

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

February 28, 2018

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

FROM: Pankaj Bhanot, Director

SUBJECT: **SB 2501 SD1 – RELATING TO HOMELESSNESS**

Hearing: Wednesday, February 28, 2018, 11:00 a.m.
Conference Room 211, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this bill to address the State's homeless crisis. However, DHS respectfully opposes this measure. DHS has concerns that the measure may create unforeseen consequences and may adversely affect the Executive budget request for homeless services. Furthermore, DHS is concerned that this measure will create informal homeless safe zones on State land. The better strategy is to place individuals and families into housing.

PURPOSE: The purpose of this bill requires the Department of Human Services to establish safe zones where homeless persons may reside. Appropriates funds. Takes effect 7/1/2050. Repeals on 6/30/2028. (SD1)

The best strategy to end homelessness is to find people safe and affordable housing. Housing First is an approach that emphasizes stable, permanent housing as a strategy for ending homeless. Safe zones, encampments, or tent cities created by measures take away that choice, which is the critical component of Housing First. Housing First has been successfully implemented on Oahu and DHS Homeless Programs Office has expanded the Housing First program to the neighbor islands.

Additionally, as noted by the National Alliance to End Homelessness, Housing First is based on the theory that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life. The safe zones proposed in this measure takes away that choice which is the critical component of Housing First.

Many experts on the issue of homelessness agree that these types of safe zones only encourage more safe zones. It is important for government to build affordable low income housing to increase the inventory of permanent housing instead of temporary camps. Barbara Poppe, former Executive Director of the United States Interagency Council on Homelessness (USICH), stated that tent cities are not part, or should not be part of the government's response to homelessness.

There are no guarantees that safe zones would be fully utilized. Individuals and families who refuse shelter may also refuse safe zone. There were 7,220 people counted during the 2017 Point In Time (PIT) Count. There are 7,597 shelter beds. Based on these numbers, the state currently has more beds available to homeless individuals than homeless individuals.

DHS has implemented new contracts for services using a Housing First approach, which establishes a plan to move toward permanent housing at the outset. DHS needs time to teach, guide, and coach providers to fully implement the new strategy utilizing a Housing First approach.

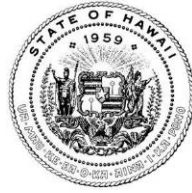
DHS prefers to expand programs such as the Family Assessment Center and the City's Hale Mauliola programs with data driven results. The Family Assessment Center's average days to permanent housing is currently 77 days. Using this model, the homeless system will be able to create a flow and speed of placements into permanent housing, further addressing homelessness in Hawaii.

With regard to section 1, we defer to more experienced and knowledgeable departments and agencies as to the feasibility of different aspects of the proposal including the identification of properties, length of construction, financing security, and other provisions necessary to develop a housing project as proposed.

Although the Housing First approach is identified in this bill, the proposal is not aligned with the Housing First's fundamental principle of low barriers to permanent housing. Furthermore, this bill will allow for programs to set standards that will not meet the need of those who need shelter services the most, prolonging the individual's or person's homelessness.

With regards to section 2, DHS is concerned that the number of safe zones the legislature intends are not identified in this bill. DHS further asks for careful consideration as safe zones may attract or divert individuals and families from entering the shelter system and more importantly permanent homes.

Thank you for the opportunity to testify on this bill.



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 28, 2018

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

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

SUBJECT: **SB 2501 SD1 – RELATING TO HOMELESSNESS**

Hearing: Wednesday, February 28, 2018, 11:00 a.m.
Conference Room 211, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, and offers comments. In particular, the Coordinator has concerns regarding the potential adverse impact on priorities included in the Governor's supplemental budget request.

PURPOSE: The purpose of the bill is to require the Department of Human Services (DHS) to establish safe zones where homeless persons may reside, and appropriate funds for fiscal year 2018-2019. The bill requires that each safe zone shall be furnished with appropriate hygiene facilities, security, and social services as deemed necessary, and requires that DHS shall maintain and operate safe zones until the Legislature determines that homelessness is no longer a crisis in the State.

The Coordinator appreciates the Legislature's efforts to adopt innovative solutions to the complex challenge of homelessness, and that the measure recognizes the need for the incorporation of hygiene facilities, security, and social services. However, the Coordinator notes that recent efforts to address homeless through the State's framework plan are working, and in 2017 the statewide Point in Time (PIT) count found that the number of homeless people in Hawaii *decreased* for the first time in eight years – a *decrease* of 701 people between 2016 and 2017. It is critical that the State continue to invest in programs that have contributed to this decrease – such as Housing First, Rapid Rehousing, homeless outreach, and the Family

Assessment Center – and should this measure proceed, the Coordinator respectfully requests that it does not adversely impact funding for existing homeless services and related priorities in the Governor’s Supplemental Budget request.

