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DEPT. COMM. NO. 224

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
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Hand-Delivered

December 29, 2017

The Honorable Ronald D. Kouchi
President and Members of the Senate
Twenty-Ninth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott Saiki
Speaker and Members of the House
of Representatives
Twenty-Ninth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

SUBJECT: Reports from the Department of Human Services and the Governor's
Coordinator on Homelessness, Hawaii Interagency Council on Homelessness

Dear President Kouchi, Speaker Saiki, and members of the Legislature,

Attached are the following reports submitted in accordance with:

- Section 1, Act 212, Session Laws of Hawaii 2017 on the Establishment of Safe Zones for Persons Experiencing Homelessness, and House Concurrent Resolution 148 Senate Draft 1 (2017), on the Issue of Squatting, and
- Section 346-378, Hawaii Revised Statutes, on the Housing First Program.

In accordance with section 93-16, HRS, copies of these reports have been transmitted to the Legislative Reference Bureau Library and the reports may be viewed electronically at <http://humanservices.hawaii.gov>.

Sincerely,

A handwritten signature in black ink, appearing to read "Cathy Betts", followed by a long horizontal line.

Cathy Betts
Deputy Director

December 29, 2017

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Cc: Senator Josh Green, Chair, Senate Committee on Human Services
Representative John M. Mizuno, House Committee on Health & Human Services
Legislative Reference Bureau Library

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Department of Budget & Finance

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Report to the Twenty-Ninth Hawaii State Legislature 2018

In Accordance with
Section 1, Act 212, Session Laws of Hawaii 2017 on the Establishment of
Safe Zones for Persons Experiencing Homelessness

And

House Concurrent Resolution 148 Senate Draft 1 (2017),
On the Issue of Squatting

Hawaii Interagency Council on Homelessness
Governor's Coordinator on Homelessness
Department of Human Services
December 2017

Act 212, Session Laws of Hawaii (SLH) 2017, requires the Hawaii Interagency Council on Homelessness (HICH), in conjunction with and with the advisement of the Department of Human Services (DHS) and the Department of Land and Natural Resources (DLNR), to establish a working group to examine the issue of safe zones for persons experiencing homelessness and to submit a report with its findings and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2018. The findings and recommendations of the Act 212 (SLH 2017) Safe Zones Working Group are addressed in Part I of this report.

House Concurrent Resolution (HCR) 148 Senate Draft (SD) 1 (2017), requires the Governor's Coordinator on Homelessness to convene a working group to examine and develop recommendations to address the issue of squatting in the State, and requests that the working group submit a report of its finding and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2018. The findings and recommendations of the HCR 148 SD1 (2017) are addressed in Part II of this report.

In addition to the recommendations of the two working groups, DHS and other departments have requested appropriations in the State Fiscal Year 2019 (SFY19) Executive Supplemental Budget for the following items related to addressing illegal encampments on public lands:

- **\$5,000,000 for a Stored Property Program** – New funding to support state agencies addressing trespass or unauthorized encampments on state lands, including storage of abandoned property; trash and debris removal; and preventative measures such as placing signage or installing fencing on state lands when appropriate.
- **\$330,000 for Staff Time and Operating Costs** – New funding for DLNR to address unauthorized encampments in state parks, at small boat harbors, on unencumbered lands, and other state properties.
- **\$419,302 and 8.00 FTE permanent Deputy Sheriff Positions** – New funding and positions for DPS to support trespass and illegal camping enforcements on state lands.

The above requests for the SFY19 Supplemental Budget, together with the recommendations of the working groups, reflect a continuation of the State's comprehensive approach to addressing homelessness statewide. The aim of the State's collective efforts is to reverse the number of people teetering on the edge of homelessness, keep public spaces safe and open, and provide a clear path out of homelessness to permanent housing.

Part I: Act 212 (SLH 2017) Safe Zones Working Group

The working group held a series of public meetings and reviewed a range of materials including public testimony, the current and past positions of federal and state agencies regarding safe zones, legal and illegal encampments in Hawaii and other communities, and vacant state lands identified by DLNR.

Based on its review of these materials, the working group makes the following recommendations:

- There is a limited body of research relating to Safe Zones, and more information needs to be collected to evaluate their overall effectiveness in addressing unsheltered homeless persons;
- The County of Hawaii's Camp Kikaha pilot in Kona should be formally evaluated and data should be gathered to determine the effectiveness of the safe zone specifically relating to:
 - Number of people served;
 - Demographics of target population (e.g. ethnicity, gender, age, etc.);
 - Average length of stay;
 - Monthly and annual operating cost; and
 - The number of persons transitioned to longer-term shelter and permanent housing;
- Data gathered from the Camp Kikaha pilot should be shared with the Legislature and the four Counties to inform the development of a longer-term policy;
- Vacant land parcels identified by the working group should be considered for housing projects for homeless individuals similar to the Hale Mauiola Navigation Center, Kaka'ako Family Assessment Center, and the Kahauiki Village project; and
- The State should expand its search for vacant land to look beyond land under the direct jurisdiction of DLNR.

The full HICH unanimously approved the above recommendations at the December 18, 2017 public meeting.

I. Overview of the Act 212 (SLH 2017) Safe Zones Working Group.

A. Purpose.

The purpose of the working group is to examine and develop recommendations related to the establishment of safe zones for persons experiencing homelessness.

Act 212 (SLH 2017) directs that the group shall consider the following factors in its deliberations:

- The target population to be served by safe zones;
- Recommendations of potential sites to be designated as safe zones, provided that the sites shall be state lands designated within the urban district by the land use commission;
- The type of facilities or dwelling units permitted within a safe zone, including the use of modular structures;
- Strategies to transition inhabitants of a safe zone to permanent housing that utilizes the Housing First approach;
- The timeline necessary for planning and implementation of a pilot safe zone for persons experiencing homelessness; and

- The estimated costs of planning and implementing a safe zone.

The Legislature appropriated \$25,000 for fiscal year 2017-2018 to support the activities of the working group.

The working group consists of five members:

- Scott Morishige, Governor's Coordinator on Homelessness (Chair);
- Harold Brackeen III, Homeless Programs Office Administrator, DHS;
- Renee Sonobe Hong, Deputy Director for Law Enforcement, Department of Public Safety (PSD);
- Brian Johnson, United States Department of Housing and Urban Development (HUD); and
- Pastor Daniel Kaneshiro, faith-based representative to the HICH.

All five members also serve as members of the HICH. To consolidate work by its members, HICH established the Act 212 (SLH 2017) working group as a permitted interaction group to study and examine the issue of safe zones. A majority of members on the working group – 3 out of 5 members – constitutes a quorum.

The working group works in conjunction with and with the advisement of DLNR, who is represented by Cultural Resources Manager Pua Aiu. The advisory member is a non-voting member of the working group.

B. Working Group Meetings

At the June 19, 2017 public meeting, HICH established the Act 212, SLH 2017, Safe Zones working group. The working group convened a number of public meetings, received public testimony, reviewed the current and past positions of federal and state agencies regarding safe zones, and researched other authorized homeless encampments in Hawaii and other states. A list of agendas and minutes for the working group meetings can be found on the DHS website.

