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STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
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December 24, 2018

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

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

SUBJECT: REPORT IN ACCORDANCE WITH THE PROVISIONS OF SECTION 346-378, HAWAII REVISED STATUTES, ON THE HOUSING FIRST PROGRAM

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

Attached is the following report submitted in accordance with:

- PROVISIONS OF 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/reports/legislative-reports/.

Sincerely,

Pankaj Bhanot
Director

Ecopy only:
Office of the Governor
Office of the Lieutenant Governor
Department of Budget & Finance
Legislative Auditor
Senator Russell E. Ruderman, Chair, Senate Committee on Human Services
Representative Joy A. San Buenaventura, House Committee on Human Services & Homelessness

REPORT TO THE THIRTIETH HAWAII STATE LEGISLATURE 2019

IN ACCORDANCE WITH THE PROVISIONS OF SECTION 346-378, HAWAII REVISED STATUTES, ON THE HOUSING FIRST PROGRAM

DEPARTMENT OF HUMAN SERVICES
Benefit, Employment, and Support Services Division
Homeless Programs Office

DECEMBER 2018

Section 346-378(d), Hawaii Revised Statutes (HRS), requires the Department of Human Services (DHS) to submit an annual report on the Housing First (HF) program 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 initially piloted on Oahu in 2012, prioritizing services to chronically homeless with the highest assistance needs. Following the initial pilot, the Oahu program was retooled and relaunched in 2014. In 2017, with additional funding from the Legislature, DHS implemented HF in the counties of Hawaii, Kauai, and Maui.

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,” expanded the definition to include 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.

In State fiscal year (SFY) 2017, requests for proposals (RFP) for the State's HF program on Oahu and the rural counties required compliance with HUD’s definition when determining priority for permanent housing.

At the same time, the DHS realized the need to remain flexible as there are individuals who do not reach the defined level of “chronicity,” though who are extremely vulnerable and desperately need housing and supportive services. For example, an individual may have been

homeless for less than one year and have a high level of vulnerability due to frequent utilization of hospital emergency department services and require stable housing for their health condition to stabilize and improve. Hence, the DHS offered an alternative eligibility process in consideration of homeless individuals and families who do not quite meet all the criteria of the "chronically homeless" definition. Service 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 complete the required approval forms and support documents. Each request is reviewed on a case by case basis, and the process is utilized as needed. During the last year, HPO approved five such requests.

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) Continua 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) process. The CES process has several key components: (1) access points to the entry system; (2) a standardized triage tool to quickly analyze a person's housing barriers and level of vulnerability while homeless; (3) prioritization process that ensures persons with the highest prioritization status are offered housing and supportive services first; and (4) a referral process to connect people to housing and service programs according to availability and program-specific eligibility requirements.

In SFY15 Hawaii adopted a widely used and proven triage tool, Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT). The CES process begins with assertive community outreach to identify and engage homeless individuals, then utilizing the VI-SPDAT to assign a vulnerability score. The VI-SPDAT ensures those with greatest needs are prioritized for assistance first, based on vulnerability score and other prioritization factors agreed and approved by each CoCs. A "by-name list" (BNL) of homeless individuals and families is generated to assist with referrals to permanent housing and resources available in the community. The BNL includes individuals that are eligible for HF programs and other homeless program services.

Hawaii's 2017 Homeless Service Utilization Report found 92.5% of those assessed with a VI-SPDAT obtained permanent supportive housing service and remained stably housed after 12 months.

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As of December 2018, the BNL report generated from the Homeless Management Information System (HMIS), showed that 1,618 homeless individuals and 498 families residing in unsheltered conditions and homeless shelters were assessed and prioritized: 1,311 individuals and 390 families on Oahu; 120 individuals and 32 families on the Hawaii Island; 67 individuals and 27 families on Kauai; and 120 individuals and 49 families on Maui.

Currently, the individual and family BNL are generated, updated, and monitored by a neutral entity in each county:

- Oahu – Aloha United Way (AUW)
- Hawaii Island – Hawaii County Office of Housing & Community Development
- Kauai – Kauai County Housing Agency
- Maui – Maui County Homeless Program Division

The above entities regularly convene and lead case conferencing (CC) meetings in their respective counties. CC is the forum in which 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. The CoCs recognize that the current supply of affordable housing does not meet the demand for those most in need, making an efficient coordinated entry process that much more important.

