

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES

P. O. Box 339
Honolulu, Hawaii 96809-0339

February 8, 2017

TO: The Honorable Senator Josh Green, Chair
Senate Committee on Human Services

The Honorable Senator Donna Mercado Kim, Chair
Senate Committee on Government Operations

FROM: Pankaj Bhanot, Director

SUBJECT: **SB1107 – RELATING TO APPROPRIATIONS TO ADDRESS HOMELESSNESS**

Hearing: February 8, 2017, 2:50 p.m.
Conference Room 016, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to provide funding to address the State's homeless crisis. DHS has concerns and offers comments. DHS is concerned that the measure may adversely affect the Governor's Executive Budget requests for homeless services, is unclear on some parts, and does not provide adequate financial oversight. DHS defers to the opinions of the Department of the Attorney General and the State Procurement Office.

PURPOSE: The purpose of the bill is to appropriate \$3.5 million to continue the coordinated statewide homeless initiative (CSHI) implemented under the Governor's emergency proclamation related to homelessness.

CSHI was intended to be a short term temporary response. Clarification is needed to determine whether CSHI can continue in the manner described in the bill. DHS executed the current CSHI contract while the Governor's emergency proclamations were in effect; the contract was not subject to certain procurement rules. Without an emergency proclamation in place,

contracts of this size and scope should be properly procured per the State Procurement Code, or awarded by the Legislature to an applying organization through the Grant In Aid process.

DHS also has concerns that the bill gives up oversight over CSHI. The bill allows the CSHI master contractor to independently determine without the State's consent, the scope, eligibility, and operations. DHS also has concerns over who will be served with the master contractor having sole control over eligibility. While it is hoped that the target population would line up with the framework established by the Governor's team, the measure does not provide adequate contingencies. The bill requires a quarterly report to the House and Senate, however, it is unclear how the House and Senate would respond as a body when not in session, and what mechanism either house could employ to alter a contract.

DHS requires clarification as to what the Legislature intends by "master contractor." Should the master contractor be a non-governmental entity or a State agency? More likely, from the text of the bill, it appears that it is the intent of the Legislature to continue the emergency proclamation CSHI master contractor of Aloha United Way (AUW).

DHS has a major concern with the way the funding provision requiring payment in full "up front." A provision such as this one would make it extremely difficult if the State had any issues with the master contractor and would need to recover any monies already distributed to the master contractor.

DHS also has concerns over the 15% administrative fee. This would result in a fee of over \$500,000 a year for the master contractor. The money appropriated for this measure could be used more effectively by the State in adding to its various programs such as Housing First, Outreach, Rapid Re-housing, and shelters.

DHS asks that the Legislature continue to support the Governor's Executive Budget to address homelessness and the framework plan established to address homelessness in Hawaii. DHS defers to the opinions of the Department of the Attorney General and the State Procurement Office.

Thank you for the opportunity to testify on this bill.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 8, 2017

TO: The Honorable Senator Josh Green, Chair
Senate Committee on Human Services

The Honorable Donna Mercado Kim, Chair
Senate Committee on Government Operations

FROM: Scott Morishige, MSW, Governor's Coordinator on Homelessness

SUBJECT: **SB 1107 – RELATING TO APPROPRIATIONS TO ADDRESS HOMELESSNESS**

Hearing: Wednesday, February 8, 2017, 2:50 p.m.
Conference Room 016, State Capitol

POSITION: The Governor's Coordinator on Homelessness respectfully opposes this bill as currently drafted. While the Coordinator acknowledges that the bill addresses key aspects of the State's work to end homelessness, the Coordinator is concerned about potential adverse impacts on priorities identified in the Executive Budget, and asks for the Legislature's support of the Governor's Executive Budget request. The Executive Budget includes appropriations to the Department of Human Services (DHS) and the Hawaii Public Housing Authority (HPHA) for the Rapid Rehousing and State Rent Supplement programs, which address both homelessness prevention and housing placement.

In addition, clarification is needed in regard to the oversight and accountability for the use of public funds appropriated and expended for the Coordinated Statewide Homeless Initiative (CSHI) described in this bill. The bill exempts any contract and appropriation for the CSHI from being subject to chapters 42F, 103D, and 103F, Hawaii Revised Statutes (HRS), and provides the "master contractor" with "independent permit to modify the scope of services, eligibility criteria, and program operations." While the bill requires the "master contractor" to submit quarterly reports to the House and Senate Committees on Housing and Human Services,

it is unclear as whether there is an oversight mechanism for the State to intervene and retrieve public funds if it is found that funds are not being utilized appropriately.

PURPOSE: The purpose of the bill is to continue the Coordinated Statewide Homeless Initiative (CSHI), subject to a number of conditions that include providing “independent permit” and the total sum of funding for the program upfront to the “master contractor.” The bill appropriates \$3.5 million in general funds to DHS to implement this program, and enables administrative fees of up to 15%.