II. Public Input and Materials Reviewed by the Act 212, SLH 2017, Safe Zones Working Group.

A. Public testimony.

The working group held a number of public meetings and received public testimony from a range of individuals, including legislators, nonprofit organizations, advocates, community members, and persons experiencing homelessness.

The following were key points mentioned in public testimony:

- The number of unsheltered homeless individuals in Hawaii is increasing at the same time that the overall number of homeless individuals appears to be decreasing;
- Enforcement of criminal trespass and sit-lie laws may have an adverse impact on homeless individuals and, in some cases, break up well-established social and supportive communities;
- It is beneficial to seek input from people experiencing homeless to inform potential solutions to homelessness;

- While some homeless camps have an established leadership structure, other camps are unsafe for individuals residing in them due to high levels of crime and drug use;
- If the State is to designate new areas or parcels as safe zones, the State should solicit feedback from the surrounding community, including homeless people in and around the area. Criteria should also be established for potential safe zones, such as existing homeless communities that have established leadership and internal organization;
- While outreach workers consistently offer emergency shelter as an alternative, persons experiencing homelessness are reluctant to utilize homeless shelters due to concerns about safety, lack of privacy, and a distrust of homeless service providers. These same factors may discourage homeless individuals from utilizing a safe zone administered by a service provider; and
- A key contributing factor to homelessness is the lack of affordable housing, and more specifically the lack of affordable rental inventory.

The working group also received testimony from community members who were adversely impacted by homeless encampments on public lands. Specifically, the working group received testimony from multiple residents of an apartment building located in Iwilei, Honolulu. The residents of the apartment building reported frustration about government being unable to respond to their concerns, despite multiple calls to 9-1-1 and various law enforcement agencies. The residents of the apartment building described situations that were unsafe both for the individuals in the encampment near their building, as well as for the general public – this included descriptions of individuals standing or lying in the roadway in the middle of oncoming traffic.

Finally, the working group received public testimony from the Office of the Mayor of the County of Hawaii regarding the Camp Kikaha encampment in Kona on Hawaii Island. The testimony from Hawaii County, that included responses to questions from working group members, highlighted the number of people served by Camp Kikaha and the operating costs to run the facility. Initially, Camp Kikaha served 30 individuals, and served about 22 individuals as of October 2017. According to Hawaii County staff, Camp Kikaha transitioned 8 individuals into emergency shelter at HOPE Services, Inc., and six of the 22 residents were employed. Hawaii County explained that Camp Kikaha provides portable toilets and an outdoor shower, but has no access to other utilities (e.g. electricity). The initial start-up cost for Camp Kikaha was \$4,000.00 and ongoing monthly operating costs were \$21,207. A breakdown of monthly operating costs, as of October 2017, is provided in the chart below:

The Monthly Cost of Running Camp Kikaha

Homeless Specialist	\$ 4,316
Security (Started with 1 security 24/7 = \$15,372/ mo Hours were recently cut back by 11 hrs. per wk = \$14,433/ mo)	\$14,433
Portable Toilets (2 at campsite) (cleaned out 2x a week.	\$ 1,458
Trash Pick up was \$400 / mo. Just arranged for P and R to pick up rubbish	0
Supplies and Food (much is donated)	\$ 1,000
Total:	\$21,207.00

Source: County of Hawaii (October 12, 2017)

At the HICH meeting on December 18, 2017, Hawaii County staff explained that the October 2017 budget numbers had been adjusted from \$21,207 per month to \$500 per month as of December 2017. The primary factors that resulted in the adjustment were the elimination of the salary for the Homeless Specialist, and the elimination of funding for security. According to Hawaii County, the Homeless Specialist would continue to provide services on an unpaid voluntary basis moving forward, and security concerns would be addressed by a voluntary council formed by Camp Kikaha residents. With the reduction in monthly costs to \$500, the annual operating cost for Camp Kikaha is estimated to be \$6,000.

B. Review of the current and past positions of federal and state agencies regarding safe zones.

The working group reviewed written reports relating the positions of both the HICH and the United States Interagency Council on Homelessness (USICH) in regard to safe zones. This review included the following:

- Act 105, Section 4 (SLH 2012) – Report on the designation of safe facilities in various locations throughout the State for homeless persons for overnight stays, and
- U.S. Interagency Council on Homelessness – Report, Ending Homelessness for People Living in Encampments: Advancing the Dialogue.

The working group asked HICH member Brian Johnson for HUD's position on safe zones. In response, member Johnson clarified that *“HUD generally does not support the creation of safe zones or more commonly referred to as tent cities.”*

In 2012, when the HICH previously examined this issue, it recommended against establishing zones for the following reasons:

- The establishment of safe zones is inconsistent with federal and state programs that emphasize permanent housing as the key to ending homelessness;
- Resources to address homelessness are scarce, and the establishment of safe zones would divert these resources from permanent housing, and could encourage the continuance of homelessness and a nomadic lifestyle for people experiencing homelessness; and

- Concerns regarding the safety and well-being of homeless individuals residing in safe zones, as well as safety for neighborhoods surrounding safe zones.

Similarly, in 2015 the USICH acknowledged that the formation of encampments does not represent an end to homelessness, and can “*serve to distract communities from focusing on what is most important – connecting people experiencing homelessness to safe, stable, permanent housing.*” The USICH also acknowledged that there are costs associated with ensuring security for authorized encampments, and that this could result in funding being redirected from other programs that more directly address housing. The USICH report acknowledged the diversity of people living in encampments, and the need to consider a range of services – including permanent supportive housing, rapid rehousing, and mainstream affordable housing.

The USICH report recommended four specific actions to address homeless encampments and connect individuals in encampments with long-term housing:

1. Preparation and adequate time for planning and implementation, including the identification of area land owners and development of meaningful housing options;
2. Collaboration across sectors and systems, including collaboration between a cross-section of public and private agencies, including the faith-based and philanthropic sectors;
3. Performance of intensive and persistent outreach and engagement, including identifying leadership within the encampment; and
4. Provision of low-barrier pathways to permanent housing, including a connection to the Coordinated Entry System (CES) and offers of interim housing (e.g. including shelter, bridge housing, or other temporary arrangements).

The USICH recommended that communities also plan to prevent encampments from being recreated. According to the USICH, these plans could include additional security and outreach measures, as well as plans for ongoing cleanup of impacted areas.

C. Review of legal homeless encampments in Hawaii and in other communities.

The working group examined the operations of four authorized homeless encampments currently in operation in several states. Camp Kikaha in Hawaii County is currently the only authorized camp in Hawaii. The four authorized camps that the group examined are:

- (1) Camp Kikaha (Kona, Hawaii);
- (2) Opportunity Village (Eugene, Oregon);
- (3) Nickelsville-Ballard (Seattle, Washington); and
- (4) Camp Hope (Las Cruces, New Mexico).

