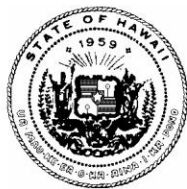


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PATRICIA McMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR



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

January 27, 2014

MEMORANDUM

TO: The Honorable Mark J. Hashem, Chair
House Committee on Housing

FROM: Patricia McManaman, Director

SUBJECT: **H.B 1886– RELATING TO HOUSING**

Hearing: Monday, January 27, 2014; 9:00 a.m.
Conference Room 329; State Capitol

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

DEPARTMENT'S POSITION: The Department appreciates the intent of this proposed bill as it would provide funding for a variety of programs related to the housing the homeless, or preventing individuals and families from becoming homeless. While the appropriations would certainly enhance the efforts undertaken to end homelessness, the Department is very concerned about the impact that this bill will have on the priorities detailed in the Supplemental Executive Budget.

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



House Committee on Housing

The Hon. Mark J. Hashem, Chair

The Hon. Justin H. Woodson, Vice Chair

Testimony in Support of HB 1886

Relating to Housing

Submitted by Robert Hirokawa, Chief Executive Officer

January 27, 2014, 9:00 am, Room 329

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

The HPCCA 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 HPCCA 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.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN **SUPPORT** OF HB 1886: RELATING TO HOUSING

TO: Representative Mark J. Hashem, Chair, and Representative Justin H. Woodson, Vice Chair, and Members, Committee on Housing

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

Hearing: Monday, 1/27/14; 9:00 am; CR 329

Chair Hashem, Vice Chair Woodson, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony on HB 1886. I am Betty Lou Larson, Legislative Liaison at Catholic Charities Hawaii. Catholic Charities Hawaii supports this bill.

Catholic Charities Hawaii supports **\$1,500,000 for ongoing funding for Housing First**. We **suggest one amendment in Section 1, to read:** “The sum appropriated shall be expended by the department of human services”, which currently administers the Housing First 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.

We also support **\$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.



CLARENCE T. C. CHING CAMPUS • 1822 Ke'eaumoku Street, Honolulu, HI 96822

Phone (808)373-0356 -- bettylou.larson@catholiccharitieshawaii.org

• www.CatholicCharitiesHawaii.org





PARTNERS IN CARE Oahu's Coalition of Homeless Providers

TESTIMONY IN **SUPPORT** OF HB 1886: RELATING TO HOUSING

TO: Representative Mark Hashem, Chair; Representative Justin Woodson, Vice Chair, and members of the Committee on Housing
FROM: Peter K. Mattoon, Advocacy Committee Co-Chair, Partners In Care
Hearing: **Monday, January 27, 2014, 9:00 AM, Room 329**

Dear Chair Hashem, Vice Chair Woodson, and committee members:

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.

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.

TESTIMONY IN **SUPPORT** OF HB 1886: RELATING TO HOUSING

TO: Representative Mark J. Hashem, Chair; Representative Justin H. Woodson, Vice Chair and Members, Committee on Housing

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

Hearing: Monday, January 27, 2014 Room 329

Chair Hashem, Vice Chair Woodson, and Members of the Committees on Housing:

IHS stands in 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 with amendment. Appropriating these funds will increase the number of affordable rental housing units available to end homelessness for many individuals and families across the state of Hawaii.

However, a Housing First program begun by the State is the one that should be continued to sustain the housing of those currently in the program and to expand the housing option for chronically homeless persons with the requested appropriation. *Therefore we suggest an amendment to state that the Housing First Program be administered by the State's Department of Human Services not by the City and County of Honolulu.*

IHS, The Institute for Human Services, Inc. provides an array of homelessness prevention and post-shelter services including housing placement and rental assistance, case management, employment placement, children's enrichment services, health services, community re-entry for non-violent offenders, and permanent supportive housing. The one element of homeless solutions that is always in short supply is affordable rental housing.

Both the Oahu and Neighbor Islands Continuums of Care are asking for \$500,000 of **matching funds** for HUD funded permanent supportive programs. HUD requires the seven non-profit agencies providing permanent supportive housing to homeless persons to provide at least 25% in a service or cash match for the nearly \$8 million received cumulatively. Most of the programs provide much more. Some of us, like IHS, continue to provide a 100% match. What is requested amounts to only 6% of the total received for the State's Continuums of Care (CoC) permanent supportive housing programs. A current initiative aimed at coordinating assessment of homeless persons in need across the continuum will assure that these units will be prioritized for our most vulnerable chronically homeless persons. And the funding will provide needed funding to operate the programs.

The Shallow Subsidy program will help many homeless working families and individuals who experience severe rent burden to be given a small subsidy to better afford housing. This is an incentive for employment and delivers needed assistance to those who are struggling economically.