DHS currently administers a contract with Aloha United Way (AUW) for the operation of a CSHI program. DHS executed the AUW contract during Governor Ige’s emergency proclamation to address homelessness, and the contract is set to end in August 2017. While the AUW contract enabled resources to be disbursed quickly during a time of crisis, the Coordinator notes it is now time for the State to transition from a crisis response to a longer term strategy and approach to address and end homelessness.

The State has adopted a comprehensive framework to address homelessness, which includes a focus on three primary leverage points – affordable housing, health and human services, and public safety. While all three of these leverage points must be addressed to continue forward momentum in addressing the complex issue of homelessness, the overall strategy emphasizes permanent housing as the solution to homelessness.

In regard to housing placement and homelessness prevention, DHS recently procured new contracts for the Housing Placement Program and State Homeless Emergency Grant program, and will soon release a Request for Proposals for a statewide Rapid Rehousing program. The Executive Budget request also includes funding for Rapid Rehousing, as well as an expansion of the State Rent Supplement program for at-risk and homeless households.

The State approach to homelessness also focuses on oversight and accountability for public funds used for this purpose. This focus not only emphasizes reporting and transparency, but ties payment for homeless services to provider performance. Recently, DHS executed a series of contracts for housing placement, emergency grant, homeless outreach, and shelter that establish specific performance benchmarks and condition payment in part upon meeting

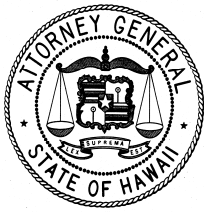
these benchmarks. The State's intent is to apply similar benchmarks and conditions to all new contracts for homeless services.

The Coordinator notes that providing "independent permit" to the master contractor will significantly limit or remove the ability of DHS entirely to align CSHI services with other parts of the overall State strategy to address homelessness. In addition, DHS will be restricted from having input regarding the eligibility criteria for the program, which raises a question of whether CSHI services would be used to address individuals at-risk of or experiencing homelessness.

The Coordinator further notes that, as currently drafted, the bill requires "the total sum of funding" to be provided to the master contractor at the start of the contract. If the master contractor does not use public funds for the intended purpose, it will be difficult for DHS to retrieve these funds and ensure they are properly used. Further, there is a risk of public funds being lost if the master contractor were to close business or declare bankruptcy. The Coordinator notes that the State has limited financial resources to address homelessness, and must provide proper oversight to ensure efficient and effective use of the resources available.

Finally, the Coordinator defers to the Department of the Attorney General in regard to current or more appropriate statutory processes and constitutional issues, the Department of Accounting and General Services, State Procurement Office, and to DHS with regard to contracting and implementation of homeless services. While the Coordinator establishes and coordinates State policy to address homelessness, other Executive Branch agencies are responsible for the direct administration and implementation of homeless and housing programs.

Thank you for the opportunity to testify on this bill.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2017**

ON THE FOLLOWING MEASURE:

S.B. No. 1107, RELATING TO APPROPRIATIONS TO ADDRESS HOMELESSNESS.

BEFORE THE:

SENATE COMMITTEES ON HUMAN SERVICES AND ON GOVERNMENT OPERATIONS

DATE: Wednesday, February 8, 2017 **TIME:** 2:50 p.m.

LOCATION: State Capitol, Room 016

TESTIFIER(S): Douglas S. Chin, Attorney General, or
Melissa L. Lewis, Deputy Attorney General

Chairs Green and Mercado Kim and Members of the Committees:

The Department of the Attorney General provides the following comments on this measure.

The purpose of this bill is to appropriate \$3,500,000 for fiscal year 2017-2018 and \$3,500,000 for fiscal year 2018-2019 to continue and improve the coordinated statewide homeless initiative to prevent homelessness and re-house homeless people in the State. The measure would accomplish this by authorizing a master contractor to: (1) unilaterally modify "the scope of services"; (2) select agency providers; (3) retain administrative fees of fifteen per cent; (4) manage the funding, which is to be paid at the start of the program; and (5) perform other program duties. In addition, the bill exempts contracts entered into and authorized by the measure from chapters 42F, 103D, and 103F, Hawaii Revised Statutes, (HRS). The bill may be interpreted to apply to an existing master contract; however, it does not identify one.

This bill gives broad and unclear authority to a master contractor and contains provisions that may impede implementation and may result in legal challenges. Our concerns include the following.

On page 2, lines 4-10, the bill provides: "(1) The master contractor shall:
(A) Be provided the independent permit to modify the scope of services, eligibility criteria, and program operations; to be informed by the data collected for purposes of

continuous program response and adaptation to client needs and service environment; " It is not clear who the master contractor is, nor how that entity is to be selected. It is also not clear to what the phrase "independent permit" refers; and the provision could be interpreted to allow the master contractor to modify unilaterally the scope of services with its own contract with the State.

