



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



February 13, 2014

MEMORANDUM

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

FROM: Barbara Yamashita, Acting Deputy

SUBJECT: **S.B. 2535, S.D. 1 – RELATING TO HOUSING**

Hearing: Thursday, February 13, 2014: 9:30 a.m.
Conference Room 211; State Capitol

PURPOSE: The purpose of this bill is to appropriate funds to the Department of Health and the Department of Human Services (DHS) for homelessness service programs, and transfers the homeless assistance working group from the DHS to the Legislature, and requires the chairpersons of the Committees on Human Services of the Senate and the House of Representatives to convene the homeless assistance working group.

DEPARTMENT'S POSITION: The Department of Human Services appreciates the intent of this measure to provide funding for a variety of programs that impact our State's ability to address homelessness. While the appropriations would enhance efforts undertaken to end homelessness, the Department is very concerned about the impact this bill will have on the priorities in the Executive Supplemental Budget.

Part II of this bill would appropriate funding of \$1,000,000 for the rental assistance program, also known as the shallow subsidy program. The Department appreciates the Legislature's consideration for funding for staffing and administrative expenses for the implementation of this program.

Part III of this bill would appropriate funding for the Housing First program. The Department asks that the Legislature support the Department's priorities as requested in the Executive Supplemental Budget submitted by Governor Abercrombie which contains a request for \$1,500,000 for continuation of the Housing First program. The second year of the State's Housing First program will be favorably impacted by the Department of Health's recent award from the Substance Abuse and Mental Health Services Administration (SAMHSA) grant for intensive support services for unsheltered homeless who have severe psychiatric disabilities and/or co-occurring substance abuse disorders. Legislative support of the Governor's budget request will allow the Housing First program to be operated for a third fiscal year with substantial opportunity for leveraging of funding with the DOH's program.

Part IV of the proposed bill would provide \$150,000 for a homelessness prevention and rapid rehousing program. The Department has not been able to implement the Homelessness Prevention and Rapid Rehousing Program (HPRP) funding during the 2013 session due to the lack of staffing resources. We note that the HPO already administers HUD funded HPRP funds (totaling approximately \$162,000) on behalf of the Neighbor Islands. The City and County of Honolulu administers the HUD funded HPRP funds (totaling approximately \$560,000) on Oahu. As with other provisions in this bill, the Department is concerned about the impact of this funding on the priorities in the Executive Supplemental Budget.

Part V of this bill would appropriate funds for the Continuum of Care. HUD requires Continuum of Care permanent supportive housing programs to provide a 25% match (either cash or in-kind) against the total amount of their grant. State matching funds for these programs are utilized by the agencies to meet match requirements and to pay for part of what are essentially very substantial administrative demands. For example, every month providers must not only work with clients placed in housing and ensure support services are provided, but they must also pay landlords for every single person who is housed. Matching funds will assist each provider in achieving their matching requirements, thus enabling the State's two continuum of care providers to continue requesting HUD funds.

Regarding Parts VI and VII, the Department notes that the Homeless Assistance Working Group (HAWG) as established in Act 222, Session Laws of Hawaii 2013, was successful in engaging different factions of the community to address homelessness and its solutions. We would note that the Hawaii interagency Council on Homelessness (HICH) is comprised of many of the same members, and is tasked with much of the same work as HAWG. The HICH has embarked on an ambitious agenda to end homelessness, and is making significant strides through an initiative called "Hale O Malama". A statewide plan as well as systemic changes to the provision of homeless services (aligned with national initiatives and evidence based practices such as Housing First) are being implemented. The HAWG is duplicative of the intent of the HICH. The consolidation of the efforts of the HAWG into the HICH would be a more effective use of resources

The Department defers to the Department of Health on the other sections of this bill.

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



CATHOLIC CHARITIES HAWAII

COMMENTS IN SUPPORT OF SB 2535, SD1: RELATING TO HOUSING

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

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

Hearing: **Thursday, February 13, 2014; 9:30 am; CR 211.**

Chair Ige, Vice Chair Kidani, and Committee members:

Thank you for the opportunity to provide comments **in strong support** of SB 2535, appropriating funding for a variety of critical programs targeted at addressing and ending homelessness. I am Betty Lou Larson, Legislative Liaison at Catholic Charities Hawaii. Catholic Charities Hawaii supports:

Part II: \$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 a 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 and their families to move into permanent housing.