DHS and the CoCs continue to work on improving the homeless data system. As mentioned in the 2016 Housing First Report to the Hawaii State Legislature, for the Housing First Program, the data from the Homelink database was migrated to the HMIS in November 2016. HMIS is an electronic data system 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 the capacity to aggregate and un-duplicate data from all homeless assistance and homelessness prevention programs in a CoC. Service providers can input VI-SPDAT data directly into HMIS. The data extracted from the HMIS supports the understanding of patterns of service use and measures of effectiveness.

DHS Homeless Programs Office (HPO) transitioned its role as the lead agency for the HMIS system to each CoC. PIC (CoC for Oahu service providers) identified its HMIS lead as Aloha United Way (AUW); PIC contracts Daniel Gore as its HMIS administrator. While BTG (CoC for

neighbor island providers) is in the process of selecting its HMIS lead, currently, C. Peraro Consulting, LLC., continues to be its HMIS administrator.

Both CoCs endeavored to increase HMIS participation from public and community health providers. State funds were provided to enhance the HMIS administrative and support services for both PIC and BTG through Governor Ige's 2016 Emergency Proclamation to address homeless issues. Because of the added funding, the HMIS capabilities have been expanded to: manage operations of the State contracts; create a help desk, implement webinars and trainings; ensure administrative compliance; and assist with research and reporting.

BTG's CES is now automated through the HMIS and referrals are made based on the agreed prioritization and eligibility requirements. This new HMIS program removes human interpretation and subjectivity. However, as described above, when all criteria are not met (generally, the issue of chronicity), a case by case review is available. PIC continues to work on its automation of CES. The DHS Homeless Programs Office and each CoC continues make concerted efforts to share resources and strengthen the homeless services system.

Homeless Management Information System (HMIS) is an electronic data system that contains client level data about persons who access the homeless services system through a Continuum of Care (COC) provider and is federally required for communities by the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009. The data extracted from the HMIS supports the understanding of patterns of service use and measures of effectiveness.

Developing a robust HMIS requires regular training so that providers have common understanding of the data. 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 training to prepare for 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.

During the summer of 2017, Suzanne Wagner and Andrea White, consultants from Housing Innovations, conducted a series of trainings for service providers and stakeholders on the 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.

In 2018, Iain De Jong conducted another training for service providers and stakeholders: "Rapid Resolution and Diversion." The topics included "the five core principles of prevention and diversion"; "the three different scenarios to consider when encountering which include: people homeless for the first time, people that keep coming back to homelessness, and people stuck in homelessness and/or not using any of the "usual" homeless services"; and a diversion script to start engagement with those coming through the front doors.

Additionally, in the fall of 2018 a contracted provider conducted eight informational meetings statewide to review its contracts and provide guidance with practical examples of implementing the Housing First Model and the Housing First approach that is embedded in each contracted service.

DHS Housing First (HF)

In SFY 2017, DHS continued the HF program contract on Oahu with the non-profit United States Veterans Initiative (USVI). Additionally, the Legislature through DHS provided Housing First funding ($1.5 million) to the rural counties for the first time. In mid-2017, DHS contracted with the non-profit Family Life Center, Inc., to provide HF program services on Maui; HOPE Services Hawaii, Inc., on the Hawaii Island; and Catholic Charities Hawaii on Kauai. This expanded effort reflects the State's priority to address permanent housing for chronically homeless individuals and families.

On Oahu, the federally funded Hawaii Pathways Project (Pathway), administered through the Department of Health, operated from August 2014 to September 2017. The State's HF Program with USVI aligned with Pathway to provide permanent supportive housing to chronically homeless individuals struggling with substance use or substance use with mental illness. A total of 21 individuals were placed in permanent housing in coordination with Pathway. At the conclusion of the Pathway program, subsequent federal funding was not available. USVI prepared a transition plan, which resulted in USVI providing housing assistance for all 21 clients and case management services for 6 clients. The remaining 15 clients received case management services from agencies including Kalihi Palama Health Center, North Shore Mental Health, Care Hawaii, HOPE Inc., Community Empowerment Resources, and Helping Hands Hawaii. Since the transition from federal funding, monthly meetings with all agencies named above, continue to review cases, strategies, and resources to ensure the best quality service to the State's HF program clients.

