

# **SB515**

Measure Title: RELATING TO HOUSING.

Report Title: Homelessness; Housing; Appropriation (\$)

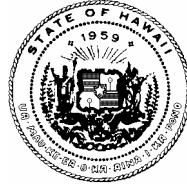
Description: Appropriates unspecified funds to the homeless programs office of the department of human services and the rental housing trust fund. Appropriates unspecified funds to the department of health for substance abuse treatment, mental health support services, and clean and sober housing services, and to the department of human services for matching funds for shelter plus care grants. Appropriates funds for a rental assistance program, also known as a shallow subsidy program. Appropriates funds to the Hawaii public housing authority to continue to administer housing first programs for chronically homeless individuals and to reestablish the homeless prevention and rapid re-housing program. Appropriates funds out of the rental housing trust fund. Appropriates matching funds for the federal shelter plus care program to provide rental assistance in connection with supportive services.

Companion:

Package: Housing and Homeless

Current Referral: HMS/HTH, WAM

Introducer(s): CHUN OAKLAND



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

January 30, 2013

**MEMORANDUM:**

TO: The Honorable Suzanne Chun Oakland, Chair  
Senate Committee on Human Services

The Honorable Josh Green, M.D., Chair  
Senate Committee on Health

FROM: Patricia McManaman, Director

SUBJECT: **S.B. 515 – RELATING TO HOUSING**

Hearing: Wednesday, January 30, 2013; 2:05 p.m.  
Conference Room 229; State Capitol

**PURPOSE:** The purpose of S.B. 515 is to: 1) appropriate unspecified funds to the homeless programs office of the department of human services and the rental housing trust fund; 2) appropriate unspecified funds to the department of health for substance abuse treatment, mental health support services, and clean and sober housing services, and to the department of human services for matching funds for shelter plus care grants; 3) appropriate funds for a rental assistance program, also known as a shallow subsidy program; 4) appropriate funds to the Hawaii public housing authority to continue to administer housing first programs for chronically homeless individuals and to reestablish the homeless prevention and rapid re-housing program. Appropriate funds out of the rental housing trust fund; and 5) appropriate matching

funds for the federal shelter plus care program to provide rental assistance in connection with supportive services.

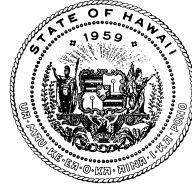
**DEPARTMENT'S POSITION:** The Department of Human Services appreciates the Legislature's support of the Homeless Programs Office (HPO) and supports the intent of Part I, Section 2, and Part VI, Section 13, of this bill provided it does not adversely affect priorities set forth in the Executive Biennium Budget. Part I, Section 2 would appropriate funding for services to homeless and at-risk individuals and families and Part IV, Section 13 would provide matching funds for the shelter plus care program.

Regarding Part III, Section 8 of this bill, the Department has requested \$1.5 million in the Executive Biennium Budget to continue the Housing First program, with expansion to the entire island of Oahu and the Neighbor Islands. We ask for the Legislature's support of the Executive Biennium Budget request.

Lastly, regarding Part IV, Section 10 of this bill, the Homelessness Prevention and Rapid Re-Housing Program was funded by the federal government from 2009-2012 in the amount of approximately \$9 million statewide. Many at risk families were assisted and were kept out of homelessness with this assistance. S.B. 515 proposes funding to continue the services provided by HPRP. The Department appreciates the intent of this proposed appropriation and agrees that there remains the need to provide services for those who are at risk of homelessness. The Department, however, is concerned about the cost implications of this part and its potential impact on the priorities stated in the Executive Biennium Budget.

The Department defers to the Housing Finance and Development Corporation, the Department of Health, and the Hawaii Public Housing Authority on the other sections of this bill.

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



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

In reply, please refer to:  
File:

**Senate Committees on Human Services and Health**

**S.B. 515, Housing**

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

**January 30, 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:** In addition to \$34.4 million appropriated to the Hawaii Housing Finance and  
5 Development Corporation (HFDC) for the Rental Housing Trust Fund in Parts II through VI of this  
6 measure, unspecified sums are appropriated in Part II for the HFDC and Departments of Health and  
7 Human Services to assist homeless individuals and families.

8 **Purpose and Justification:** Sections 4 and 5 of the measure appropriate unspecified sums to be  
9 expended in each of the years of Fiscal Biennium 2013-2015 by the Department of Health for substance  
10 abuse treatment and mental health support services for individuals who are homeless or at risk of  
11 becoming homeless; and clean and sober housing support services.