In general, the authorized camps had the following factors in common:

- **Small population size** – The number of individuals in the camps ranged from 25 to 50 individuals;
- **Self-organized governance structure** – All four camps utilize a leadership council of residents to make decisions regarding camp rules, and recommendations regarding individuals entering the camp;

- **No access to electricity** – None of the camps had access to electricity, although some had access to portable toilets and shared shower facilities; and
- **Access to social services** – All four camps offered access to services, either through direct contract with a nonprofit organization or through a location near an existing service provider.

The ongoing operation costs of the four authorized camps varied widely. Annual operating costs ranged from a low of \$8,000 (Camp Hope) to a high of \$254,484 (Camp Kikaha). The costs were primarily for staffing, security, and access to water and toilet facilities. Camp Kikaha and Nickelsville-Ballard were primarily government funded, while Opportunity Village and Camp Hope both utilized a combination of rental income and donations for funding.

In addition to diversity in funding, a range of physical structures were used in the four authorized camps. Camp Kikaha and Camp Hope both utilized tent and tarp structures. Opportunity Village utilized 30 tiny houses that ranged from 60-80 square feet each. The Nickelsville-Ballard camp used a combination of

Comparison of Authorized Camps – Hawaii and U.S. Mainland










Name (Location)	Number of Residents	Monthly or Annual Cost	Type of Housing	Services Provided	Role of Government	Other Notes
Camp Kikaha (Kona)	25-30	<ul style="list-style-type: none"> • Monthly Cost: \$21,207 • Annual Cost: \$254,484 • Per person: \$706 to \$848 mo. 	Tents	<ul style="list-style-type: none"> • None directly on site, but access to social services at Hope Services' homeless resource center 	<ul style="list-style-type: none"> • County-owned land. • County funding 100% of operational costs. 	
Opportunity Village (Eugene, Ore.)	30-35	<ul style="list-style-type: none"> • Monthly Cost: \$3,750 • Annual Cost: \$45,000 • Per person: \$107 to \$125 mo. 	30 tiny houses (60-80 square feet each)	<ul style="list-style-type: none"> • None on site, but partnerships with existing service providers (human services, crisis management, domestic violence, food pantry, etc.) 	<ul style="list-style-type: none"> • City-owned land leased to nonprofit for \$1/year 	<ul style="list-style-type: none"> • Self-governed community • 10 volunteer hours required per resident weekly
Nickelsville-Ballard (Seattle)	25-30	<ul style="list-style-type: none"> • Monthly Cost: \$11,862 • Annual Cost: \$142,351 • Per person: \$395 to \$474 mo. 	12 tents, 5 tiny houses	<ul style="list-style-type: none"> • Nickelsville partners with Low Income Housing Institute (LIHI) to provide housing referral services • LIHI also provides on-site information and referral services, employment counseling, and assists residents in applying for housing and services 	<ul style="list-style-type: none"> • In 2015, city passed an ordinance allowing creation of three tent or tiny house villages • Per agreement with city and neighborhoods, village can stay in one location for only up to 2 years 	<ul style="list-style-type: none"> • Self-managed community (residents elect leadership and other positions) • 24-hour security <p><u>Metrics</u></p> <ul style="list-style-type: none"> • 34% exits to housing (26 out of 77 people) • 65% stayed longer than 60 days – with 20% staying longer than 180 days.
Camp Hope (Las Cruces, N.M.)	50 individuals (no families or children allowed)	<ul style="list-style-type: none"> • Monthly Cost: \$666 • Annual Cost: \$8,000 • Per person: \$13 mo. 	Tents (Zoning rules forbid structures without sprinklers)	<ul style="list-style-type: none"> • None on property, but Mesilla Valley Community of Hope provides restrooms, showers and social services nearby (health care, housing, financial solutions) 	<ul style="list-style-type: none"> • Encampment is on city-owned property 	<ul style="list-style-type: none"> • Self-governed community • No time limit on stays • Residents required to perform 6 hours of service weekly • Funding provided by the community.

tents and tiny houses. In all four camps, the land was provided by a City or County government. More information regarding the four authorized camps is detailed in the chart above.

D. Vacant State lands identified by DLNR.

The DLNR liaison to the working group identified nine separate land parcels on Oahu that are currently vacant.

Due to time limitations, the working group limited its search primarily to lands under the direct jurisdiction of DLNR. The land parcels are listed below.

List of Vacant Land Parcels Identified by the Department of Land & Natural Resources (DLNR)								
Location	type	TMK	Issues		Neighbors	Map	Trust Status	Acres
Pupukea	Unencumbered	59031011		Ag lands	residential		5(b)	2.022
Waialeale	vacant	58001053	EO To CCH	no infrastructure	resort/park lands		5(b)	20.629
Waialeale	vacant	58001054	part of Wallace Beach Park		BWRE Hawaii LLC		5(b)	11.582
Kaimuki	vacant	32036010	in residential area	next to fire station, might be on hill	residential		5(a)	0.126
Mapunapuna		11064006	Flooding	small lot	industrial		5e	0.25
Halawa		99012046	medical contamination		park lands		5(b)	0.315
Halawa		99012047	medical contamination		park lands		5(b)	0.275
Nimitz Viaduct area	vacant	12021035	no vehicular access	environmental	industrial		5(b)	0.351
Nimitz Viaduct area	vacant	11006003	medical contamination	environmental	industrial		5e	1.35

DLNR identified various concerns relating to the identified parcels, including:

- **Location** – Parcels may be in a residential area, or on a hillside slope that would make residential use difficult. One parcel is in a flood inundation zone;
- **Lack of infrastructure** – All nine parcels lack water and sewer access. In addition, some parcels lack vehicular access to the property;
- **Size** – Two of the identified parcels are less than 0.5 acres in size, and may not be large enough to support residential use; and
- **Medical waste** – Two of the identified parcels have previously been used to store medical waste materials, and may require substantial remediation prior to residential use.

The concerns related to the parcels will likely impact the upfront cost of developing a campsite or a longer-term use for housing.

While some parcels may not be large enough to support a campsite or longer-term housing project, smaller parcels could be used to site portable toilets, hygiene facilities, or locker space to address the needs of unsheltered individuals living in nearby encampments.

The working group also acknowledged that the State has identified parcels for a number of recent private and public projects to serve the homeless population, including: Hale Mauliola, the Kaka'ako Family Assessment Center, Kahauiki Village, and Hawaii County planned a homeless project at Village 9 in West Hawaii.

E. Other information considered.

The working group also considered the following information in its deliberations:

- Connection to the Coordinated Entry System (CES);
- Cost and capacity of recent housing navigation centers; and
- The financial impact of unauthorized homeless camps.

Coordinated Entry and homeless encampments.

HUD requires the CES for organizations that receive federal funding from HUD, and the local Continuum of Care (CoCs) must have CES policies and procedures in place by January 2018 to be compliant with HUD requirements. The CES will serve to standardize referrals to shelter and housing programs. The intent of the CES is to increase the efficiency of referrals to shelter and housing, and ensure that homeless individuals are matched with the most appropriate resource based on their circumstances (e.g. length of homelessness, medical conditions, etc.).