Total Number of Participants in HF Program

In SFY 2018, the HF program on Oahu enrolled a total of 206 veteran and non-veteran households. A total of 272 unduplicated individuals were served, including 16 unduplicated families with children.

The above totals are broken out by county as follows:

- Oahu – 86 unduplicated households and 117 unduplicated participants
- Hawaii Island – 89 unduplicated households and 104 unduplicated participants
- Kauai – nine (9) unduplicated households and 14 unduplicated participants
- Maui – 22 unduplicated households and 37 unduplicated participants

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). Housing stability is used to measure the effectiveness of homeless services programs and is described as the permanent housing retention rate. Most importantly: the retention rate of 92.5% 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.

The State's Housing First program has a retention rate of 92.5%; this figure 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.

Other HF Program Outcomes

Other measures of program effectiveness in SFY 2018 include: 58 individuals voluntarily entered treatment for either substance abuse or mental health services; eight (8) individual participated in employment training or an educational endeavor; five (5) individuals obtained employment; and 31 new landlords were recruited in addition to the 45 already providing rental units for HF clients, further increasing the inventory for permanent housing.

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 2018, 54 clients achieved document ready status for housing placement; five (5) clients assigned representative payee; 14 clients enrolled in addiction treatment services; six (6) clients enrolled into education or vocational program; 66 clients increased their income; 55

clients increased their assistance income (e.g. SSI, SSDI, VA); and six (6) clients increased their public non-cash benefits (e.g. SNAP, WIC, etc.). These other sources of cash assistance alleviates the cost of their housing. The HF program per client housing cost is reduced once an individual's placement is stabilized and they can 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 2018 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.

During the SFY 2019 DHS Homeless Programs Office increased its funding for the Housing First Program to increase the number of vulnerable people served. Oahu and the neighbor island will have a total of $3,750,000 in statewide HF funding: $1,1875,000 to increase services on Oahu; $300,000 to increase services on Kauai, $510,000 to increase services on Maui, and $750,000 to increase services on Hawaii island.

One measure of costs, is the estimated healthcare cost savings that results when housing is stabilized. The analysis of the Hawaii Pathways Project by the University of Hawaii Center on the Family, based upon reports of 107 Pathways clients who completed follow up interviews, found an estimated healthcare cost savings of $6,197 per client per month for clients that were housed compared to those that were not housed. This represents a 76% *decrease* in healthcare costs after housing placement. After considering average monthly rent and supportive services costs, the net cost savings from reduced healthcare utilization by stably housed clients was $4,246 per month per client. Analysis of the Pathway data showed evidence that stable housing contributed to significant healthcare cost savings. (see Hawaii Pathways Project Final Report, 2018, University of Hawaii Center on the Family.[1])

While this finding is an estimate, continued investment and attention to enhance and expand HMIS data collection involving non-government and government entities is needed to measure actual effectiveness of the HF program. While the State's HF is very successful thus far, the State's HF is only one part of a broader community strategy to end homelessness; more effort will have to be made to improve the state's mental health and substance abuse treatment programs to prevent homelessness or reduce the time a person experiences homelessness, and to increase the inventory of low income housing. It is important to keep in mind as we try to contain costs, the HF program uses the private market of housing inventory; rising rents due to lack of housing inventory and increased demand, will increase the cost of the Housing First program.

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[1] See full report at:
http://uhfamily.hawaii.edu/publications/brochures/bb9f9_Hawaii_Pathways_Final_Report.pdf.

Implementing the HF program with fidelity will continue to require sustained funding for this vulnerable population who, alone, are unable to sustain and maintain permanent housing; continued rental and social supports, and the understanding that for effective long-term implementation the availability of different types of affordable housing remains crucial to prevent a return to homelessness.

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. The primary goal of the program is to provide services that will enable chronically homeless individuals currently living in unsheltered situations to move into sustainable, permanent housing with necessary support services to maintain housing and prevent recidivism back to 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.

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 services to maintain program eligibility; and some also require assistance with regular self-care.

Upon discharge or service termination, service providers are expected to provide information to clients as to how they can access assistance from the program in the future, 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

<u>Oahu</u>

- 1,880 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 635 VASH vouchers (33 families and 516 individuals) **
- 332 City funded Housing First beds

Neighbor Islands

- 660 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 179 VASH vouchers (43 families and 136 individuals) **

*Counts based on the 2018 Housing Inventory Count (HIC)

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