On page 3, lines 4-5, the measure says that "(2) Administrative fees of fifteen per cent shall be taken in total *from the state grant*," [Emphasis added.] However, it also says on page 3, lines 9-12, that "any contracts executed and using the appropriations authorized pursuant to this Act shall not be subject to chapters 42F, 103D, and 103F, Hawaii Revised Statutes." A "state grant" would be subject to section 4, article VII, of the Hawaii constitution, which requires that "no grant of public money or property shall be made except pursuant to standards provided by law." Chapter 42F, HRS, provides those standards. With an exemption in this measure, for *all* contracts, from chapter 42F, the nature of this appropriation is not clear and may be subject to challenge as being in violation of section 4 of article VI.

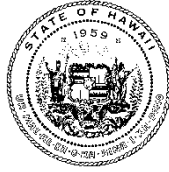
On page 3, lines 6-8, the measure would provide the total amount of funding to the master contractor at the beginning of the program, without performance standards or other fiscal accountability measures.

We recommend that this measure be amended to:

- (1) Define the term "master contractor," on page 2, line 4;
- (2) Describe how the master contractor is to be selected;
- (3) Identify, on page 2, lines 5-10, what contract scope of services will be subject to modification by the master contractor;
- (4) Identify the nature of the appropriation;
- (5) Address fiscal accountability; and
- (6) Clarify the wording on page 2, lines 5-10, to avoid ambiguity.

If this bill proceeds we respectfully request that the recommended modifications be made.

DAVID Y. IGE
GOVERNOR



SARAH ALLEN
ADMINISTRATOR
MARA SMITH+
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

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Honolulu, Hawaii 96810-0119
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TESTIMONY
OF
SARAH ALLEN, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEES
ON
HUMAN SERVICES
AND
GOVERNMENT OPERATIONS

February 8, 2017, 2:50 P.M.

SENATE BILL 1107
RELATING TO APPROPRIATIONS TO ADDRESS HOMELESSNESS

Chairs Green, Kim, Vice-Chairs Chang, Ruderman, and members of the committees, thank you for the opportunity to submit testimony on Senate Bill 1107. The State Procurement Office's (SPO) comments are limited to:

Section 2(1)(B), page 2, lines 11-12: The master contractor shall "have the deciding authority over selection of provider agencies."

Section 2(3), page 3, lines 6-8: "The total sum of funding shall be provided at the start of the coordinated statewide homeless initiative program to be managed by the master contractor."

Section 2, page 3, lines 9-12: "...any contracts executed and using the appropriations authorized pursuant to this Act shall not be subject to chapters 42F, 103D, and 103F, Hawaii Revised Statutes."

If this bill includes procuring and contracting for a master contractor, the SPO opposes that it be exempt from competitive procurement. The SPO also has serious concerns that the master contractor be the deciding authority for provider selection, the total funding be provided and managed by the master contractor; and that contracts pursuant to this Act be exempt from chapters 103D and 103F.

When a public organization finds itself with the responsibility of managing a complex multi-million dollar program without adequate resources and outsources management of the program, it is important to recognize that the public entity has fundamental inherent government functions that cannot be delegated to a contractor. When it relates to procurement, final decisions on how to spend taxpayers' money should be made by authorized, delegated public procurement officials.

Ultimately, it is the governments' responsibility, not the contractor's, to manage the contracts it procures, to make all final decisions on what they want and how much they will pay for it, with the ever-present goal in mind of achieving a successful outcome whilst safeguarding taxpayers' money.

Chapters 103D and 103F are the single source of public procurement policy that is applied equally and uniformly, while providing fairness open competition, and a level playing field. It also provides government disclosure, accountability and transparency in the consistent application of procurement and contracting processes, which is vital to good government and prevents favoritism, collusion, or fraud in awarding of a contract. To legislate exemption from compliance or to circumvent procurement statutes conveys a sense of disproportionate equality in the law's application, creating an imbalance wherein the future competitive environment becomes an arbitrary decision, less efficient and costlier for the taxpayers, state and vendors/providers.

Providing such large sums of funding to the master contractor to manage requires oversight, accountability, and a fair and equitable procurement process. The SPO recommends that the department procure the services of the master contractor in accordance with HRS chapter 103D or 103F, as applicable, and have oversight or manage the funds expended by the master contractor. The SPO also recommends that a fair and equitable procurement process be the deciding authority over selection of the provider agencies, and the master contractor be accountable for funds expended.

Thank you.



CATHOLIC CHARITIES HAWAII

TESTIMONY IN SUPPORT OF SB 1107: RELATING TO APPROPRIATIONS TO ADDRESS HOMELESSNESS

TO: Senator Josh Green, Chair, Human Services; Senator Donna Mercado Kim, Chair, Government Operations; and Members, Committees on Human Services and Government Operations
FROM: Terrence L. Walsh, Jr., President & Chief Executive Officer
Hearing: **Wednesday, 2/8/17; 2:5 pm; CR 016**

Chair Green, Chair Mercado Kim, and Members: Humans Services and Government Operations:

Thank you for the opportunity to support SB 1107, which appropriates funds to DHS for the Coordinated Statewide Homeless Initiative. I am Terry Walsh, with Catholic Charities Hawai'i. We are also a member of Partners in Care.

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i. Ending homelessness is a top priority for 2017.