Homeless outreach providers and emergency shelters currently serve as access points for CES on Oahu. Homeless individuals can be assessed using a common assessment tool through an access point, and are placed on a By Name List (BNL) from which referrals are made to shelter and housing programs. Individuals on the BNL are prioritized into three main categories of need: the highest level of need meets the criteria for permanent supportive housing; the medium level meets the criteria for rapid rehousing; and the lowest level meets the criteria for transitional housing. Homeless individuals and families will not appear on the BNL if they have not provided consent to share their information on the BNL, or if they have not yet been assessed by an access point (e.g. outreach or emergency shelter provider).

If the State were to officially authorize homeless camps or safe zones, the working group discussed that the camps should be identified as an access point for CES so that homeless individuals utilizing the camps will be connected to longer-term housing services.

Cost and capacity of recent housing navigation centers.

Within the past two years, two new facilities for homeless individuals and families have opened on Oahu. These facilities differ from a traditional emergency shelter, and have been labeled as housing navigation centers or assessment centers. The two facilities include:

- Hale Mauiola, and
- Kaka'ako Family Assessment Center.

The working group specifically examined the target population, operating cost, and outcomes for the two housing navigation centers. The working group also noted that Hale Mauiola was initially intended to be an authorized homeless camp with tarp and tent structures, similar to Camp Kikaha. However, after conducting a series of community meetings and receiving feedback from service providers, Hale Mauiola significantly changed its design to incorporate modular container structures and low-barrier policies for entry. The chart below compares information for the two housing navigation centers.

While the cost per person for the housing navigation centers is slightly higher than for an authorized camp, the housing navigation center cost also includes professional staff and the delivery of housing-focused case management. Both Hale Mauiola and the Family Assessment Center reported high rates of

Comparison of Costs for Two Local Assessment/Navigation Centers

Source: Governor's Coordinator on Homelessness (2017)

Name (Location)	Number of Residents	Monthly or Annual Cost	Type of Housing	Services Provided	Role of Government	Other Notes
Family Assessment Center	30	<ul style="list-style-type: none"> • Monthly Cost: \$56,416 • Annual Cost: \$677,000 • Per person: \$1,128 mo. 	Warehouse – Cubicles	<ul style="list-style-type: none"> • Housing-focused case management • Partnership with other service providers (e.g. PID, KPHC, DOE, DOH, etc.) 	<ul style="list-style-type: none"> • State-owned facility. • State funds 100% of operating costs. 	<ul style="list-style-type: none"> • 93% placement rate (39 out of 42 households) • 79-day average length of stay (intake to exit) • 24-hour staffing, no security Total persons served: 160
Hale Mauiola	87	<ul style="list-style-type: none"> • Monthly Cost: \$81,666 • Annual Cost: \$980,000 • Per person: \$938 mo. 	25 refurbished shipping containers – divided into 39 individual units and 24 two-person units	<ul style="list-style-type: none"> • Housing-focused case management • Referrals provided to other social service programs. 	<ul style="list-style-type: none"> • State land, leased to City • City funds 100% of operating costs. 	<ul style="list-style-type: none"> • 62% placement rate (96 out of 154 people) • 35% stayed longer than 60 days – with 4.5% staying longer than 180 days. • 24-hour security and staffing Total persons served: 134

placement to long-term housing – a 93% placement rate for the Family Assessment Center, and a 62% placement rate for Hale Mauiola. In addition, both facilities reported relatively short lengths of stay for residents – with stays at the Family Assessment Center averaging 79 days from intake to placement/exit.

Financial impact of unauthorized homeless camps

It was suggested through public testimony that the group examine the financial impact and composition of unauthorized camps in addition to looking at authorized camps. Based on this suggestion, the working group examined two unauthorized encampments on Oahu:

- Kaka'ako Makai Homeless Camp, and
- Pu'uhonua O Waianae.

The Kaka'ako Makai homeless camp has been in existence for over two years, and at its largest census, was estimated to include nearly 300 individuals in August 2015. The Kaka'ako Makai camp population is currently estimated at between 55-65 individuals, and largely consists of single adults and couples. The Kaka'ako Makai camp has moved between various locations within the Kaka'ako area, makai of Ala Moana Boulevard. The Hawaii Community Development Authority (HCDA), the State agency that has oversight of the Kaka'ako Makai area, estimated that individuals in the homeless camp had caused \$500,000 in damage to the area parks. In addition, HCDA staff estimated increased water and electric usage in the Kaka'ako park area that is associated with unauthorized use of utilities by the camp residents.

The Pu'uhonua O Waianae camp has also been in existence for over two years and its census has fluctuated from a high of 319 to a low of 170 individuals. The Waianae camp is on land owned by DLNR, and DLNR staff regularly visit the camp to conduct a census of its population. There is significant disagreement in the current estimated size of the Waianae camp, which DLNR estimates to be at 210 individuals as compared to 170 individuals reported by the camp residents. DLNR staff reported that the water bill for the neighboring Waianae Boat Harbor has significantly increased since 2013, and DLNR believes this increase is related to increased usage of water from the harbor by the camp residents. DLNR reports that the cost of the water bill for the Waianae Boat Harbor alone now exceeds the revenues generated by harbor fees that are charged to harbor users and collected to cover utility costs. DLNR noted that in addition to the financial impact, the Waianae camp is believed to have negatively impacted environmental and cultural resources on the DLNR property. In 2016, DLNR staff visited the property and found that a number of rock terraces that were previously identified as cultural resources are no longer in existence. Biologists with the DLNR Division of Aquatic Resources are also concerned that the encampment is adversely affecting the rare anchialine shrimp that live in ponds on the property.

III. Rationale for Safe Zone Working Group Recommendations

The working group carefully considered public testimony, written reports, and presentations from HICH members and the community. Based on review of this information, it is clear that there is support for the safe zone concept from homeless advocates and individuals experiencing homelessness. However, it is also clear that the federal government – both HUD and the USICH – have serious concerns regarding the implementation of safe zones and the diversion of scarce public resources away from strategies that emphasize permanent housing.

The working group also noted that the USICH report, public testimony, and information from HCDA and DLNR highlighted the negative aspects of unauthorized homeless encampments. Specifically, unauthorized encampments were associated with damage to public facilities, and high increases in water and other utility costs. In addition, public testifiers noted that unauthorized encampments result in dangerous circumstances both for homeless individuals and the general public, as unauthorized camps are sometimes near heavily trafficked roadways or other unsafe areas.

Because safe zones are an emerging practice – with Camp Kikaha in Hawaii County being the only authorized camp in Hawaii and being less than six months old – the working group recognizes there is a need to further examine the effectiveness of safe zones. The working group believes that the \$25,000 appropriated through Act 212 (SLH 2017) may be utilized to support the existing operations at Camp Kikaha, and to assist in collecting more detailed data regarding this local effort.