PROTECTING HAWAII'S OHANA, CHILDREN, UNDER SERVED, ELDERLY AND DISABLED

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TO: Representative Mark Hashem, Chair
Representative Justin Woodson, Vice Chair
Members, Committee on Housing

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: House Committee on Housing
Monday, January 27, 2014 at 9:00 a.m. in Conf. Rm. 329

Testimony in Support of HB1886, 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.

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Testimony of Hawai'i Appleseed Center for Law and Economic Justice
Supporting HB 1886 Relating to Housing
House Committee on Housing
Scheduled for Hearing Monday, January 27, 2014, 9:00 AM, Room 329

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.

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. The U.S. Interagency Council on Homelessness has long endorsed it as a best practice. 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

TESTIMONY IN SUPPORT OF HB 1886: RELATING TO HOUSING

TO: Representative Mark J. Hashem, Chair, and Representative Justin H. Woodson, Vice Chair, and Members, Committee on Housing

FROM: Maude Cumming, Executive Director, Family Life Center (Maui)

Hearing: Monday, 1/27/14; 9:00 am; CR 329

Chair Hashem, Vice Chair Woodson, and Members, Committee on Housing:

Thank you for the opportunity to provide testimony on HB 1886. I am Maude Cumming, Executive Director of Family Life Center on the island of Maui. Family Life Center supports this bill.

Family Life Center supports **\$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. On Maui, Family Life Center provides Shelter Plus Care services to 35 households annually. The match funds are necessary to provide case management support as the HUD monies pay for the housing portion only. Without the on going case management support many of these households would not be able to stabilize to sustain 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.

We also support **\$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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 27, 2014 7:23 AM
To: HSGtestimony
Cc: robertscottwall@yahoo.com
Subject: Submitted testimony for HB1886 on Jan 27, 2014 09:00AM



HB1886

Submitted on: 1/27/2014

Testimony for HSG on Jan 27, 2014 09:00AM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Wall	Community Alliance for Mental Health	Support	No

Comments: Aloha Chair Belatti and members of the committee, On behalf of the Community Alliance for Mental Health along with United Self Help we most strongly support HB1886. This bill is the central pillar upon which our state's plan to address homelessness rests. Any chance we have to confront this problem in a logical manner first requires Housing First. Scott Wall VP/Legislative Advocate Community Alliance for Mental Health

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 JUN YANG
EXECUTIVE DIRECTOR – OFFICE OF HOUSING
CITY AND COUNTY OF HONOLULU
BEFORE THE HOUSE
COMMITTEE ON HOUSING

Monday, January 27, 2014, 9:00 a.m., Conference Room 329

HOUSE Bill 1886, RELATING TO HOUSING

Position: In Support

To: The Honorable Mark J. Hashem:
and Members of the Committee on Housing

Thank you for the opportunity to testify on the bills before you today.

In April of last year, the Honolulu City Council adopted Mayor Caldwell's Homeless Action Plan. The action plan created the City's Housing First initiative, which would specifically house chronically homeless individuals in three highly impacted areas of Oahu: Waikiki, Downtown/Chinatown, and the Leeward Coast.

Housing First is a nationally recognized best practice that is being implemented in cities across the country, including New York, San Francisco, Los Angeles, and Seattle. It takes a chronically homeless individual and provides her or him with a housing unit and wrap around services. The services and housing are provided *without* a requirement to adhere to any (drug abuse or mental health) program. Housing First is in contrast to the clean and sober model that serves as the foundation for many programs currently in use and requires a client to become clean *before* housing is offered and provided.

More chronically homeless individuals will be housed and provided access to medical and substance abuse treatment with the funding your committee is considering today.

NEIL ABERCROMBIE
GOVERNOR



PATRICIA McMANAMAN
DIRECTOR

BARBARA A. YAMASHITA
DEPUTY DIRECTOR

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

LATE

COLIN KIPPEN

- Chair of the Hawaii Interagency Council on Homelessness ●
Telephone 808 586-0974
CKippen@dhs.hawaii.gov

MEMORANDUM:

TO: The Honorable Mark J. Hashem, Chair
House Committee on Housing

FROM: Colin Kippen, State Homelessness Coordinator and Chair of
the Hawaii Interagency Council on Homelessness

SUBJECT: **H.B. 1886-RELATING TO HOUSING**

Hearing: Monday, January 27, 2014; 9:00 a.m.
Conference Room 329; State Capitol

PURPOSE: The purpose of H. B. 1886 is to appropriate unspecified funds
for several housing programs.

POSITION OF WITNESS: SUPPORT WITH AMENDMENTS

I am Colin Kippen and am the Chair of the Hawaii Interagency Council on Homelessness. On September 4, the Council voted to support the policies set forth in HB 1886.

The Council has adopted a plan to end homelessness and is now in the process of implementing it. One of the four working groups is the affordable housing working group, and the policy proposal expressed in HB 1886 is part and parcel of the conversations and work of the members of this Council's working group and of the full Council.