The Coordinator further notes that the Administration is actively working to identify vacant state land for potential housing projects for the homeless population, however it has been challenging to identify land that has adequate infrastructure and is zoned to allow residential use. A preliminary search for vacant state lands by the Act 212 (2017) Safe Zones Working Group identified nine vacant state parcels, which included many that were not suitable for residential use due to zoning, lack of road access and other necessary infrastructure, location on a hillside, and potential ground contamination. The Act 212 (2017) Safe Zones Working Group also received public testimony from legislators and community members expressing concerns that housing projects for the homeless population should not be sited in an area without adequate dialogue with the surrounding community. The vacant state lands identified and the feedback received by the working group warrant closer consideration if this measure proceeds. The full report of the Act 212 (2017) Safe Zones Working Group can be found online at: <https://humanservices.hawaii.gov/wp-content/uploads/2017/12/Act-212-2017-Report-on-Safe-Zones-HCR-148-SD-1-on-Squatting.pdf>.

Finally, the Coordinator recognizes the urgent need to implement programs to address homelessness. If this measure proceeds, the Coordinator suggests the measure be amended to include specific exemptions from chapters 103D and 103F, Hawaii Revised Statutes, which would enable DHS to comply with the deadlines specified in this measure. In addition, the Coordinator recommends the measure be amended to enable DHS and other relevant executive branch agencies to develop interim rules without regard to chapter 91, Hawaii Revised Statutes, for the purposes of the safe zones program.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR OF
HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Wednesday, February 28, 2018
11:00 AM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 2501, SENATE DRAFT 1
RELATING TO HOMELESSNESS**

Senate Bill 2501, Senate Draft 1 proposes to direct the Department of Human Services to establish safe zones where homeless persons may reside in the State. **The Department of Land and Natural Resources (Department) notes that the Administration does not support the establishment of safe zones and offers the following comments.**

If Department lands are identified as the appropriate place on which to locate safe zones, the Department requests that: 1) It be consulted regarding the property; and 2) Any properties to be used as safe zones be transferred to an agency whose mission better matches the management of safe zones.

The Department notes that most of the properties being identified for safe zones do not have adequate infrastructure to house twenty people or more. In rural areas, sewer hook-ups can be very expensive, and the pump-out costs for temporary facilities are also very expensive. The Department is concerned that without an adequate evaluation of sewer, water, drainage and electrical needs for any safe zone, unexpected costs will arise, in particular costs to our fragile environment. Pollution run-off can further damage our reefs and nearshore habitats as well as making the ocean unsafe for swimming. Untreated waste is a hazard to both humans and animals. The Department urges the Legislature to carefully consider the full cost of safe zones, as opposed to transitional housing or permanent low-cost housing for the State's homeless population.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

SB-2501-SD-1

Submitted on: 2/26/2018 2:12:35 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:

**PRESENTATION OF THE
OAHU COUNTY COMMITTEE ON LEGISLATIVE PRIORITIES
DEMOCRATIC PARTY OF HAWAI'I
TO THE COMMITTEE ON WAYS AND MEANS
THE SENATE
TWENTY-NINTH LEGISLATURE
REGULAR SESSION OF 2018
Wednesday, February 28, 2018
11:00 A.M.**

Hawaii State Capitol, Conference Room 211

RE: Testimony in Support of **SB2501 SD1**, RELATING TO HOMELESSNESS

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice-Chair, and Members of the Committee on Finance:

Good morning. My name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") Legislative Priorities Committee of the Democratic Party of Hawaii ("DPH"). Thank you for the opportunity to provide written testimony on Senate Bill No. **2501 SD1** relating to the Department of Human Services; Homelessness; Safe Zones; and an appropriation.

The OCC Legislative Priorities Committee is in support of Senate Bill No. **2501 SD1** and is in favor of its passage.

Senate Bill No. **2501 SD1** is in accord with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it requires the Department of Human Services to establish safe zones where homeless persons may reside and appropriates funds.

Specifically, the DPH Platform provides that "[w]e believe in the concept of "Housing First" to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options. We support dedicated social services and housing opportunities for Hawaii's homeless population, to get them off the streets and reintegrated into society, with specific devoted services for disenfranchised groups, including but not limited to the Hawaiian community, agedout foster kids, youth, returning veterans, the aged, and lesbian, gay, bisexual and transgender homeless." (Platform of the DPH, P. 7, Lines 352-358 (2016)).