In the meantime, the working group has attached a list of the nine vacant parcels identified by DLNR, and suggests that this list be expanded to include other vacant State or County properties. While the identified parcels have various challenges associated with them – including location and lack of infrastructure – these challenges are not insurmountable, but will affect the overall cost of any future project. It is important to note that the State has supported a number of recent efforts to address homelessness through the identification of vacant lands, and that the lands identified by the working group may serve a similar purpose.

A key theme in the public testimony, as well as in the USICH report on homeless encampments, is the need to focus efforts on the development of affordable housing and increasing pathways for homeless individuals to access permanent housing. It was also noted that the new housing navigation center model of shelter included a specific focus on permanent housing, and that both Hale Mauliola and the Family Assessment Center reported high rates of permanent housing placement.

If the Legislature chooses to move forward with the implementation of safe zones, the working group recommends that safe zones include the delivery of housing-focused services and should include practices incorporated by Hale Mauliola or the Kaka'ako Family Assessment Center.

PART II: HCR 148 SD1 (2017), Squatting Working Group

The working group met in November 2017 to research and discuss the issue of squatting, or settling on land without title, right, or payment of rent.

Based on its discussions, the working group makes the following recommendations:

- A key issue related to squatting is identifying the legal owner of properties that are abandoned, or are in the process of foreclosure;
- Potential solutions must include a consideration of the legal rights of individuals or squatters who may have entered into a landlord-tenant agreement not knowing that the "landlord" is not the legal owner of the property;
- Due to the complexities associated with the issue of squatting, further discussion is needed to clearly define the issue and identify possible solutions; and
- While the issue of squatting requires further discussion, continued emphasis should be placed on increasing the availability of affordable rental housing and housing-focused services, including Housing First and Rapid Rehousing programs.

To continue the discussions of the working group, HICH established a permitted interaction group consisting of the same members as the HCR 148 SD1 (2017) working group. At its regular meeting on December 19, 2017, HICH decided that the permitted interaction group will continue to meet in 2018 to further explore the potential ways to address the complex issues of squatting.

I. Overview of the HCR 148 SD1 (2017) Squatting Working Group

A. Purpose

The purpose of the working group is to examine and develop recommendations to address the issue of squatting in the state.

HCR 148 SD1 (2017) requests that the group address the issue of squatting by:

- Clearly defining the behaviors or actions that constitute squatting;
- Identifying the circumstances and unmet needs that predict or lead to squatting;
- Recommending ways to proactively prevent squatting, such as increasing the inventory of shelter beds and affordable housing; and
- Recommending ways to resolve community impacts caused by squatting, including through the judicial system, law enforcement, and community action.

As identified in HCR 148 SD1 (2017), the members of the working group are:

- Governor's Coordinator on Homelessness (Chair);
- Chair of the Senate standing committee on housing;
- Chair of the House standing committee on housing;
- DHS director or designee;
- Executive Director of the Hawaii Public Housing Authority (HPHA) or designee;

- A representative of PHOCUSED (Protecting Hawaii's Ohana, Children, Under-Served, Elderly and Disabled);
- A representative of the Chamber of Commerce of Hawaii; and
- A representative from the Hawaii Association of Realtors.

In addition to the members specified by the concurrent resolution, at its regular meeting on June 19, 2017, HICH voted to add additional members to the working group:

- A representative from Partners in Care, the continuum of care for Oahu;
- A representative from Bridging the Gap, the continuum of care for the neighbor islands; and
- A representative from the Department of the Attorney General.

B. Working Group Meetings

The working group met on several occasions from June through November 2017, and received feedback from members of the public, reviewed previous legislation to address the issue of squatting, and reviewed state policies that address unauthorized encampments on state lands. In particular, the working group received information from the Hawaii County Office of the Prosecuting Attorney regarding the County's efforts to address squatting.

On December 19, 2017, at the regular meeting of HICH, the working group shared its recommendations with the full membership of the HICH. Based on these recommendations, HICH membership determined that the permitted interaction group formed to address squatting should continue to meet and conduct further research regarding this issue.

II. Public Input and Materials Reviewed by the HCR 148 SD1 (2017), Squatting Working Group.

A. Discussion of squatting and trespass on public and private property.

The working group reviewed State and Counties' procedures relating to unauthorized encampments and criminal trespass on state lands. In general, the State and Counties provide advance notice before any enforcement operation that may impact people experiencing homelessness, check for shelter vacancy and availability before and during the enforcement operation, and provide a mechanism for storing any property that is seized or abandoned during the enforcement. State enforcement efforts to address criminal trespass in SFY17 were largely supported through a portion of the Legislature's appropriation of \$12,000,000 to address broader homeless efforts. Another portion of the \$12,000,000 appropriation¹ also supported increased resources for homeless outreach and housing-focused services, such as Housing First and Rapid Rehousing. It is noted that homeless outreach providers work in coordination with State landowners and law enforcement agencies to connect homeless individuals to emergency shelter and other permanent housing options.

The working group determined that, while there appears to be clear processes to address unauthorized camping or trespass on public lands, there is less clarity on how private landowners may address unauthorized individuals on private property. The working group focused its discussions on efforts to

¹ For a complete discussion of how the \$12,000,000 legislative appropriation was disbursed, see the Report to the Twenty-Ninth Hawaii State Legislature 2018 Session Submitted in Accordance with Section 20.1, Act 124 Session Laws of Hawaii 2016, Regarding Homeless Services, at <http://humanservices.hawaii.gov>.

address squatting situations occurring on private property. In particular, the working group invited Hawaii County Prosecutor Mitchell Roth to share information about Hawaii County's experience in addressing illegal squatting.

Prosecutor Roth provided information regarding Hawaii County's task force on squatting; members include representatives from the prosecutor, county law enforcement, and homeless service providers. The task force is chaired by Deputy Prosecutor Maurice Messina and was established in response to numerous instances of individuals who were found to be residing in housing units without the permission of the property owner. Prosecutor Roth shared that the County working group is drafting proposed legislation for the 2018 legislative session.

HCR 148 SD1 (2017) working group members asked questions of Prosecutor Roth and clarified the following:

- Individuals found squatting were often unaware that they did not have permission from the legal owner to reside on the property, and were under the impression that they had a valid rental agreement. In many cases, the individuals presented either a rental agreement or a utility bill for the property, held in their name, as proof of authorized residency;
- In many cases, the squatters were occupying properties that were either abandoned or in the process of foreclosure, and the legal owner of the property could not be located;
- During foreclosure of the property, the ownership of the property is still vested with the original owner, and ownership often does not transfer to the entity that is initiating the foreclosure; and
- While state law allows community members to bring a civil suit for nuisance abatement in cases of squatting, this type of litigation can be costly and time intensive.

The HCR 148 SD1 (2017) working group members from PHOCUSED, the Chamber of Commerce of Hawaii, and the Hawaii Association of Realtors shared that squatting on private property is not limited solely to Hawaii County. Working group members discussed anecdotal situations occurring on Oahu and other islands, in which individuals have moved into vacant buildings without the approval of the owner.

The working group determined that additional information needed to be gathered from law enforcement, the banking industry, and attorneys specializing in foreclosure, to better understand the challenges and recommend solutions.