12 Stable housing is a critical component in the continuum of substance abuse treatment and  
13 recovery. Approximately 16 percent of clients served by ADAD contracted providers do not have stable  
14 housing at admission. At discharge and follow-up, unstable housing status is reduced to 13 percent and  
15 2 percent, respectively.

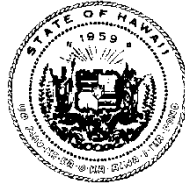
1           As a member of the Governor’s Hawaii Interagency Council on Homelessness which is  
2           comprised of community leaders, state department directors, and federal agency representatives, the  
3           Department of Health is involved with the development of a unified plan on addressing homelessness by  
4           increasing transitional and permanent housing options and acquiring increased federal funding.

5           We are aware of the need for substance abuse treatment, clean and sober housing support  
6           services, and mental health support services for those who are homeless or at risk of becoming  
7           homeless. It should be noted, however, that as needs are identified and priorities are assigned to address  
8           the issue of homelessness, the proposed services in this measure must also be viewed within the context  
9           of the Department’s Biennium Budget Request.

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

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NEIL ABERCROMBIE  
GOVERNOR



HAKIM OUANSAFI  
EXECUTIVE DIRECTOR

**STATE OF HAWAII**  
DEPARTMENT OF HUMAN SERVICES  
HAWAII PUBLIC HOUSING AUTHORITY  
1002 NORTH SCHOOL STREET  
Honolulu, Hawaii 96817

**BARBARA E. ARASHIRO**  
EXECUTIVE ASSISTANT

Statement of  
**Hakim Ouansafi**  
Hawaii Public Housing Authority  
Before the

**SENATE COMMITTEES ON HUMAN SERVICES AND HEALTH**

January 30, 2013 2:05 P.M.  
Room 229, Hawaii State Capitol

In consideration of  
**Senate Bill No. 515**  
**Relating to Housing**

Honorable Chairs and Members of the Senate Committees on Human Services and Health, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) No. 515, relating to housing.

The Hawaii Public Housing Authority appreciates the intent of this measure, and supports the enactment of this measure with amendments. This measure aims to appropriate funding into various homeless and housing programs to better assist people in need. More specifically, PART II, Section 6 of the bill appropriates \$1.5 million for each fiscal year of fiscal biennium 2013-2015 for a state rent supplement program to assist homeless working individuals or families who are ready to rent permanent housing in order to obtain and maintain permanent housing, and suggests amending the measure by having the Department of Human Services be the recipient of the \$1.5 million.

The HPHA recognizes that it has limitations, and is willing to listen and work with others that can assist our working homeless families in a better manner. Furthermore, the HPHA rent supplement program extends not only of homeless working families, but also working families who are currently housed but at risk of becoming homeless due to the high rental costs typical of our state.

The HPHA appreciates the opportunity to provide the Senate Committees on Human Services and Health with the agency's position regarding S.B. No. 515. We respectfully request the Committees to amend this measure and pass it out favorably, and we thank you very much for your dedicated support.



**STATE OF HAWAII**

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM  
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION  
677 QUEEN STREET, SUITE 300  
Honolulu, Hawaii 96813  
FAX: (808) 587-0600

IN REPLY REFER TO:

Statement of  
**Karen Seddon**  
Hawaii Housing Finance and Development Corporation  
Before the

**SENATE COMMITTEE ON HUMAN SERVICES  
SENATE COMMITTEE ON HEALTH**

January 30, 2013 at 2:05 p.m.  
State Capitol, Room 229

In consideration of  
**S.B. 515**  
**RELATING TO HOUSING.**

Section 3 of S.B. 515 makes a General Fund appropriation of an unspecified amount in Fiscal Years 2014 and 2015 for the Rental Housing Trust Fund. The HHFDC supports the intent of Section 3 of S.B. 515, provided that passage does not adversely impact priorities indicated in the Executive Biennium Budget. We note, however, that at the funding levels needed to address the critical shortage of affordable rental housing statewide, it may be more feasible to utilize General Obligation Bonds as the means of funding for this appropriation.

The Rental Housing Trust Fund is leveraged with other funding sources to develop critically needed permanent affordable rental housing through public-private partnerships. As of December 31, 2012, 4,567 rental units have been produced or are in development in 58 projects statewide.