Honolulu has reduced veteran's homelessness significantly in the past 2 years and is working on systems to reach functional zero and end homelessness for veterans by the end of 2017! How? By providing federal/other rent subsidies along with appropriate services. Rental subsidies work! They rapidly move homeless into permanent housing, as well as reducing the flow into homelessness. The current Coordinated Statewide Homeless Initiative is evidence based and shows that short term rental subsidies are effective. Court cases for evictions on Oahu were down 25% since the inception of this Coordinated Statewide Homeless Initiative (CSHI), after just 9 months. This rental assistance initiative had a significant impact on preventing homelessness. Lawyers for both clients and landlords saw an immediate effect. The typical family at risk of becoming homeless needed a one-time payment of \$1,046 to stay in their home. By 1/20/17, CSHI had served **4,225 people, including almost 2,000 children**. 987 households were at-risk and 366 were homeless. 59% of the recipients were families with minor children.

Hawaii's homeless situation has reached crisis proportions. We are currently ranked as having the #1 rate of homelessness per capita in the nation. Besides having the highest housing costs in the nation (twice the national average), the cost of living in Hawaii is 60% higher than the national average. Renters may fall into homelessness with any unexpected expenses or loss of a job. More than 25% of Hawaii households fall into homelessness simply because they are short of money to pay rent; they have no other underlying issues. It is critical to help these households avoid homelessness with short term help, such as provided by the CSHI.

Once again, we strongly urge your support SB 1107 to work towards our goal of ending homelessness in Hawaii. Please contact me at terry.walsh@catholiccharitieshawaii.org; or Legislative Liaison, Betty Lou Larson, bettylou.larson@catholiccharitieshawaii.org, or at 373-0356, if you have any questions.



From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 3, 2017 1:27 PM
To: HMS Testimony
Cc: blawaiianlvr@icloud.com
Subject: *Submitted testimony for SB1107 on Feb 8, 2017 14:50PM*

SB1107

Submitted on: 2/3/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Ho'omana Pono, LLC.	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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Aloha United Way

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Honolulu, Hawaii 96817-3938
Telephone (808) 536-1951
Fax (808) 543-2222
Website: www.auw.org



Aloha United Way

Cover Sheet

Testifying Agency: Aloha United Way
Cindy Adams, President & CEO

Senate Committee on Human Services
Senator Josh Green, Chair
Senator Stanley Chang, Vice Chair

Senate Committee on Government Operations
Senator Donna Mercado Kim, Chair
Senator Russell E. Ruderman, Vice Chair

Wednesday, February 8, 2017 at 2:50 P.M.

Conference Room 016

SB 1107: Relating to Appropriations to Address Homelessness: Testimony in Support



Aloha United Way

February 6, 2017

To: Senator Josh Green, Chair, Committee on Human Services
Senator Donna Mercado Kim, Chair, Committee on Government Operations

Re: SB 1107 Relating to Appropriations to Address Homelessness – **SUPPORT**
Hearing: Wednesday, February 8, 2017; Conference Room 016

Honorable Chairs & Committee Members:

Aloha United Way strongly supports SB 1107 which appropriates funding to continue the Coordinated Statewide Homeless Initiative, a program originally funded under the State's Homeless Emergency proclamation. In ten months of operation CSHI has assisted over 1,400 households with a total of over 4,300 individuals retained in housing or placed in housing.

42% of households in Hawaii are renters (fourth highest rate in the country) and 54% of these households pay 50% or more of their monthly income for housing (the second highest rate in the country). Finally, 63% of households lack emergency savings to deal with an unexpected \$500 expense. These statistics highlight the need for a program that can help a family with an unexpected short-term financial crisis weather the setback without becoming homeless. CSHI has done that effectively and efficiently.

A key learning from the CSHI operation is that for every homeless person served, there were three individuals in the eviction process. As a direct result of CSHI, total evictions dropped by 25% on Oahu. We believe this effective prevention program must be one component of a comprehensive plan to address our homeless issue.

Thank you for the opportunity to submit testimony. We urge your favorable consideration of SB 1107.

Sincerely,

A handwritten signature in black ink, appearing to read "Cindy Adams", with a long horizontal flourish extending to the right.

Cindy Adams
President & CEO

Hawaii Disability Legal Services, LLC

1188 Bishop Street, Suite 1402 ♦ Honolulu, Hawaii, 96813 ♦ Tel: (808) 536-8074 ♦ Fax: (877) 335-2254

Testimony Supporting S.B. 1107

SENATE COMMITTEE ON HUMAN SERVICES

Josh Green, Chair
Stanley Chang, Vice Chair

FEBRUARY 8, 2017

Aloha Chair Green, Vice Chair Chang and members of the Human Services Committee,

My name is Ashley Kaono. I currently work with Diane Haar at Hawaii Disability Legal Services, LLC assisting applicants with applying for disability benefits and/or appealing unfavorable decisions made by the Social Security Administration and the Department of Veteran's Affairs.

Many of our clients are homeless or near homeless and often in great need of assistance with more than just a disability claim. I'm pleased to submit this testimony in **strong support** of the coordinated statewide homeless initiative in part because no agency, government office, law firm or nonprofit can do this work alone.