B. Discussion of efforts to address shelter and housing inventory.

The working groups reviewed efforts by the State and Counties to increase housing-focused services and housing inventory for homeless individuals and families over the past two years. In particular, the working group noted the following specific efforts:

- **New contracts reflecting a housing-focused approach** – DHS and the Department of Health (DOH) revised contracts for homeless services to include a specific focus on housing, including performance benchmarks for permanent housing placement and reduced lengths of stay in shelter. In February 2017, DOH released a new Request for Proposal (RFP) for homeless outreach services for the seriously mentally ill (SMI) population based on feedback received through coordination with DHS.

- **Expansion of Homeless Outreach services** – DHS and DOH both increased the level of funding for homeless outreach services during 2017. The Legislature appropriated \$1,500,000 that increased funding to DHS for homeless outreach services, and \$1,300,000 that increased funding to DOH for homeless outreach services for the seriously mentally ill and individuals with substance use disorders.

Expansion of Rapid Rehousing and Prevention Resources – In May 2017, DHS executed new contracts for Rapid Rehousing services statewide. The new contracts added \$3,000,000 in additional funding to transition homeless individuals off the streets and to prevent homelessness for households that are at imminent risk of eviction.

- **Changes to the paradigm of homeless shelter** – The City and County of Honolulu’s Hale Mauiola housing navigation center at Sand Island, and the State’s Family Assessment Center in Kaka’ako both opened within the past two years and include a focus on rapid placement to permanent housing. In particular, the Family Assessment Center has a 91% housing placement rate, with families moving from intake to housing placement in an average of 79 days.
- **Increases in overall housing production** – About 5,300 new housing units have been produced over the past three years, with another 1,400 units under construction and 4,500 in various stages of planning. These efforts have been supported by a combined appropriation of \$150,000,000 over the past two years for the Rental Housing Revolving Fund and Dwelling Unit Revolving Fund.
- **Partnerships with local landlords and the faith-based community to maximize inventory** – Landlord summits have been convened in every county to expand the number of landlord, property managers, and rental supply of homes. In addition, faith-based summits were convened on Oahu and Hawaii Island to discuss opportunities for partnership with local churches and faith-based leaders.
- **Strengthening the intersection between healthcare and housing** – DHS recently submitted a request to amend the State’s 1115 Medicaid waiver to include expanded case management services for chronically homeless individuals with a medical need. In addition, DOH recently launched a new Intensive Case Management (ICM) pilot program, in partnership with the Queen’s Medical Center and the Honolulu Police Department, to assist homeless individuals with serious mental illness that experienced a high rate of emergency room utilization.

The working group concluded that the increased focus on affordable housing and housing-focused services for homeless individuals are parts of the critical catalyst that have enhanced the State’s efforts to address homelessness. In particular, the working group highlights the importance of homeless outreach services connected to State and County efforts to address unauthorized encampments on public lands, as outreach services provide the linkage to connect homeless individuals from encampments to emergency shelter and housing. Significantly, the 2017 Point in Time (PIT) count for homelessness reflected a nearly **9% decrease** in the State’s homeless population – the first such decrease in eight years.

III. **Rationale for Working Group Recommendations.**

Based on the working group’s review and deliberations, progress is being made in addressing homelessness, including specific efforts to address unauthorized encampments and trespassing on public

lands. However, the issue of squatting – especially on private property – is difficult to address due to frequent challenges in identifying the legal owner of the property involved. In addition, efforts to remove squatters has adversely impacted individuals, who are unaware that they have been residing on a property without permission from the legal owner.

Due to the complexities of the issues related to squatting, the working group recommends that further time be provided to adequately research and address this issue. Accordingly, HICH has established a permitted interaction group to continue the discussion on squatting through calendar year 2018.

While the permitted interaction group continues to address squatting, the working group recommends that the State continue its efforts to expand affordable housing and housing-focused services for the homeless population. In particular, the working group recommends a specific focus on increasing affordable rental housing inventory, as well as continuing funding of programs that provide medium- and longer-term rental subsidies to address the cost of housing.

If there are any further questions, please do not hesitate to contact the Governor’s Coordinator on Homelessness at (808) 586-0193 or by e-mail at gov.homelessness@hawaii.gov.

KEY TERMS AND DEFINITIONS

Affordable housing – In general, housing is considered “affordable” when the cost is less than 30 percent of a household’s income. When housing costs exceed this amount, a household is considered to be housing-cost burdened. With an estimated 57.5% of renters paying more than one-third of their income to rent, Hawai‘i has the second highest number of cost-burdened renters in the nation.² The households who face the most severe lack of affordable housing are the extremely low income, who earn less than 30% Area Median Income (AMI), or less than \$28,750 per year for a household of four in Honolulu.

Authorized camp – A homeless encampment that is officially recognized and sanctioned by federal, state, or local government. Authorized camps are alternatively referred to as Safe Zones.

Coordinated entry system – Coordinated entry is a process to ensure that all people experiencing a housing crisis have fair and equal access and are quickly identified, assessed for, referred, and connected to housing and assistance based on their strengths and needs. A coordinated entry system helps communities to prioritize housing and homeless assistance based on a homeless person’s vulnerability and the severity of their needs, so that people who need assistance the most can receive it in a timely manner. Federal law requires that CoCs establish a coordinated entry system.

Emergency shelter – An emergency shelter generally is a facility with overnight sleeping accommodations that provides short-term, temporary shelter for homeless persons and does not require occupants to sign a lease or occupancy agreement. Emergency shelters differ from transitional housings (also known as transitional housing) that typically allows a maximum stay of up to 24 months.

Hawai‘i Interagency Council on Homelessness – The HICH was formally established in July 2011 through executive order by then-Governor Neil Abercrombie. Hawai‘i was the first state in the nation to create a state interagency council patterned after the U.S. Interagency Council on Homelessness. In 2012, the HICH was established in statute through Act 105 by the state legislature. Composed of state department directors, federal agency representatives, and community leaders, the HICH is tasked with providing solutions to end homelessness and strengthen the continuity of efforts to end homelessness across future state administrations. Housed administratively within the Department of Human Services (DHS), the HICH is chaired by Scott Morishige, appointed in August 2015 to serve as the Governor’s Coordinator on Homelessness.

Homeless outreach – The work of homeless outreach includes meeting homeless persons on streets or sidewalks, or in remote rural areas that includes beaches and valleys. Outreach providers assist with the completion of program applications, the determination of program eligibility, housing search and placement, and work with the person to obtain identification and other vital documents (e.g. birth certificate or social security card).

Housing First – Housing First is a philosophy that centers on providing homeless people with housing quickly and then providing services as needed. In a Housing First approach, there is an immediate and primary focus on accessing and sustaining permanent housing for all homeless populations. In addition to the Housing First philosophy, the term is used to refer to specific permanent supportive housing programs

² Corporation for Enterprise Development. *Assets & Opportunity Score Card, Housing Cost Burden – Renters*. Available at: <http://scorecard.assetsandopportunity.org/latest/measure/housing-cost-burden-renters>. Accessed April 25, 2016.

operated by the state and the city and county of Honolulu. The state and city Housing First programs adopt the philosophy, but also specifically target chronically homeless households for services.