Currently, the sole dedicated source of funding for the Rental Housing Trust Fund is 30% of conveyance tax proceeds. Based on the first five months receipts, the projected yield is about \$12 million for Fiscal Year 2013.

In Fiscal Year 2012, the Trust Fund received \$37 million in requests but was only able to commit \$20.7 million to eligible projects due to limited resources. This was sufficient to fund the development of only 317 of 547 potential affordable rental units, therefore 230 potential units were not developed.

Thank you for the opportunity to testify.

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 David J. Reber, Esq.

**Executive Director**

Victor Geminiani, Esq.

Testimony of Hawai'i Appleseed Center for Law and Economic Justice  
 Supporting SB 515 Relating to Housing  
 Senate Committee on Health and Senate Committee on Human Services  
 Wednesday, January 30, 2013, 2:05 PM, Room 229

Thank you for an opportunity to testify in strong support of SB 515, which appropriates funds for many vital programs, including homeless services, affordable housing, support services, rental subsidies and assistance, and other programs and initiatives aimed at ending homelessness and ensuring that everyone has access to stable and affordable housing.

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.

SB 515 makes many important funding appropriations. We take particular note of the following programs:

- **Rental Housing Trust Fund**

- The Rental Housing Trust Fund (RHTF) is an important tool for the creation of affordable housing. Hawaii faces a serious shortfall of affordable housing, with the Hawai'i Housing and Planning Survey estimating that we will need 13,000 affordable units by 2016 to meet the demand for affordable rentals.
- As of June 2012, 4,250 rental units have been created or are underway with the assistance of the RHTF and other leveraged funding. The RHTF's flexibility allows it to provide loans for the development, pre-development, construction, acquisition, preservation, and substantial rehabilitation of rental housing units. The competitive process for RHTF monies results in public-private partnerships that create broader, long-term solutions to the creation of affordable housing. However, the RHTF receives far more qualified applicants than it is able to fund, meaning that many affordable housing units are not being built due to lack of funds.

- **Rental assistance program**

- A shallow rent subsidy is an important strategy to house homeless individuals and families who capable of renting, but for their low income and the high cost of housing.
- Recipients of the rent supplement must either be working or ready to rent, as demonstrated by their participation in training and other programs that promote self-sufficiency.

- **Housing first programs**

- Housing first places chronically homeless individuals in permanent housing and provides the intensive support services that they need to address the issues that may have led to them becoming homeless, such as mental illness or substance abuse.
- Communities around the country have seen large decreases in their chronically homeless population and costs associated with homelessness as a result of housing first. 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.

We also support the bill's other appropriations, including funds for shelter plus care, homeless prevention and rapid re-housing programs, and critical services such as substance abuse treatment, mental health support services, and clean and sober housing services. These services are essential to ending chronic homelessness and improving the well-being of our community's most vulnerable individuals.





**SB515 Housing: Homelessness Appropriation:** Appropriates unspecified homeless funds to the DHS and the rental housing trust fund. Appropriates unspecified funds to the DOH for substance abuse treatment, mental health support services, and clean and sober housing services, and to the DHS for matching funds for shelter plus care grants. Appropriates funds for a rental assistance program, also known as a shallow subsidy program. Appropriates funds to the Hawaii public housing authority to continue to administer housing first programs for chronically homeless individuals and to reestablish the homeless prevention and rapid re-housing program. Appropriates funds out of the rental housing trust fund. Appropriates matching funds for the federal shelter plus care program to provide rental assistance in connection with supportive services..

- ✚ SENATE COMMITTEE ON HEALTH: Senator Green, M.D. Chair; Senator Baker, Vice Chair
- ✚ SENATE COMMITTEE ON HUMAN SERVICES: Senator Chun-Oakland, Chair; Senator Green M.D., Vice Chair
- ✚ Wednesday, Jan. 30, 2013; 2:05 p.m.
- ✚ Conference Room 229

## **HAWAII SUBSTANCE ABUSE COALITION Supports SB515.**

*GOOD MORNING CHAIR CHUN-OAKLAND, CHAIR and VICE CHAIR GREEN, VICE CHAIR BAKER 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.*

### **SUBSTANCE ABUSE DISORDER AND MENTAL HEALTH TREATMENT**

Patients who have both a drug use disorder and another mental illness often exhibit symptoms that are more persistent, severe, and resistant to treatment compared with patients who have either disorder alone.