As you may know, the Social Security program has long been recognized for reducing poverty among Americans and especially among elderly Americans. More recently we've learned that Social Security is also helping to keep children out of poverty due to the number of children living in multigenerational homes. We know this is especially true in Hawaii and we see how these benefits affect local families.

Interim assistance offered by programs like the coordinated statewide homeless initiative, gives our clients and their families a chance to obtain housing and allows them some degree of security. Programs like Social Security, most especially the disability program, can take time to adjudicate. In my opinion, both state and federal disability programs need the supplement of well executed programs like the coordinated statewide homeless initiative to fill the gaps in care and coordination.

In less than one year, this program has helped 577 adults and 383 children acquire housing in addition to helping 1,681 adults and 1,597 children remain in housing. The elimination of this program, coupled with the more recent closures of local shelters and programs like Care-A-Van will hurt our homeless communities. I believe it's fair to assume that our homeless population will multiply because of such losses.

Thank you Chair Green and Vice Chair Chang for the opportunity to provide my support for S.B. 1107.

Sincerely,

Ashley Kaono



Hawaii Disability Legal Services, LLC

1188 Bishop Street, Suite 2002 ♦ Honolulu, Hawaii, 96813 ♦ Tel: (808) 536-8074 ♦ Fax: (877) 335-2254

February 7, 2017

Committee on Human Services
Committee on Government Operations
Testimony on S.B. 1107
Relating to Appropriations to Address Homelessness

February 8, 2017, 2:50 p.m.
Conference Room 016

STRONG SUPPORT

Dear Chair Green, Chair Kim, and Members of the Committees:

My name is Diane C. Haar. I am a licensed attorney practicing in the State of Hawai`i. My practice is devoted to representing individuals with disabilities and their interests throughout the state. Most of my clients are homeless or near homeless.

I am strongly in favor of S.B. 1107 and its companion H.B. 1240. A significant portion of my practice is devoted to obtaining federal benefits for individuals who are disabled by mental and/or physical illnesses. Many of these individuals are homeless or near homeless, because their disability has rendered them unable to work. While this will likely be rectified once they start receiving federal benefits, this does not happen immediately.

The Aloha United Way program has been a lifeline like no other to people like my clients in keeping them in their homes during a crisis. At a press conference held at the Hawaii State Legislature on February 2, 2017, Norm Baker who oversees this project for Aloha United Way explained it costs much less to keep someone housed, including in healthcare costs, which go up substantially for those who are unsheltered. This program assists individuals like my clients for one, two, or three months, until their federal benefits are in place, and they can resume their own payments in full without Hawaii tax dollars. It also helps rehouse those who do end up homeless.

There has been significant press that this program works. Governor Ige said this in his State of the State, acknowledging this program exceeded the goals set for it last year. Since April 2016, this program helped 577 adults and 383 children acquire housing, but also helped 987 households of 1,681 adults and 1,597 children sustain their housing. For this second group, the assistance averaged \$2,200 per household to avert homelessness.

As Mr. Baker also said at the February 2, 2017 press conference, if the program is not funded, the numbers of homeless will go up. From what I see in my practice and the populations I work with, he is absolutely correct. I cannot understand why our state would eliminate a program with proven results when there are still such significant numbers of our population who need this help.

Your consideration of S.B. 1107 is greatly appreciated. Thank you for the opportunity to testify on this important matter.



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 5:09 PM
To: HMS Testimony
Cc: hlusk@chowproject.org
Subject: *Submitted testimony for SB1107 on Feb 8, 2017 14:50PM*

SB1107

Submitted on: 2/7/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Heather Lusk	The CHOW Project	Support	No

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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46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

**TESTIMONY FOR SENATE BILL 1107, RELATING TO APPROPRIATIONS TO
ADDRESS HOMELESSNESS**

**Senate Committee on Human Services
Hon. Josh Green, Chair
Hon. Stanley Chang, Vice Chair**

**Senate Committee on Government Operations
Hon. Donna Mercado Kim, Chair
Hon. Russell E. Ruderman, Vice Chair**

**Wednesday, February 8, 2017, 2:50 PM
State Capitol, Conference Room 016**

Honorable Chair Green, Chair Kim, and committee members:

I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in support of Senate Bill 1107, relating to appropriations to address homelessness.

According to the 2016 statewide *Point In Time Count* (PITC) report, 7,921 houseless persons were counted on a single night in January last year, up 4 percent from 2015. More than half of these persons were unsheltered. O’ahu accounted for 62 percent of the total (4,940 people), up 1 percent from the previous year. Kaua’i saw a 30 percent increase in the homeless population living on its shores (442 people), while the Big Island saw an increase of 12 percent (1,394 people). Overall, our state saw a 12 percent increase in the number of unsheltered homeless individuals and families and, concurrently, a 4.5 percent decrease in the number of sheltered individuals and families. Notably, the size of the houseless population on O’ahu is up 25 percent from 2009, when 3,638 homeless people were counted. Additionally, Department of Education officials said, last January, that 3,576 public school students are homeless. Last year's PITC captured just over half of them. We know, then, that our state’s homeless population is not only larger than the statistics show, but growing.

