

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

April 2, 2018

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

FROM: Pankaj Bhanot, Director

SUBJECT: **HB 2753 HD1 SD1 – RELATING TO HOMELESSNESS**

LATE

Hearing: Tuesday, April 3, 2018, 10:00 a.m.
Conference Room 211, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill and provides comments. Since, the House Committee on Finance and Senate Committee on Ways and Means amended HB1900 Relating to the State Budget, DHS is modifying its support of this measure, to include additional requests. It is unclear at this point what homeless services appropriations will appear in HB1900, and at this time it is difficult to project necessary appropriations that will be required to address the proposals in this measure until the budget bill is addressed.

As an example, Senate Committees on Human Services and Housing made additional amendments that puts limits on sources of manufacturing materials and will likely raise costs per unit, and consequently may result in a reduction in quality with a clear indication that the structures will be "temporary."

DHS is acutely aware that ending homelessness is complex, and that one part of the solution is to increase low income housing inventory that takes more time and resources than most expect. However, the state does not need additional temporary shelter space, there is adequate supply of temporary shelter space. What is needed is community based quality low income housing, and the continued and persistent outreach efforts to encourage those in

encampments to move towards permanent housing. Housing is more than a shower, cover, and a place to store personal belongings.

Stable and permanent housing provides access to education, transportation, employment, and health care. Quality, stable, and permanent housing connect people to their community and results in improved well-being and health outcomes.

Massive, but no less temporary measures aimed to concentrate, isolate, or to hide people from the larger community do not address or work toward ending homelessness. The legislature needs to continue investing in programs that work, like Housing First, Rapid Re-Housing, Rental subsidies, Outreach, and the Family Assessment Center, while prioritizing the increase of housing inventory for low income residents.

Additionally, DHS provides that the need for guardianship does not necessitate a referral to the DHS Adult Protective Community Services Branch (APS), unless the person is a vulnerable adult and the situation meets the definition of abuse as defined in section 346-222, Hawaii Revised Statutes. APS may pursue guardianship for vulnerable adults who are abused; however, it is not the only agency that can effectively petition for guardianship. Further, while a guardian can make decisions for their ward, a guardian cannot necessarily order or guarantee that their ward will remain in a designated place.

DHS would also like to make clear that there is a difference between private entities providing return to home assistance to individuals on a case by case basis, and a state law codifying the practice. While homelessness is decreasing in Hawaii, homelessness is increasing in other states that are faced with tight housing markets. DHS cautions that there may be unforeseen repercussions and other jurisdictions may respond in unanticipated ways to prevent placement in another state. For example, as in the case of child welfare, there are federal laws that require receiving states to be notified of the placement of a child in foster care from another state, and also law that requires the placing state to pay for needed services in the receiving state. Additionally, it can be anticipated that such a law would attract those who would come to Hawaii with the knowledge that they will eventually have a return flight paid for by the state.

However, if this is the intent of the legislature, DHS will work with private and community organizations that already provide assistance with returning individuals to family

members or communities out of state on a case by case basis. DHS would like to emphasize that outreach efforts to unite family members with in-state families is as important, and will require supportive housing assistance to maintain a stable housing environment for the particular homeless individual as well as their family members.

Consequently, we request that the prescribed conditions be amended to be guidelines instead of mandates, that DHS be allowed to work with other state entities, counties, or private entities, to improve current state structures, to work with ongoing low income housing projects to increase the inventory of community based permanent quality low income housing. DHS requests that the timeframes be extended for at least an additional year from the date of passage.

As is noted in the preamble, the legislature recognizes that individuals in some homeless encampments develop supportive family like relationships, and asks the department to have courage to try something new, which we interpret to mean for DHS to attempt to replicate a supportive communal environment. The State's Housing First approach to end homelessness is through safe and affordable permanent housing, and our approach to this pilot will emphasize the goal of permanent housing.

As we wrestle with maintaining and expanding the array of successful homeless services such as Housing First and the Family Assessment Center, we are ever mindful of the complex causes of homelessness, and that investing limited public resources, both human and fiscal, be based upon best practices, experience, and knowledge that address root causes, and avoid symptomatic responses that are expensive and significant, but nonetheless temporary.

We also recognize best practices to address poverty recommend integrating homeless individuals into the community to improve access to transportation, services, education, and employment opportunities, rather than establishing isolated communities from existing educational and economic activities and require extensive investment in infrastructure.