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).**

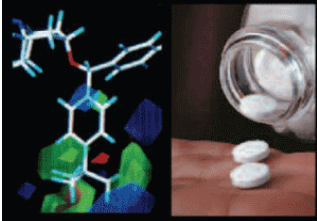
- Practitioners often divide treatment into phases, usually including engagement, stabilization, primary treatment, and continuing care (also known as aftercare). Use of these phases enables the clinician (whether within the substance abuse or mental health treatment system) to apply coherent, stepwise 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 long-term process of internal change in which progress occurs in stages, an understanding critical to treatment planning. Paramount to this are the development of peer driven strategies that are continued after treatment ends.

**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.** Getting an addicted person to stop abusing drugs is just one part of a long and complex recovery process. Since the compulsory nature of addiction has disrupted how they function in their family lives, at work, and in the community, recovery must incorporate a variety of rehabilitative services into their comprehensive treatment regimens, especially clean and sober housing.

**A benefit of rental assistance is the ability to stay connected with the families to address any set-backs or relapses.** Following treatment, (residential and outpatient) much of the recovery process typically occurs through participation in mutual self-help groups. Practitioners often divide treatment into phases, usually including engagement, stabilization, primary treatment, and continuing care. In a rental support environment, these phases can be re-engaged as needed to the extent follow-up is needed. This support of recovery would greatly increase outcomes.

#### **NEW DEVELOPMENT: Medications help treat drug addiction**



While there no drugs yet to treat additions, new drugs are now available to help the treatment of addiction. As a result of scientific research, we know that addiction is a disease that affects both brain and behavior. 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.

# Helping Hands Hawai'i

## TESTIMONY IN SUPPORT OF SB515: RELATING TO HOUSING

### Written Testimony Only

TO: Senator Suzanne Chun-Oakland, Chair; Senator Josh Green, M.D., Vice Chair and Members, Committee on Human Services

Senator Josh Green, M.D., Chair, Senator Rosalyn Baker, Vice Chair, and Members, Committee on Health

FROM: Jan M. Harada, President & CEO  
Helping Hands Hawaii

**Hearing: Wednesday, 1/30/13; 1:30pm; Conf. Room 229**

As a long-time community non-profit provider of services for Hawaii's low-income, homeless, and other at-risk individuals and families, we are writing in support of SB515 and its efforts to maintain critical State support for the entire continuum of care as it relates to addressing the issue of homelessness.

As anybody who has worked to address the issue of homelessness over the years can tell you, support for the entire continuum is necessary in order to have the most positive and sustainable impact on those struggling with homelessness or in imminent danger of becoming homeless. The continuum includes prevention, outreach, shelter, transitional housing, affordable housing, community-based support services (behavioral health services, substance abuse treatment, case management, access to affordable healthcare, financial literacy, job search and placement, etc.), and asset-building/economic self-sufficiency. Each part of this continuum is important, and one cannot work as effectively without the others. SB515 proposes to continue funding for this continuum and that is why we are submitting testimony in support.

According to the 2010 Census, Hawaii has the lowest average annual salary in the nation (\$35,205/yr)<sup>1</sup> and highest median rent in the nation (\$1,293/mo)<sup>2</sup>. This gap between income and

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<sup>1</sup> Corporation for Enterprise Development (2012). Assets & Opportunity Scorecard – Average Annual Pay. Retrieved from <http://scorecard.assetsandopportunity.org/2012/measure/average-annual-pay?state=hi>

<sup>2</sup> U.S. Census Bureau (2010). American Community Survey. Retrieved from [http://hawaii.gov/dbedt/info/census/acs/ACS2010/ACS2010\\_1\\_Year/index.html](http://hawaii.gov/dbedt/info/census/acs/ACS2010/ACS2010_1_Year/index.html)

cost of living results in Hawaii having the third highest number of cost-burdened renters (i.e. those who pay more than 30% of their income to rent and utilities<sup>3</sup>).

As a current provider of homeless prevention services we wanted to speak specifically to Section 9, that allocates funding to the Department of Human Services, for the re-introduction of funding for the homelessness prevention and rapid re-housing program (HPRP) previously administered. The individuals and households assisted through homelessness prevention efforts have experienced an emergency or other unexpected crisis situation that has resulted in the household falling behind on rent and/or utility payments. Some need assistance just to catch up, after which they have put themselves in a position to be financially self-sufficient in future months. Some are not able to demonstrate capacity for self-sufficiency and require more intensive case management and wrap-around services before assistance will be provided.