Over 30 percent of juvenile arrests in Hawai’i are for running away from home, the highest proportion in the nation. Nationally, one in seven young people between the ages of 10 and 18 will run away. Approximately 75 percent of runaways are female, while 46 percent of runaway and homeless youth report being physically abused, 38 percent report being emotionally

abused, and 17 percent report being forced into unwanted sexual activity by a family or household member, according to the National Conference of State Legislatures. Roughly 30 percent runaway children will be approached for commercial sexual exploitation within 48 hours of being on the run, with over 80 percent being approached for the sex trade during the course of their time on streets. A federal study found that an estimated 38,600 runaway youth have been sexually assaulted, in the company of someone known to be sexually abusive, or engaged in sexual activity in exchange for money, food, or shelter. Runaways are perceived as easy targets for sex traffickers because they lack stable shelter, a supportive environment, and financial resources, placing them at greater risk of forced prostitution and sexual servitude.

Traffickers exploit our limited number of available shelter beds to lure young people into exploitation. As the homeless childcare provider Covenant House observes, traffickers tell homeless youth that shelters are full and ask, “Where are you going to go? Why don’t you come with me? I’ll take care of you.” Coupled with threats of and enacted physical and sexual violence against the victims or their families, these coercive techniques compel runaway youth to remain enslaved. LGBTQ youth, who comprise an estimated 40 percent of the runaway and homeless youth population in the United States, are exponentially more likely to fall prey to human traffickers because of discrimination, family and community trauma, and a longing for comfort and acceptance (an estimated 26 percent of LGBTQ adolescents are rejected by their families and put out of their homes simply for being open and honest about who they are). In providing care for victims of human trafficking, IMUAlliance has heard their stories hundreds of times.

We must fund homeless services, including coordinated care and rapid rehousing programs for chronically homeless individuals and people on the cusp of homelessness. Moreover, we must find a balance between rampant real estate speculation and meeting the needs of our state’s most economically vulnerable residents. Just as our homeless population has soared over the past few years, so, too, has our state’s cost of housing. The median price of condominiums on O’ahu increased 8.3 percent in 2016 to \$390,000, while the median price for single-family homes increased by 6.5 percent to \$735,000, according to the Honolulu Board of Realtors. Average rent for a 900-square foot apartment in Honolulu now exceeds \$2,200, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 44 percent of residences in Hawai’i are owner unoccupied, according to the University of Hawai’i Economic Research Organization, meaning that nearly 50 percent—and by some estimates over half—of Hawai’i’s homes are investment properties.

Many of those properties, in turn, are owned by mainland and foreign buyers, whose real estate market speculation is a prime driver of Hawai’i’s highest-in-the-nation cost of housing. According to a study released in May of 2016 by the Hawai’i Department of Business, Economic Development, and Tourism, there are “clear distinctions” between the average price of homes bought by local residents, mainlanders, and foreigners. Analyzing purchases made between 2008 and 2015, DBEDT found: “The average sale price was highest among foreign buyers. The

average sale price of the total of 5,775 homes sold to foreign buyers from 2008 to 2015 was \$786,186, 28.3 percent higher than the average sale price to the mainlanders (\$612,770) and 64.7 percent higher than the average sale price to local buyers (\$477,460).”

Researchers who authored the National Low Income Housing Coalition’s *Out of Reach 2016* report found that a full-time worker would need to earn \$34.22/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,100 in 2015, with average rent for a 900-square-foot exceeding \$2,200 in 2016. In the past three years alone, Honolulu rent has increased 23.5 percent. While 47 percent of Hawai’i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$14.49/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai’i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai’i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs. Put simply, homelessness is directly tied to our state’s exorbitant cost of living and penchant for catering to people who use the islands as their own private Monopoly board. We beseech you to seek innovative ways of making Hawai’i more affordable, while funding the services necessary to show aloha for our economically disadvantaged neighbors.

When you fund housing programs and human services for the homeless, you are helping to end slavery in Hawai’i. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 11:48 AM
To: HMS Testimony
Cc: scornell@dcheelaw.com
Subject: *Submitted testimony for SB1107 on Feb 8, 2017 14:50PM*

SB1107

Submitted on: 2/7/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Cornell	Individual	Support	No

Comments:

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SB1107

Submitted on: 2/7/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
David Chee	Individual	Support	Yes

I am writing to support SB1107.

I am an attorney and practice landlord/tenant law. Generally I represent landlords and file eviction matters for them. I have been doing this for over twenty years.

In recent years, I file between 200 and 300 residential eviction lawsuits (also known as summary possession lawsuits) per year. As a result, I meet and interact with many people who are at risk of losing their homes.

One of the largest groups of persons who are at risk of eviction is working people. Ordinary working people who have a seemingly small financial setback make up a significant proportion of the people I evict.