Given that these new approaches that are untested and without any evidence base, current administrative process, human or IT resources, we request that the December 2018 due date of Section 3, paragraph (f) be amended to December 2019 to give appropriate time for DHS to address the enumerated items to support a successful pilot. Consequently, we request that the timeframe of paragraph (g) also be extended to June 2020 or beyond.

Further, DHS requests that as a part of the sustainability and success of this endeavor, that it be given the latitude to support ongoing community efforts to develop community based permanent housing solutions, that would also include needed investment in existing state owned structures, including those now in use as shelters, to convert them to permanent housing.

DHS appreciates the amendments to include exemption from Chapters 103D and 103F and adoption of Chapter 91 of interim rules, as those may speed up the process of procurement, though we do not necessarily advocate that this should be the way to conduct the state's business with public funds, in that exceptions will later become the rule. We do want to encourage development of community capacity and innovation which is not necessarily served when procurement processes are altered. Further, we have learned that exemptions from certain rules make eligibility for other regulated benefits or services more difficult than if all rules and codes had been followed. For example, exempting a small site from building codes may make development of an onsite licensed child care setting or access to child care subsidies impossible as federally regulated child care requires compliance with building codes.

DHS reiterates that the current array of homeless services programs are provided through purchase of services, and asks the legislature to continue to support the existing programs to their full capacity, including the Department's ability to administer and oversee those programs, by supporting the Executive budget requests.

DHS is keenly aware that it does not have expertise or knowledge of home constructions, building codes, community design, or other regulations or laws that preserve cultural and environmental resources. However, we are aware there are a number of initiatives ongoing in the different counties and across the country that will require examination in terms of lessons learned to make appropriate plans and recommendations, and avoid working at cross purposes.

In order to continue the momentum in reducing homelessness DHS Homeless Programs Office (HPO) requires a minimum of \$13.4 million to continue administering the Housing First, Rapid Rehousing, homeless outreach services, and the Family Assessment Center. DHS asks the Legislature to support the Governor's Executive Budget request to

address homelessness which includes \$1.5 million to the Hawaii Public Housing Authority (HPHA) for the Rent Supplement program; \$800,000 to the Department of Health (DOH) for homeless outreach, counseling and diversion services for unsheltered persons experiencing substance abuse. The Department of Human Services also asks the Legislature to support \$29 million in the Executive Budget for HPHA to provide public housing improvements and renovations statewide.

PURPOSE: The purposes of this bill are Part I: Establishes and appropriates funds for the Ohana Zone Pilot Program. Part II: Establishes and appropriate funds for the Emergency Department Homelessness Assessment Pilot Program. Part III: Authorizes DHS to establish the Return-to-Home Pilot Program and appropriates funds for the program. Part IV: Establishes and appropriates funds for a pre-arrest diversion pilot project. Part V: Appropriates funds to the Department of Human Services for the coordinated statewide homeless initiative. Part VI: Establishes and appropriates funds for a pilot project to operate a facility to provide shelter and mental health treatment for homeless individuals with severe mental illness who are subject to an assisted community treatment order or court ordered guardianship. Takes effect upon approval of the Department of the Attorney General. Part VII: Appropriates funds for various housing projects for vulnerable homeless individuals. Exempts the Department of Human Services from rulemaking pursuant to chapter 91, HRS, in the planning and construction of housing for vulnerable homeless populations. Effective 7/1/3000. (SD1)

Thank you for the opportunity to testify on this bill.

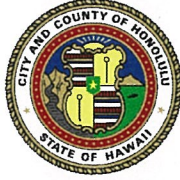
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April 2, 2018

LATE

The Honorable Donovan M. Dela Cruz, Chair
and members of the Committee on Ways and Means
Hawaii State Senate
Hawaii State Capitol
415 South Beretania Street
Honolulu, Hawaii 96813

Dear Chair Dela Cruz and Committee Members:

Subject: House Bill No. 2753, H.D. 1, S.D. 1
Relating to Homelessness

The Mayor's Office of Housing **offers comments** on House Bill No. 2753, H.D. 1, S.D. 1, Relating to Homelessness, especially in regards to housing and homelessness.

Honolulu Mayor Kirk Caldwell has maintained a consistent and clear position on homelessness: **The only permanent solution to homelessness is housing with an effective support system. Housing is the stable platform upon which all other outcomes depend, including mental and physical health, educational success, and gainful employment.** Furthermore, he and his administration have embraced a data-informed and evidence-based approach to homelessness – we utilize strategies that are proven and measurable.