Prevention through emergency financial assistance is not just about handing out checks, it's about helping the individual or households to analyze their situation, determine how they ended up in the situation they are now (on the brink of homelessness), and develop a plan for how to avoid such situations in the future. Examples of emergency situations include, but are not limited to, sudden deaths in the family of an income-earner, medical emergencies/high medical bills, victims of domestic violence, multi-generational households with a senior adult suddenly taking care of grand-children, and extended unemployment despite concerted efforts to look for work. It is widely known that it costs less to prevent a household or individual from becoming homeless, than it does to re-house them after they have become homeless. And the longer they remain homeless, the more expensive it gets to re-house them.

Please pass this bill to support the continuum of care that is needed to address the issue of homelessness.

Thank you for this opportunity to submit this written testimony in support of SB515.

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<sup>3</sup> Corporation for Enterprise Development (2012). Assets & Opportunity Scorecard – Housing Cost Burden – Renters. Retrieved from <http://scorecard.assetsandopportunity.org/2012/measure/housing-cost-burden-renters>



# Community Alliance *for* Mental Health

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To: The Hawai'i State Senate Committee on Human Services  
Re: SB 515

To: The Honorable Senator Chun-Oakland and the members of the committee.

Aloha,

The Community Alliance for Mental Health along with United Self Help wholeheartedly supports SB 515.

In fact we believe that SB 515 might very well be the pivot point upon which any effort to transform both homelessness in Hawai'i and the delivery of health care to these, our most vulnerable of Ohana, rests.

Mahalo,  
Robert Scott Wall  
Vice-President



## CATHOLIC CHARITIES HAWAII

### TESTIMONY IN SUPPORT OF SB 515: RELATING TO HOUSING

TO: Senator Suzanne Chun Oakland, Chair; and Members, Committee on Human Services; Senator Josh Green, Chair, and Members, Committee on Health

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

**Hearing: Wednesday, 1/30/13; 2:05 pm; CR 229**

Chair Chun Oakland, Chair Green, and Members, Committees on Human Services and Health:

Thank you for the opportunity to testify on SB 515. I am Betty Lou Larson, Legislative Liaison for Catholic Charities Hawaii. Catholic Charities Hawaii strongly supports this bill. This bill is important not only to create new rentals but to prevent homelessness, address the chronically homeless, and create a new strategy of shallow subsidies to house working homeless families in existing housing while new affordable rentals are being built.

The Rental Housing Trust Fund (RHTF) has a proven track record of utilizing all its funding to produce housing. As of 6/30/12 **4,250** affordable rental units have been created. To make a significant impact on the 13,000 affordable units that are needed in Hawaii, a significant allocation is needed to the Trust Fund. Already, the Trust Fund receives more applications than it can fund. In FY 2012, the Trust Fund received \$37 million in project requests, but could only fund \$20.7 million for 4 out of the 9 projects. **FIVE** more projects could have started construction if only there were additional funds. Investing in the Rental Housing Trust Fund will leave a legacy of housing as well as continue to help Hawaii's economy improve and stabilize.

Prevention is also key to ending homelessness. Catholic Charities Hawai'i gets hundreds of calls each month for help with housing. Neighborhoods are being flooded with more homeless persons. A **\$1 Million** appropriation for homeless prevention would provide critical short-term assistance to help families obtain or retain housing before they become homeless. We must lessen the wave of people falling into homelessness.

In transitional shelters, homeless families work hard to change their lives, practice good budgeting, get a job and are ready to pay rent—but they still cannot afford market rents. For many, public housing has seemed to be the only option. Funding of **\$1.5 Million for shallow rent subsidies** would provide a new and critical option to more rapidly move working families into permanent housing. A shallow rent subsidy (maximum of \$300/month) would enable 400-500 sheltered homeless families to move onto permanent housing.

Funding for Housing First (**\$1.5 million**) and Shelter Plus Care (**\$400,000**) are other crucial supports to assist chronic and/or disabled homeless person to gain housing and provide the needed wrap-around services to stabilize them and keep them in affordable housing.

We urge your support for SB 515 and its multiple strategies to end homelessness in our State.



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Phone (808)373-0356 • [bettylou.larson@catholiccharitieshawaii.org](mailto:bettylou.larson@catholiccharitieshawaii.org)