People who live paycheck to paycheck and who miss a week or more of work often do not have the resources necessary to meet their rent obligations. Such a setback causes tenants to be late on their rent.

Landlords depend on the rent coming in so that they can meet their own obligations, so tenant debts cannot be ignored. When tenants carry a balance from one month to the next landlords will generally file an eviction lawsuit.

Eviction lawsuits in Hawaii move quickly. It can take as little as two weeks from the time a tenant is late on the rent to the time that a landlord has court order evicting the tenant.

Charitable aid programs have always attempted to provide financial aid to those in need, but most move too slowly to stop an eviction. Charitable programs often take a month to decide whether to aid an applicant. By the time typical aid programs are ready to help a family the eviction has already occurred. In the past ten years I can recall charitable assistance preventing evictions only a handful of times.

The CSHI program has really changed the dynamics. Since the start of the CSHI program, eviction lawsuits are being prevented and stopped with regularity.

What makes the CSHI program different from other charity aid programs is the speed with which the program works. Commitments of funds from the CSHI program may be available in less than two weeks, which is fast enough to stop an eviction.

That means that the costs and disruption that results from an eviction can be avoided. Tenants don't need to move. Families can stay together. Employees can go to work and become self-

sustaining again. Students can go to school. Landlords get paid and can pay their own bills. Life for everyone can go back to normal.

I have no doubt that the CSHI program has done more to help Hawaii's working people than any other recent housing initiative.

I urge the legislature to continue to fund the CSHI program.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 10:45 AM
To: HMS Testimony
Cc: joyce@jliconsultinghawaii.com
Subject: Submitted testimony for SB1107 on Feb 8, 2017 14:50PM

SB1107

Submitted on: 2/8/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Joyce Lee-Ibarra	Individual	Support	No

Comments: I am writing to voice my strong support for SB1107. I believe continued funding for the coordinated statewide homeless initiative (CSHI) will help prevent and reduce homelessness among some of the most vulnerable members of our community. As has been documented in numerous articles, including a recent article in the Honolulu Star-Advertiser (<http://bit.ly/2lrGPio>), it's clear that CSHI funding has been successful in its first year. In addition to reducing evictions that put individuals and families at risk for homelessness, CSHI funding has also aided landlords and decreased eviction-related court cases. The funding is a clear win-win situation, where return on investment is high both in economic and social terms. Given the enormous individual and community costs of eviction, funding preventive measures such as those offered via SB1107 is clearly money well spent. Please pass SB1107, and thank you for the opportunity to testify. Joyce Lee-Ibarra joyce@jliconsultinghawaii.com

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SB1107

Submitted on: 2/6/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
David M Spinazza	Individual	Support	No

Comments:

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My team manages a large residential rental community in Hawaii. While this testimony is mine personally, and not one of my companies, it is important that I state how valuable I believe the CSHI and 211 funding is to preventing further homelessness in a state where it only seems to get worse.

Once the 211 program was brought to our attention, we immediately informed our residents who were struggling with paying their rent. To supplement internal, personalized payment plans, the residents are informed about 211 and encouraged to reach out to the program. August 2016 we received the 1st payment from an organization that is part of 211 and our resident was brought to tears that they received the help. We have had ½ a dozen residents find success with 211 since then. 211 has been outstanding, along with our internal efforts, to reduce the number of files we send to our attorney for nonpayment. The number of files that we have sent to our attorney has decreased by approximately 49% since August in relation to the rest of the year. Of the files that did go to our attorney and agreed to payment plans internally, only 2% resulted in eviction. This number is down 10% when comparing to statistics of files prior to August 2016.

The company and team I work for have always strived to do what we can to keep our residents in their homes. We know things happen and we have processes and procedures in place to allow some flexibility for our residents who may need some help. However, there are times we cannot provide the help to our residents struggling with nonpayment. That is where 211 has exceeded our residents and our expectations of an assistance program. Aloha United Way and their 211 program has designed and streamlined a process that is clear, concise, and expeditious. Our residents receive the help they need to catch up and also after in order to stay on track.

I truly hope that the CSHI and 211 program continues to be funded and then some. This program's effectiveness was apparent to me in the very short time we aware of its availability. I have been tremendously surprised by the programs efficiencies and how fast the approvals were. My favorite part of the program is the level of financial education and engagement the program has with people after approval of assistance.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 2:35 PM
To: HMS Testimony
Cc: jayking@auw.org
Subject: Submitted testimony for SB1107 on Feb 8, 2017 14:50PM

SB1107

Submitted on: 2/7/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Jay King	Individual	Support	No