Part III: a total of \$1,500,000 for ongoing funding for Housing First. We urge that this funding be in the base budget for the department. Housing First is an evidence based initiative for moving chronically homeless people into permanent housing with wrap around services. **Housing First is cost-effective. 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, on Housing First. There is great energy to move forward and make a significant impact on ending homelessness.

Part V: \$500,000 for matching funds to HUD funded Continuum of Care permanent supportive housing programs. Statewide, these program bring in about \$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, who pay 30% of their income on rent with this federal subsidy. 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 urge your support for these important pathways out of homelessness.





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

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

FROM: Scott Morishige, Executive Director, PHOCUSED

HEARING: Senate Committees on Ways & Means
Thursday, February 13, 2014 at 9:30 a.m. in Conf. Rm. 211

Testimony in Support of SB2535 SD1, Relating to Housing.

Thank you for the opportunity to provide testimony **in strong support** of SB2535 SD1, 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. In particular, PHOCUSED strongly supports the appropriation of funds to continue the State's existing Housing First and Shallow Subsidy rental assistance programs.

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.

The programs described in SB2535 SD1, such as Housing First not only assist in providing housing stability for homeless individuals and families, but also results in public cost savings by reducing public expenditures relating to hospitalization, emergency services, and incarceration of homeless individuals. Research has shown that the Housing First approach in particular has reduced public costs in other major metropolitan areas (i.e. Denver, Los Angeles, and Seattle) by as much as 75% for individuals, resulting in millions of dollars saved for those communities.

Once again, PHOCUSED strongly urges your support of this bill and your support of a comprehensive approach to addressing the critical issue of homelessness in Hawaii.

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.



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

From: Laura Finlayson

Hearing: Senate Committee on Ways and Means

DATE: Thursday, February 14, 2014

TIME: 9:30 a.m.

PLACE: Conference Room 211

State Capitol

415 South Beretania Street

SB 2535 RELATING TO HOUSING

Thank you for the opportunity to testify in support of SB 2535 which would appropriate funds to address homelessness. These programs aim to reduce and ultimately end homelessness in some of the most vulnerable populations. I **strongly support** the passage of this bill.

Hawaii continues to have one of the highest rates of homelessness in the nation. A lack of affordable housing stock and a low minimum wage only contribute to this issue. It is critical that we address the barriers that our homeless currently face, to help them succeed in life. Safe Haven finds that a disproportionate amount of homeless in Hawaii suffer from mental illness. This group has drastically different needs than the general population. The funds appropriated in this bill would directly address these needs and help an incredibly vulnerable population.

In particular, this bill would continue to fund the existing Housing First program. Housing First targets those that are chronically homeless, have families, and/or suffer from mental illness. The Housing First model shifts the existing homeless intervention models and provides a stable home for those that are homeless. Coupled with access to needed services, Housing First programs allow their clients to thrive and ultimately reintegrate into society successfully. The Department of Housing and Urban Development (HUD) finds that this approach is both viable and successful at meeting the needs of the homeless population. Moreover, Housing First programs are shown to greatly reduce overall costs, since clients are less likely to need other services in the future. By continuing to fund this program, Hawaii can address one of its major issues in a successful and cost effective manner.

Once again, thank you for the opportunity to testify in **strong support** of this bill.

Laura Finlayson

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From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: KehaulaniLum@Ameritech.net
Subject: Submitted testimony for SB2535 on Feb 13, 2014 09:30AM
Date: Thursday, February 13, 2014 8:23:50 AM

SB2535

Submitted on: 2/13/2014

Testimony for WAM on Feb 13, 2014 09:30AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
Kehaulani Lum	Individual	Support	No

Comments: Mahalo nui loa for your consideration of SB 2535. I strongly support the intent and purpose of this bill, which at its very heart exudes Aloha for all people, regardless of status or condition. It is an investment in restoring the health and well-being of our community and ourselves, now and into the future. Please support this bill. Aloha, Kehaulani Lum

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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