have any questions or concerns, please feel free to contact me at 768-6634.



## PARTNERS IN CARE Oahu's Coalition of Homeless Providers

**LATE**

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### TESTIMONY IN SUPPORT OF SB 515 SD2, HD 1 (Sections 2, 4-8): RELATING TO HOUSING

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

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

**Hearing: Monday, 4/1/13; 2:00 pm; CR 308**

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

Thank you on behalf of Partners In Care (PIC), for the opportunity to provide testimony in support of SB 515, SD2, HD1, for Sections 2 and 4-8 relating to homeless services, Housing First and Shelter Plus Care as priority issues. I am Gladys L. Peraro, Advocacy Committee Co-Chair for Partners In Care, the coalition of care providers focused on the needs of homeless persons and strategies to end homelessness. Partners In Care strongly supports this bill for its importance in creating avenues to housing and providing solutions to end homelessness for very vulnerable chronic and disabled persons. Partners In Care Supports:

Part I, Section 2: appropriates funding to the Homeless Programs Office (HPO), Department of Human Services (DHS). Without adequate funding for these homeless support services, we will not be able to realize solutions to ending homelessness. Partners In Care also supports additional funding (beyond that in the Administration's budget) for staffing at HPO to implement the new rent supplement/shallow subsidy program if this initiative (contained in HB 518) is funded by the legislature. This important new initiative can assist homeless working families to more rapidly move to permanent housing in existing market units. However, without adequate staff at HPO to administer the program, it cannot be implemented.

Part II, Sections 4-6: Funding for Housing First in the amount of **\$1.5 million**. The Housing First model 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 the Seattle Housing First program, compared with a cost of \$86,062 per person annually before implementation of the program. This nationally recognized best practice model has just begun its first year of operation on Oahu, therefore it is deemed a priority to continue this critical funding at the \$1.5 million funding level but not less than \$1 million. Partners In Care service providers also support DHS's request for \$1.5 million to expand the program to other areas of Oahu also impacted by the homeless crisis as well as to Neighbor Islands.

Part III, Sections 7-8: Funding for Shelter Plus Care in the amount of \$400,000. The Shelter Plus Care housing model utilized valuable federal funding to provide housing first type services for individuals with a co-occurring disability. Individuals utilizing Shelter + Care services pay 30% of their income for rent. However, the federal funding requires match funding to provide the crucial supportive services that ensure that these homeless individuals with a disability not only obtain housing but can sustain themselves in long-term housing opportunities. Programs such as these received a cut in federal funding this year; SB 515 will enable them to continue these important services and take advantage of the deep rental subsidy available with the federal funding.

Partners In Care implores you to pass SB 515 to promote discussion on the most effective ways to end homelessness. Sincere thanks for your commitment to assisting those in need.

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

# LATE

March 30, 2013

Testimony on SB515 SD2 HD1, to be heard in the House Committee on Finance, April 1, 2013

Dear Chairperson Luke, Vice-Chairperson Nishimoto, and Representatives Cullen, Hashem, Ing, Jordan, Kobayashi, Lowen, Morikawa, Onishi, Takayama, Tokioka, Woodson, Yamashita, Fukumoto and Ward,

My name is Megan Chock, and I am a current MD/MPH student studying public health at the University of Minnesota between my second and third years at Mayo Medical School. I was born and raised in Honolulu and attended the University of Hawai'i at Mānoa, where I became interested in the health of Hawai'i's homeless population while volunteering at the Kaka'ako Next Step Homeless Shelter.

I offer this testimony as "comment only" because I am unsure of which amendments the Finance committee will consider when voting on this bill. I strongly oppose the current version of the bill, SB515 SD2 HD1, because of the amendments made by the House Committees on Human Services and Housing. However, I support the earlier versions of the bill, which appropriated funds for the Housing First and Shelter Plus Care programs and Rental Housing Trust Fund.

Unfortunately, I will not be able to attend the hearing as I currently reside in Minneapolis, Minnesota – and definitely miss the Hawai'i sunshine. I am a citizen of House District 18 (Representative Mark Hashem).

## Purpose and background

I would like to explain why the current amendments are inferior policy options for addressing the underlying problem of homeless in Hawai'i from a policy standpoint.

I have been following SB515 since its introduction this session. As a master's in public health student with a specific interest in Hawai'i's homeless, I have researched different policy options for improving the problem of homelessness in Hawai'i in general and the health of Hawai'i's homeless in particular. Given my background, I specifically focused on the potential health benefits from each policy.