Three City-supported programs illustrate our housing-focused approach. Our Housing First Program for the chronically homeless, when fully deployed, will provide 315 vouchers serving approximately 425 of the most vulnerable homeless members of our community. A University of Hawaii evaluation shows 89% of clients remain in housing after two years, with clients 64% less likely to visit the emergency room and 61% less likely to be arrested after two years. And it's cost effective at \$20,000-\$30,000 per person, rather than the estimated \$40,000-\$80,000 per unsheltered homeless person.

Hale Mauliola, our low-barrier (e.g., takes pets) and housing-focused emergency shelter (Navigation Center), is almost always full. It is being expanded to serve up to 104 persons. It is effective: In January, for example, 50% of the exits from the shelter were into permanent housing.

Kahauiki Village, led by businessman Duane Kurisu, is an example of a public-private partnership that delivers permanent housing for homeless families. The State gave the land, the City provided the infrastructure, and Mr. Kurisu and his many collaborators provided leadership and results. On January 12, 2018, 30 families (114 individuals) moved into their own homes, with kitchens and bathrooms, and were no longer counted among the homeless population. **The project took six months and one day, from groundbreaking to move-in!** When the full array of 153 units is completed, the cost per unit will be less than \$130,000, including infrastructure. These will all be places “fit for human habitation,” dignified homes for Hawaii families.

We ask you to focus funding on proven programs, such as those illustrated above, as well as other effective programs, including LEAD, Rapid Rehousing, housing-focused outreach, civil legal services, mental health services, and substance abuse disorders services. The City cannot address homelessness alone. Please do not fund programs which have failed elsewhere and lack evidence-based support. **Support proven programs backed by both science and true aloha for the most vulnerable in our midst.**

Please note that unless the so-called “ohana zones” meet the federal and local requirements for “fit for human habitation,” persons sheltered in such “ohana zones” would still be classified as homeless persons, living in a place unfit for any person.

We believe that everyone – every child, woman, and man – needs and deserves a safe place to call home, a place truly fit for human habitation and community. On Monday, March 19th the City opened Kauhale Kamaile, our newest housing project in Waianae for homeless and formerly homeless families. Mayor Caldwell handed the keys to three families who had previously been homeless on the Leeward Coast. Some of the children being housed had never lived in a place with a door that locked, a roof overhead, and hot water. Do not all of our keiki deserve at least that?

Very truly yours,



Marc Alexander
Executive Director, Office of Housing

HAWAII KAI HOMELESS TASK FORCE

Mike Goodman, Director

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Monday, April 2, 2018

LATE

RE: TESTIMONY IN SUPPORT OF HB22753- FOR THE SENATE WAYS AND MEANS COMMITTEE, HEARING ON APRIL 3, 10 AM IN ROOM 211

Aloha Chair Dela Cruz, and all Committee Members. I appreciate the opportunity to testify in support of HB2281.

There are four important bills that have come to the forefront to address homelessness: SB2401; HB2281, HB2014 “The Pu`uhonua Homeless Villages Act” and the bill which is the subject of this hearing, HB2753 “Ohana Zones”.

All of these bills should be kept alive, and then amended in conference to eliminate duplication and preserve the best of each.

Nonetheless, without regard to the other bills, we recommend this bill be amended as follows:

One of the arguments against safe zones, is they divert money from permanent housing which is recognized as the only way to truly solve the homeless crisis.

One of the arguments for safe zones, is since we don't have the resources to give every homeless person a place to live, the homeless living in a safe zone, particularly with hygienic facilities would be far better off than they are now.

WE HAVE A SOLUTION TO THIS DILEMMA.

It's true that decades of research and real-world experience, shows that permanent housing, with wrap-around supportive services under a “housing first” paradigm, is the way to end homelessness. **However, there is nothing in the reams of data, studies and evidenced-based practices showing that dwellings must be made from costly brick & mortar, metal, wood, or any other material in order for “Housing First” to be effective.**

There are many high-tech modular dwellings manufactured by a variety of companies that cost less than 94% of brick and mortar housing. There are also new technologies that can sometimes circumvent the need for infrastructure. Moreover, construction would take less than 2 years, instead of the 8 to 10 years it takes for traditional housing. For under \$200 million, WE COULD HOUSE EVERY HOMELESS PERSON in 80, 2-acre “homeless villages”, on a total of 168 acres.