Given that Senate Bill No. **2501 SD1** requires the Department of Human Services to establish safe zones where homeless persons may reside and appropriates funds, it is the position of the OCC Legislative Priorities Committee to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC Legislative Priorities Committee

Email: legislativepriorities@gmail.com, Tel.: (808) 258-8889



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

**TESTIMONY FOR SENATE BILL 2501, SENATE DRAFT 1, RELATING TO
HOMELESSNESS**

**Senate Committee on Ways and Means
Hon. Donovan M. Dela Cruz, Chair
Hon. Gilbert S.C. Keith-Agaran, Vice Chair**

**Wednesday, February 28, 2018, 11:00 AM
State Capitol, Conference Room 211**

Honorable Chair Dela Cruz and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in support of Senate Bill 2501, SD 1, relating to homelessness.

According to the 2017 statewide *Point In Time Count* (PITC) report, 7,220 houseless persons were counted on a single night in January last year, down 9 percent overall from 2016. Yet, O’ahu experienced a 0.4 percent *increase* from the previous year, with 4,959 people counted, up from 4,940 the year before. Hawai’i island saw the largest decrease in its homeless population, which fell 32 percent, or 441 people. Maui County had a 22 percent drop, or 249 people, while Kaua’i saw a 7 percent drop, or 30 fewer homeless people. Notably, the size of the houseless population on O’ahu is up more than 25 percent from 2009, when 3,638 homeless people were counted. Additionally, Department of Education officials have estimated that between 3,500-4,000 public school students experience homelessness at some point during the school year—last year’s PITC captured just over half of them—and over 91,000 students are economically disadvantaged. We know, then, that our state’s homeless population is consistently larger than the statistics show. It remains the highest per-capita homeless population in the country, according to the U.S. Department of Housing and Urban Development.

Over 30 percent of juvenile arrests in Hawai’i are for running away from home, the highest proportion in the nation. Nationally, one in seven young people between the ages of 10 and 18 will run away. Approximately 75 percent of runaways are female, while 46 percent of runaway and homeless youth report being physically abused, 38 percent report being emotionally abused, and 17 percent report being forced into unwanted sexual activity by a family or household member, according to the National Conference of State Legislatures. Roughly 30 percent of runaway

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

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

We must find innovative ways to fund homeless services, especially human services, health care, outreach, and rapid rehousing to our state’s unsheltered and at-risk population, many of whom are gainfully employed and contributing our economy. Moreover, we must find a balance between rampant real estate speculation and meeting the needs of our state’s most economically vulnerable residents. Just as our homeless population has soared over the past few years, so, too, has our state’s cost of housing. The median price of condominiums on O’ahu increased 6 percent in the summer of 2017 to a record \$425,000, while the median price for single-family homes increased by 3 percent to \$795,000, according to the Honolulu Board of Realtors, a number that they expect to increase by at least another 5 percent in 2018. Average fair market rent for two-bedroom apartments in *outlying* communities in the City and County of Honolulu now exceeds \$2,000, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 43 percent of residences in Hawai’i are owner unoccupied, according to the National Low-Income Housing Coalition, meaning that nearly 50 percent—and by some estimates over half—of Hawai’i’s homes are likely investment properties.

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

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

Researchers who authored the National Low Income Housing Coalition’s *Out of Reach 2017* report found that a full-time worker would need to earn \$35.20/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needed to log 116 hours per week at their jobs to afford a modest one-bedroom apartment at fair market value and 139 hours per week to afford a two-bedroom—a number that is equivalent to working 20 hours a day with no days off year-round. In the past three years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai’i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$15.64/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai’i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai’i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households. Put simply, homelessness is directly tied to our state’s exorbitant cost of living and penchant for catering to people who use the islands as their own private Monopoly board. We beseech you to seek innovative ways of making Hawai’i more affordable, while funding services that show aloha for our economically disadvantaged neighbors. The establishment of safe zones for the homeless is a positive step, which will allow for the coordination of a centralized continuum of care (including social and medical services) and implementation of strategies to assist people in transitioning into more permanent shelter.

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

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

SB-2501-SD-1

Submitted on: 2/23/2018 1:31:58 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Individual	Support	No

Comments:

I support SB2501 SD1. Traffickers exploit our limited number of available shelter beds to lure young people into exploitation. As the homeless childcare provider Covenant House observes, traffickers tell homeless youth that shelters are full and ask, "Where are you going to go? Why don't you come with me? I'll take care of you." Coupled with threats of and actual physical and sexual violence against the victims or their families, these coercive techniques compel runaway youth to remain enslaved. LGBTQ youth, who comprise an estimated 40 percent of the runaway and homeless youth population in the United States, are exponentially more likely to fall prey to human traffickers because of discrimination, family and community trauma, and a longing for comfort and acceptance (an estimated 26 percent of LGBTQ adolescents are rejected by their families and put out of their homes simply for being open and honest about who they are).

SB-2501-SD-1

Submitted on: 2/26/2018 9:59:05 PM

Testimony for WAM on 2/28/2018 11:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Testifying for Ho'omanapono Political Action Committee (HPAC)	Support	Yes

Comments:

We STRONGLY SUPPORT this bill. Mahalo.