Key to ending homelessness is the existence of affordable housing units for the homeless to live within. A recent report prepared by the Hawaii Housing and Finance Development Corporation forecasts that by 2016, approximately 13,000 units will be needed to meet the demand for those at or below 50% of area median income, with over 8,000 units needed to meet demand of those at or below 30% of area median income. (See: 2012 Hawaii Housing and Finance Development Corporation Report, page 24.) At present, we build approximately 250 units per year for those in this income range with the assistance of HHFDC funding.

We who are working to end homelessness realize that there is a severe shortage of rental housing units for those who are disabled or who are low or very low income. While Hawaii Public Housing is often viewed as an appropriate venue for those who are low and very low income to reside, the reality is that they are presently running at a 98% rate of occupancy, up from 89% a year ago, with a very small turnover rate. It is anticipated that they soon will be at 100% occupancy for their 6000 plus units that compile their supply of public housing. The reality is we need more public or subsidized housing if we want to be able to end homelessness.

HB 1886 section 1 supports the Housing First Initiative, a national best practice intended to address the needs of those who are chronically homeless. A chronically homeless individual, according to HUD, is one who has been homeless continually for a year or more and who has had 4 bouts of homelessness in a 3 year period, in addition to suffering from a disability.

The State Department of Health applied for and was awarded a 2.1 million dollar grant from the Substance Abuse and Mental Health Services Administration (SAMHSA) to serve the treatment and case management needs of the chronically homeless that has now begun. This grant will provide intensive case management and other services for those chronically homeless individuals with substance abuse or substance abuse and mental health issues accepted into Housing First units. This SAMHSA grant does not provide housing units or housing vouchers, only the treatment, case management, and services for those chronically homeless individuals accepted into the program. SAMHSA requires strict fidelity to the Pathways Housing First model, an evidence-based national best practice, and we are looking forward to the lessons it will teach us and the evidence we will be able to collect to measure its effectiveness and impact in reducing chronic homelessness and reducing the costs of uninsured 9-1-1 calls, ER visits, hospitalizations and wholly preventable incarcerations that may be the result of substance abuse or mental health issues by those individuals who are chronically homeless.

Housing First is a project that was piloted by the State of Hawaii two years ago in the amount of 1 million dollars, and 1.5 million dollars was appropriated by the 2013 legislature to continue the program. A Request For Information (RFI) has been published by the Homeless Program's Office (HPO) for the funds appropriated in 2013 by the Hawaii State Legislature and a RFP is now in the process of being prepared by HPO.

It is our expectation that the existence of the SAMHSA grant will enable us to utilize the 1.5 million new Housing First dollars for housing, and to seek the intensive case management through the funds provided under the SAMHSA grant. In this way, we will be able to cobble the federal SAMHSA funds together with the State's Housing First funds and leverage SAMHSA funds to enable the State's Housing First dollars to house more individuals. (The present Housing First grant being implemented by the State requires both housing and necessary wrap around services to address the mental health and substance abuse needs of those who are chronically homeless; by using SAMHSA to fund services, we will be able to house more people under the Housing First grant.)

There is one amendment that needs to be made to section 1. On line 5 and 6 of page 1 reference is made to the City and County of Honolulu. That governmental entity should be deleted and the Department of Human Services should be inserted in its stead inasmuch as the City does not have a Housing First program.

HB 1886 section 2 provides matching funds for HUD's Continuum of Care Permanent Supportive Housing Program.

By way of background, the federal HEARTH Act enacted in 2009 created a single program known as the "Continuum of Care" (CoC) program by combining what was previously two programs known as "Shelter Plus Care" and "Permanent Supportive Housing".

The 2013 Legislature appropriated \$400 k in State matching funds for the "Shelter Plus Care" providers.

Section 2 would expand the scope of those service providers who could have their funds matched from just the "Shelter Plus Care" group to the "Permanent Supportive Housing" group, too, thus encompassing all of the "Continuum of Care" group under the present provisions of the HEARTH Act.

At present, there are approximately 9 recipients of these grants, and, as a condition of receipt of these funds, they must provide a 25% match against the total amount of their award from HUD. These HUD CoC funds are administered by the State Homeless Programs Office for the neighbor island providers, and by the Department of Community Services for the City and County of Honolulu for the Oahu providers.

There is one amendment that needs to be made to section 2. On line 14, a new sentence should be inserted after "Act", which should read, "Reasonable administrative expenses shall be allowed to be paid to the City and County of Honolulu".

The rationale for this amendment is that the Department of Community Services has to administer these HUD funds to their providers without the ability to recoup any of their administrative costs. If this change were to be made, these administrative expenses would be recoverable by the City and those service providers on Oahu would be able to participate in this program.

HB 1886 section 3 was enacted by the Hawaii State Legislature last year and continues that program for another year. The Homeless Programs Office is now in the process of procuring last year's legislative enactment.

Thank you for the opportunity to testify at your hearing today and for the opportunity to present this testimony after the hearing.