Permanent supportive housing (PSH) – PSH is a service delivery model that combines low-barrier affordable housing, health care, and supportive services to enable homeless persons to attain and maintain permanent housing. PSH programs typically target chronically homeless persons, or homeless persons who experience multiple barriers to housing and are unable to maintain housing stability without supportive services. PSH programs have been shown to not only impact housing status, but also result in cost savings to various public service systems, including health care. The state and city Housing First programs that target chronically homeless persons are both examples of a PSH program.

Rapid rehousing – Rapid rehousing places a priority on moving a family or individual experiencing homelessness into permanent housing as quickly as possible. The duration of financial assistance provided in a rapid rehousing program can include either short-term (up to 3-months) or medium-term (6-months to 24-months) support. In general, the core components of rapid rehousing are housing identification, rent and move-in assistance, and case management.

Transitional housing – Transitional housing, also referred to as transitional housing, is designed to provide homeless persons and families with temporary stability and support, so that they are able to eventually move to and maintain permanent housing. Transitional housing is generally for a period of up to 24 months of housing with accompanying supportive services.

Report to the Twenty-Ninth Hawaii State Legislature 2018

In Accordance with
Section 346-378, Hawaii Revised Statutes, on the Housing First Program

Benefit, Employment, and Support Services Division
Homeless Programs Office
Department of Human Services
December 2017

Section 346-378(d), Hawaii Revised Statutes (HRS), requires the Department of Human Services (DHS) to submit an annual report on the implementation of Housing First (HF) to include:

- (1) Total number of participants in housing first programs;
- (2) Annual costs of the programs;
- (3) Types of support services offered; and,
- (4) Duration of services required for each participant.

Per section 346-378(b), HRS, the principles of the HF program include:

- (1) Moving chronically homeless individuals into housing directly from streets and shelters, without a precondition of accepting or complying with treatment; provided that the department may condition continued tenancy through a housing first program on participation in treatment services;
- (2) Providing robust support services for program participants, predicated on assertive engagement instead of coercion;
- (3) Granting chronically homeless individuals priority as program participants in housing first programs;
- (4) Embracing a harm-reduction approach to addictions, rather than mandating abstinence, while supporting program-participant commitments to recovery; and
- (5) Providing program-participants with leases and tenant protections as provided by law.

HF was fully implemented on Oahu in 2014, prioritizing services to chronically homeless who have the highest assistance needs. The rural counties, the neighbor islands of Hawaii, Kauai and Maui, have subsequently implemented HF in 2017.

Per section 346-378(e) "chronically homeless individual" means a homeless individual who has an addiction or a mental illness, or both.

Note: The U.S. Department of Housing and Urban Development (HUD), in its final rule on "Defining Chronically Homeless," additionally requires that an individual or head of household to have been living in a place not meant for human habitation, in an emergency shelter, or in a safe haven for at least twelve (12) months either continuously or cumulatively over a period of at least four (4) occasions in the last three (3) years.

State fiscal year (SFY) 2017 Requests for Proposals (RFP) for the State HF program on Oahu and the rural counties required compliance with HUD's definition in determining priority for permanent housing. At the same time, the DHS realized that there are those who do not reach the required level of "chronicity," but who are extremely vulnerable and desperately need housing and supportive services. Hence, the DHS offered an alternative eligibility process in consideration of homeless individuals and families who do not quite meet the criteria of the "chronically homeless" definition. Services Providers who recognize these attributes in their clients may request approval from the DHS Homeless Program Office (HPO) for placement in

permanent housing through the HF program. Service providers are expected to do their due diligence by completing the required paperwork. Each request is on a case by case basis, and utilized sparingly.

Coordinated Entry System (CES)

Section 346-378(c) (1)-(2), HRS, directs the department to identify target populations, specifically chronically homeless individuals, and to develop assessments for the chronically homeless population.

The DHS and the two (2) Continuum of Care (CoCs) in the State, Partners in Care (PIC) and Bridging the Gap (BTG), continue to make progress in coordinating homeless services through the establishment of a Coordinated Entry System (CES) and case conferencing (CC) process. The CES process begins with assertive community outreach to identify and engage the homeless, then utilizing the VI-SPDAT to assign a vulnerability score. VI-SPDAT is a common assessment tool to ensure those with greatest needs are prioritized for assistance. Based on vulnerability score and other prioritization factors, a “by-name list” (BNL) of homeless individuals and families is generated.

As of December 2017, the BNL report showed that 5,728 homeless individuals and 1,378 families residing in unsheltered conditions and homeless shelters were assessed and prioritized: 4,527 individuals and 1,057 families on Oahu; 192 individuals and 120 families on the Hawaii Island; 100 individuals and 26 families on Kauai; and 459 individuals and 165 families on Maui.

Currently, the BNL is generated, updated, and monitored by a neutral entity in each county: Oahu individual BNL by Aloha United Way (AUW); Oahu family BNL by Protecting Hawaii’s Ohana Children Under Served Elderly and Disabled (PHOCUSED); the Hawaii Island individual and family BNL by Hawaii County Office of Housing & Community Development; Kauai individual and family BNL by the Kauai County Housing Agency; and Maui individual and family BNL by the Maui County Homeless Program Division.

The above entities then convene and lead CC meetings regularly for their county. CC is the venue where client needs are discussed and services are offered to meet those needs. CC also provides the opportunity for communities to assess the needs of the homeless and begin to document the gaps that exist in the service system. Within the CoCs, it is known that the current supply of affordable housing does not meet the demand for those most in need, making the need for an efficient coordinated entry process that much more important.

As mentioned in last year's report, the data from the Homelink database was migrated to the Homeless Management Information System (HMIS) in November 2016. HMIS is an electronic data system required by the U.S. Department of Housing & Urban Development (HUD) that contains client level data about persons who access the homeless services system through a CoC and is federally required for communities by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. A robust HMIS is a valuable resource with a

capacity to aggregate and unduplicate data from all homeless assistance and homelessness prevention programs in a CoC; data which assists to understand patterns of service use and measures of effectiveness. DHS Homeless Programs Office (HPO) is the lead agency managing the administration of the HMIS on behalf of PIC and BTG. Service providers input VI-SPDAT data directly into HMIS.

Among the CoCs, there was a desire to increase HMIS participation from public and community health providers. The use of HMIS was expected to increase. With the 2016 Proclamation from the Office of the Governor to address homeless issues, funds were provided to enhance the HMIS administrative and support services for both PIC and BTG. The HMIS capabilities have been expanded for: State contracts' operations; help desk, webinar and training; administrative compliance; and research and reporting. When the data system reaches its full potential, one expectation for HMIS is the automation of scoring and referrals without human interpretation and subjectivity.