Comments: In 2016, Aloha United Way was selected to manage the Coordinated Statewide Homeless Initiative (CSHI), a one-time, one-year grant, which provides rent, deposit and utility assistance to homeless and at-risk of homeless populations. In just 10 months of operation, the CSHI pilot program exceeded 12-month contract goals and stakeholder expectations by serving 1420 households consisting of 2,358 adults and 2055 children. In short, over 4,400 people who would be homeless are safely housed as a result of the Coordinated Statewide Homeless Initiative. A key lesson learned from that program is that for every homeless person served, there are three people in the eviction process about to become homeless. While the recent budget proposals would provide funding to address the chronic homeless, solving our homeless crisis must also include preventing the constant flow of new people into homelessness. In 2016, 63% of people in the United States lacked an emergency savings fund to deal with an unexpected \$500 expense. People living in Hawaii are more likely to live paycheck to paycheck than in any other state. In fiscal year 2014, the District Court of the First Circuit, which oversees all of Oahu, presided over 6,968 eviction cases. These statistics illustrate why so many people confronted with evictions fall into homelessness. With so many of Hawaii's working citizens living paycheck to paycheck and struggling under our high costs of living, it is critical to have eviction prevention programs to keep them from falling into homelessness. We can no longer just bail water from the canoe without plugging the hole. For every homeless person in Hawaii there are three with an eviction notice, imminently homeless. Prevention of homelessness requires fewer resources than the recovery. It costs less to keep people in housing than it does to move them out of homelessness. It essential that we have effective programs doing both in order to make progress on our homeless crisis.

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 6, 2017 9:03 AM
To: HMS Testimony
Cc: monique.weisman@gmail.com
Subject: Submitted testimony for SB1107 on Feb 8, 2017 14:50PM

SB1107

Submitted on: 2/6/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Monique Weisman	Individual	Support	No

Comments: Please pass SB1107 to fund the Coordinated Statewide Homeless Initiative. As manager of the Aloha United Way 211 call center that offers statewide information and referral, I am aware of how great the need is for rent payment assistance in our state. For 10 years and counting, rental assistance consistently tops the list of requests by callers to our center. This month we handled over 280 requests for rental assistance, the highest need in a single month in the past five years. The Coordinated Statewide Homeless Initiative has been a great resource to share with the hundreds of people who have called in distress since the program's inception last spring. It assists the homeless in getting rehoused and prevents those threatened with homelessness to remain housed. For example, we received a call from a woman who was distraught because her family was days away from eviction. Both she and her husband are disabled and they have a school-age child. She was resourceful and had called every agency she could think of but had been unable to secure assistance. We referred her to one of the 20 providers distributing Coordinated Statewide Homeless Initiative (CSHI) funds, and she and her family were able to secure the funding needed to avoid being evicted. This is but one example of how this program helped in multiple ways. Had the family been put out on the street, their lives would have turned upside down. It would have resulted in much greater cost and effort to rehouse them between requiring the services of a case worker to locate an available unit for the family, help secure a deposit, and possibly assist with a change of schools for the child. Medical or mental health costs might also have been incurred as a result of the upheaval. Having CSHI to turn to has been a relief not only to families and individuals needing the assistance but to landlords as well. The program gets rent money into the hands of landlords quickly and efficiently. As a result, we've had landlords refer their tenants to 211 specifically for CSHI referrals. Finally, the 211 information and referral specialists also reap the benefits of the CSHI program. When over 14% of the calls we receive represent a need for rental assistance, it can wear thin if there are few resources to give callers. The CSHI program has been a ray of sunshine for all involved. It's clear that preventing evictions, and thereby subsequent homelessness, is a preferred and cost-effective method to addressing the homeless crisis we currently face in Hawaii. To continue the progress we've made in preventing more individuals and families from becoming unsheltered, please pass the

bill to fund the Coordinated Statewide Homeless Initiative.

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Sent: Sunday, February 5, 2017 2:55 PM
To: HMS Testimony
Cc: cchaudron08@gmail.com
Subject: Submitted testimony for SB1107 on Feb 8, 2017 14:50PM

SB1107

Submitted on: 2/5/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Camila Chaudron	Individual	Support	No

Comments: Aloha senators, my name is Camila Chaudron and I am a constituent from the Manoa/Makiki area. I support this bill because I believe that the homelessness problem in Hawaii has gotten way too extreme and needs to be addressed in a systematic and comprehensive manner as soon as possible. Mahalo.

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From: mailinglist@capitol.hawaii.gov
Sent: Sunday, February 5, 2017 5:17 PM
To: HMS Testimony
Cc: pastordianem@gmail.com
Subject: Submitted testimony for SB1107 on Feb 8, 2017 14:50PM

SB1107

Submitted on: 2/5/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Diane S. Martinson	Individual	Comments Only	No

Comments: I support SB1107 and the importance of a coordinated statewide homeless initiative to address the complexity of needs and coordination of response and resources.

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From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 8, 2017 9:24 AM
To: HMS Testimony
Cc: garret@auw.org
Subject: Submitted testimony for SB1107 on Feb 8, 2017 14:50PM

SB1107

Submitted on: 2/8/2017

Testimony for HMS/GVO on Feb 8, 2017 14:50PM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Jay	Individual	Comments Only	No

Comments: The CSHI Program has been helpful for those who have been very close to becoming homeless. Sometimes a sudden loss of a job, an illness or a family emergency leaves a family unable to pay their rent. In those cases, this program comes to the rescue. Hopefully, this type of assistance will continue in the future.

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