THIS IS THE HEART OF HB2014, one of the four bills listed above, which specifies these dwellings be incorporated into “Pu`uhonua Villages” modelled after what auntie Twinkle established at Pu`uhonua `O Waianae, and what Bumpy Kanahele established at Pu`uhonua `O Waimanalo.

Although HB2014 is contemplated as a plan for 8000 units, it could be combined with HB2753 as follows: **Villages could be constructed in stages, beginning as “OHANA ZONES”**, with everyone living in tents on their designated home-sites. **Then, instead of**

transitioning residents from Ohana Zones into permanent housing, we bring permanent housing to the residents, by replacing their tents with modular dwellings.

This would enable us to have the best of both worlds: In a very short period of time homeless people would have a place to go where they are better off than they are now. AND, all the money spent would be in furtherance of permanent housing.

Mahalo!

A handwritten signature in black ink that reads "Michael J. Goodman". The signature is written in a cursive style with a large, sweeping initial "M".

Mike Goodman
Director, H.K. Homeless Task Force

HB-2753-SD-1

Submitted on: 4/2/2018 3:58:48 PM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mike Sayama, PhD	Testifying for Community First	Support	No

Comments:

Community First supports HB2753. Homelessness is not a problem which can be solved just by giving someone a place to live. Homeless people have to be part of a community and this Act recognizes that. Also the larger community of Hawaii Island has already secured land to create such a village. We also believe that the Legislature should empower communities to find solutions which make the most sense at the local level. For these reasons, we hope you will pass this Act.



LATE

CATHOLIC CHARITIES HAWAII

COMMENTS on HB 2753, HD1 SD1: RELATING TO HOMELESSNESS

TO: Senator Donovan M. Dela Cruz, Chair, Senator Gilbert S. C. Keith-Agaran, Vice Chair, and Members, Committee on Ways and Means
FROM: Terrence L. Walsh, Jr., President and Chief Executive Officer
Hearing: **Tuesday, 4/3/18; 10:00 AM; CR 211**

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members, Committee on Ways and Means:

Thank you for the opportunity to provide Comments on **HB 2753, HD1 SD1**, which would establish an Ohana Zones Pilot Program within the Department of Human Services, and set preliminary milestones. I am Terry Walsh, with Catholic Charities Hawai'i. 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. We provide a wide range of services to homeless persons, the elderly, immigrants, families and youths. We also operate the Kakaako Family Assessment Center.

For the first time in years, Hawai'i's homelessness rate went down in 2017. Current programs are working to turn the tide and we have finally made a dent in homelessness. However, given the magnitude of the problem, we need to increase our investment in solutions. **Even as the State seeks new solutions, we cannot neglect the proven programs that have been effective. We must also continue to invest in the most critical solution to homelessness—permanent affordable rental housing units.** Catholic Charities Hawai'i advocated for the establishment of the Rental Housing Trust Fund (now the Rental Housing Revolving Fund) in the 1990's, which now is a major state resource for the creation of affordable rentals.

Based on our long-term support for homeless services and creating pathways into permanent housing, we would like to offer these comments:

- **Impact on Current Services:** We are concerned that new solutions for homelessness not impact on funding for current ongoing services which are effectively moving people into housing. New services should work hand in hand with current supportive services.
- **Funding for Permanent Housing:** The state must continue a strong focus on creating permanent housing. Once people are living in Ohana Zones, where will they go? We are concerned that the high cost to set up and operate these Ohana Zones will impact on the ability of the State to fund permanent housing resources via programs like the Rental Housing Revolving Fund. Both may be needed, but the future lies in a strong commitment to funding new permanent rentals.
- **Flexibility:** Legislation for Ohana Zones must be flexible to allow the State to find creative solutions provide dignified housing situations and that meet the needs of different sub-populations and needs on different Hawaiian islands.
- **Housing Navigation/Supports:** We urge a strong focus on housing navigation and development of supports needed to obtain and maintain permanent housing.

Thank you for considering our concerns. We appreciate your dedication to ending homelessness and taking a wide view of solutions. Please contact our Legislative Liaison, Betty Lou Larson, at bettylou.larson@catholiccharitieshawaii.org, or 373-0356 for any questions.



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LATE

HB-2753-SD-1

Submitted on: 4/2/2018 9:18:24 PM
Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sylvia Dolena	Testifying for Pele Lani Farm LLC	Support	No

Comments:

For the pilot project to run Ohana Zones as an alternative approach to address homelessness, please consider Hawaii County as an alternative Ohana Zone pilot site since the County of Hawaii already has the land and plans in progress for Village 9 in Kona.

Mahalo.