Developing a robust HMIS requires regular training of providers. In December 2016, a series of VI-SPDAT/ CES trainings were conducted by Iain De Jong, President and Chief Executive Officer of OrgCode Consulting, and creator of the VI-SPDAT. Service providers and stakeholders benefitted from the intensive two-day, in-person trainings in anticipation of the CES implementation in each county. Topics included diversion; coordinated entry and prioritization; measuring performance and making program adjustments; and programs and policies with intended outputs and outcomes.

In 2017, Iain De Jong conducted another series of trainings for service providers and stakeholders: "Rural Homelessness Solutions, Street Outreach to Housing, and Being an Awesome Shelter," "Motivational Interview, and Promoting Wellness and Reduction Harm," and "Housing Stabilization That Works and Effective Continuum of Care." Topics included effective engagement, prioritizing service delivery, appropriately linking into coordinated entry, preparing participants for housing stabilization, establishing expectations in a shelter rather than rule enforcement, structuring housing teams, and CoC governance.

Additionally, in summer 2017, consultants from Housing Innovations, Suzanne Wagner and Andrea White, conducted a series of trainings for service providers and stakeholders on Housing First approach. Topics included Housing First principles and practices; Housing First for outreach, shelter and permanent housing; organizational supports for the practice; housing access and stabilization; and Crisis Response System.

DHS Housing First (HF)

In SFY 2017, DHS contracted with the non-profit United State Veterans Initiative (USVI) to administer the HF program on Oahu. For the first time, the State provided Housing First funding (\$1.5 million) to the neighbor island counties. In mid-2017, DHS contracted with the non-profit Family life Center, Inc. on Maui; HOPE Services Hawaii, Inc. on the Hawaii Island; and

Catholic Charities Hawaii on Kauai. This unprecedented effort reflects the State's priority on permanent housing for chronically homeless individuals and families.

On Oahu, since the federally funded Hawaii Pathways Project (HPP) was extended, the State HF Program aligned with HPP to focus on providing permanent supportive housing to chronically homeless individuals struggling with substance use or substance use with mental illness. A total of four (4) individuals were placed in permanent housing coordination with HPP in SFY 2017. At the same time, a transition plan has been prepared by USVI to provide continued assistance to the clients in case the HPP is not extended. One of the plans is that clients will be served by the State HF program. Monthly meetings are planned in 2018 to discuss other strategies and resources to ensure the best quality service to those clients in transition.

Total Number of Participants in HF Program

In SFY 2017, the HF program on Oahu enrolled a total of 100 veteran and non-veteran households. A total of 131 unduplicated individuals were served, (including 10 unduplicated families with children). These individuals and heads of households were assessed with the VI-SPDAT and received a range of scores indicating eligibility for permanent supportive housing (PSH). The retention rate of 96.7% reflects the percentage of the participating chronically homeless individuals and families who sustained placement in permanent housing with the assistance of rental subsidies and supportive services.

From May to December 2017, a total of 181 unduplicated households and 241 unduplicated individuals were served: 87 unduplicated households and 125 unduplicated participants on Oahu; 75 unduplicated households and 88 unduplicated participants on the Hawaii Island; six (6) unduplicated households and seven (7) unduplicated participants on Kauai; and 13 unduplicated households and 21 unduplicated participants on Maui.

Other HF Program Outcomes

Other measures of program effectiveness include in SFY 2017: 10 individuals voluntarily entered treatment for either substance abuse or mental health services; one (1) individual participated in employment training or an educational endeavor; five (5) individuals obtained employment; and five (5) new landlords were recruited in addition to the 40 already providing rental units for HF clients.

Key performance measures and outcomes for the HF program include: assisting clients to gain employment to the extent possible, and assisting with their application for public or other financial benefits to increase and stabilize income. Typically, the sources of such income for HF clients have been (in order of prevalence): Social Security Disability Income (SSDI), General Assistance (GA), Supplemental Security Income (SSI), VA income, and employment.

During the SFY 2017, two (2) clients were able to increase their employment income; 27 clients increased their assistance income (e.g. SSI, SSDI, VA); and three (3) clients increased their public

non-cash benefits (e.g. SNAP, IWC). The income alleviates the cost of their housing. The HF program per client housing cost is reduced once an individual's placement is stabilized and they are able to apply, and are approved for benefits by the above programs. Once employed or approved for financial assistance, the individuals are asked to pay no more than 30% of their income toward housing costs.

Annual Cost of Services

The funding for Housing First services on Oahu during SFY 2017 was \$1,500,000. Requests for Proposals for Oahu and the neighbor islands were issued in early 2017 for a total of \$3,000,000 in statewide HF funding: \$1,500,000 is to sustain HF services on Oahu; \$1,500,000 is designated to implement HF program on the neighbor islands.

The analysis of the Hawaii Pathways Project (HPP) by the University of Hawaii Center on the Family, based upon reports of the fifteen (15) initial HPP clients, found that "[a]fter obtaining stable housing, the estimated healthcare cost for HPP clients served through the State's Housing First Program dropped from an average of \$10,570 per client per month to \$5,980 per client per month. This represents a 43% decrease over a six-month period. The estimated cost savings from reduced healthcare utilization by stably housed clients was \$4,590 per month." (Hawaii Pathways Project Evaluation, January 7, 2016, University of Hawaii Center on the Family.)

While this preliminary finding is an estimate based on client report, it is critical to continue to enhance and expand HMIS data collection involving non-government and government entities so that the actual effectiveness of the HF program may be measured and reported. While HF is very successful, HF is only one part of a broader community strategy to end homelessness. Implementing the HF program with fidelity will continue to require sustained funding for this vulnerable population, continued supports, and the understanding that for effective long term implementation the availability of different types of affordable housing remains crucial.

Duration of Services: a difficult question to answer

Given the complexities of addressing the acuity and unique needs of chronically homeless individuals, and families, combined with the community's housing and service issues, it is challenging to determine the duration of services individuals need to transition out of homelessness. HF funded services include: assistance with locating temporary/permanent rental placement, case management, employment assistance, housing subsidies, re-housing, and referral to public benefits.

The DHS knows and continues to learn that many clients served in permanent supportive housing programs require on-going housing subsidies and access to services such as case management, mental health treatment; and some also require assistance with regular self-care. Upon discharge or service termination, service providers are expected to provide information to clients how they can access assistance from the program again, if needed, and what kind of

follow-up assistance may be available. In instances when a client is at imminent risk of returning to homelessness, programs either have the capacity to directly intervene or provide referral to another prevention resource. Service providers are required to make at least monthly attempts to contact discharged clients to assess on-going service needs and connect clients to appropriate services as necessary for at least three (3) months post discharge. Providers are also required to meet in client's homes at least every three (3) months to review housing maintenance, health, safety, and quality. Providers are expected to make at least one additional contact attempt at approximately six (6) months post-discharge to ensure housing stabilization.

The current inventory of permanent supportive housing available statewide

Oahu

- 1,451 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 492 VASH vouchers (32 families and 460 individuals) **
- 109 City funded Housing First beds

Neighbor Islands

- 348 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 125 VASH vouchers (10 families and 115 individuals) **

*Counts based on the 2017 Housing Inventory Count (HIC)

** Number of vouchers can change as vouchers are used, returned or re-located