## Housing First and Shelter Plus Care programs

In my research, I have found consistent evidence that **Housing First programs throughout the nation are effective**: they reduce the cost per homeless individual for shelter, mental health and substance abuse treatment, Medicaid services, and inpatient hospital admissions and emergency room utilizations<sup>1,2</sup>. According to the non-partisan Kaiser Family Foundation, Medicaid spending accounted for \$1.427 billion throughout the state of Hawai'i in 2010. Over 90%, or \$1.307 billion, was for acute care services<sup>3</sup>.

Many categories of Medicaid spending could potentially be decreased by adoption of Housing First and similar programs, including inpatient hospital and managed care & health plans.

Hawai‘i Medicaid spending on acute care, FY2010

	HI %	HI \$
<b>Inpatient Hospital</b>	5.6%	\$73,526,413
<b>Physician, Lab &amp; X-Ray</b>	0.6%	\$7,614,011
<b>Outpatient Services</b>	3.4%	\$44,979,396
<b>Prescribed Drugs</b>	0.3%	\$3,475,970
<b>Other Services</b>	2.7%	\$34,755,900
<b>Payments to Medicare</b>	4.4%	\$57,584,342
<b>Managed Care &amp; Health Plans</b>	83.0%	\$1,084,640,377
<b>Total</b>	100.0%	\$1,306,576,409

Source: Kaiser Family Foundation, State Health Facts <sup>3</sup>

Housing First programs have been shown to have annual medical cost savings of \$9,809 per person for individuals who are chronically homeless, and \$6,307 per person on average for all homeless individuals served <sup>4</sup>. The Housing First programs in Hawai‘i have only been funded for one year and therefore it is difficult to gauge their current impact; the most current number that I could find was ten Housing First placements <sup>5</sup>. The Shelter Plus Care program, which is similar to Housing First, has served over 618 individuals; when added with the Veterans Affairs Supportive Housing (VASH) and Housing First programs, this includes at least 898 individuals (not counting potential families) who have been served by these programs <sup>5</sup>.

A rough estimate of the **one-year average savings in medical costs** attained by these programs would be **\$5.6 million**<sup>1</sup>. These savings exceed the \$1 million appropriated to Housing First in 2011, as well as the \$1.5 million appropriated to Housing First and \$400,000 appropriated to the Shelter Plus Care program in earlier versions of SB515.

### “Return-to-home” and temporary “safe-havens”

In contrast to evidence proving the effectiveness of Housing First and similar programs, no such evidence exists for the effectiveness of policies like “Return-to-Home” or the establishment of temporary “safe haven” campsites such as those proposed in the current version, SB515 SD2 HD1. I found newspaper articles reporting on similar policies in New York City, San Francisco, North Dakota, and Florida <sup>6-8</sup>. To my knowledge, and after hours of searching, **there are no studies that show that these policies reduce the costs or prevalence of homelessness.**

The Huffington Post published an article specifically dedicated to these two proposals (Return-to-Home and the establishment of temporary lots), titled “Homeless In Hawaii Offered Plane Tickets, Free Tents To Get Out Of Sight”<sup>9</sup>.

“Williams is proof that the plane ticket plan could be abused. **He took advantage of a similar program in New York City that flew him to Hawaii in the first place after he had a friend here pose as a family member to take him in.**”

- The Huffington Post

<sup>1</sup> 898 individuals (618 Shelter Plus Care placements + 270 VASH vouchers + 10 Housing First placements) \* \$6,300 per person average annual savings in medical costs = \$5,657,400



## Conclusion

Hawai‘i has acknowledged that homelessness is a problem in our state – on any given night, over 6,000 people are homeless, and over 2,500 of these individuals are unsheltered<sup>10</sup>. Hawai‘i’s homelessness problem has drawn national and international attention as well, and has been reported by The New York Times and the UK’s The Independent, among other sources<sup>11, 12</sup>. Honolulu’s policies on homelessness earned it the distinction of one of the “top 10 meanest cities” as designated by the National Law Center on Homelessness and Poverty in 2009<sup>13</sup>.

**I oppose the amendments establishing the “Return-to-Home” program, temporary parking lots, and safe-haven sites. I believe the Committee on Finance should strike these changes and restore the appropriations contained in the original legislation, which allocate resources to programs that have been shown to decrease homelessness and its costs.**

Thank you very much for your time, and for the opportunity to testify about this bill.

Aloha and mahalo,

Megan Chock

E-mail: [mmpchock@gmail.com](mailto:mmpchock@gmail.com)

## References

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