



**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES**

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

December 26, 2019

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,

A handwritten signature in blue ink, appearing to read "Cathy", with a long, sweeping underline.

Cathy Betts
Deputy 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 2020

**In Accordance With 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 2019

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.

In 2012, HF was initially piloted on Oahu, prioritizing services to the 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 Hawaii, Kauai, and Maui counties.

Per section 346-378(e) a " '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 Hawaii, Kauai, and Maui counties required compliance with HUD's definition in

determining priority for permanent housing. At the same time, DHS realized that there are individuals who do not reach the HUD definition of “chronicity,” but who are extremely vulnerable, need housing, and other supportive services. Hence, DHS offered providers an alternative eligibility process in consideration of homeless individuals and families who do not quite meet 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 do their due diligence by completing the required paperwork. Each request is on a case by case basis, and utilized sparingly.

The Fair Market Rate standards are not applicable to the Housing First Program and allow for more housing options for the most vulnerable population.

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.

DHS and the two (2) Continuum of Care (CoC) agencies 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 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 the Vulnerability Index – Service Prioritization Decision Assistance Tool (VI-SPDAT), a widely used and proven triage tool to determine risk and prioritization. The CES process begins with assertive community outreach to identify and engage the homeless and utilizes the VI-SPDAT to assign a vulnerability score. The VI-SPDAT ensures those with the greatest needs are prioritized for assistance. Prioritization is based on

the vulnerability score and other prioritization factors agreed and approved by each CoC. A “by-name list” (BNL) of homeless individuals and families assists with referrals to permanent housing and resources available in the community. The BNL includes individuals that are eligible for HF programs and other homeless services.

According to Hawaii’s 2017 Homeless Service Utilization Report,¹ as of June 2017, 92.5% of those assessed with a VI-SPDAT obtained permanent supportive housing (PSH) service and remained stably housed after 12 months.

As of December 2019, the Homeless Management Information System (HMIS) BNL reveals that 851 homeless individuals and 436 families residing in unsheltered conditions and homeless shelters were assessed and prioritized: 372 individuals and 287 families on Oahu; 257 individuals and 64 families on the Hawaii Island; 37 individuals and 9 families on Kauai; and 185 individuals and 76 families on Maui.

Currently, the individual and family BNLs 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 for 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. CoCs recognize that the current supply of affordable housing does not meet the demand for those most in need, requiring an efficient coordinated entry process to ensure the needs are met.

Data from the Homelink database was migrated to the Homeless Management Information System (HMIS) in November 2016. HMIS is an electronic data system that contains client level data about people who access the homeless services system through a CoC and is federally required for communities by the Homeless Emergency Assistance and Rapid Transition

¹ See report at: http://uhfamily.hawaii.edu/publications/brochures/3f3d5_HomelessServiceUtilization2017.pdf.

to Housing (HEARTH) Act of 2009. A robust HMIS is a valuable resource with the capacity to aggregate unduplicated data from all homeless assistance and homelessness prevention programs in a CoC. The data from the HMIS provides evidence of patterns of service use and measures of effectiveness. Service providers can input VI-SPDAT data directly into HMIS.

DHS Homeless Programs Office (HPO) transitioned its role as the lead agency for the HMIS system to each CoC. PIC identified AUW as its HMIS lead, and contracts with Daniel Gore as its HMIS administrator. While BTG is in the process of selecting its HMIS Lead, C. Peraro Consulting, LLC., continues as its HMIS administrator.

Both CoCs endeavor to increase HMIS participation from public and community health providers. The 2016 Emergency Proclamation from the Office of the Governor to address homeless issues provided funds to enhance the HMIS administrative and support services for both PIC and BTG through. With these additional supports, the HMIS capabilities were expanded to manage State contracts' operations, create a help desk, implement webinars and trainings, ensure administrative compliance, and assist with research and reporting. BTG's CES is now automated and referrals are made based upon the agreed prioritization and eligibility requirements. PIC continues to work on its automation of CES. The DHS Homeless Programs Office and each CoC continue to make concerted efforts to share resources and strengthen the homeless services system.

A robust HMIS requires regular training of providers and 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. These trainings included "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."

The trainings covered 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. These trainings were held on:

- 2017 OrgCode Trainings:
 - Series 1: Rural Homelessness Solutions; Street Outreach to Housing; Being an Awesome Shelter
 - Hawaii: May 18 & 19
 - Maui: May 22 & 23
 - Kauai: May 24 & 25
 - Series 2: Housing Stabilization that Works; Effective Continuum of Care
 - Hawaii: June 15 & 16
 - Maui: June 19 & 20
 - Kauai: June 21 & 22

In July 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 August 2018, Iain De Jong conducted another training for service providers and stakeholders: “Rapid Resolution and Diversion.” The topics included were “the five core principles of prevention and diversion,” “the three different scenarios to consider when encountering 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 October 2018, HPO conducted informational meetings statewide to review its contracts and provide guidance with practical examples of implementing the Housing First approach which is embedded in each contracted service.

In September 2019, PIC's Board of Directors, along with their HMIS Lead, AUW, decided to separate from the Statewide HMIS database with its own cloned copy. The HMIS database vendor, CaseWorthy, will remain the same but statewide data will no longer be available. Instead, to create a statewide data base, HPO will need to request data from both CoCs and consolidate the information.

DHS Housing First (HF)

In SFY 2017, DHS continued the HF program on Oahu with the non-profit, United States Veterans Initiative (USVI). Additionally, the Legislature, provided through DHS, \$1.5 million in Housing First funding to Hawaii, Kauai, and Maui counties. 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 Hawaii Island, and Catholic Charities Hawaii on Kauai. This unprecedented effort reflects the State's priority on permanent housing and support for Housing First for chronically homeless individuals and families.

On Oahu, the federally funded Hawaii Pathways Project (Pathway), administered through Department of Health, operated from August 2014 to September 2017. The State's HF Program and 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 in 2017, 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.

In SFY 2019, DHS continues to be responsive and flexible with the State's HF program. Through exemption requests, DHS assisted a total of 11 households from a program previously

funded by HUD for veterans with disabilities. The 11 households would have been discharged back to homelessness if not for the State HF program. Because the way the law defines chronicity, these households would have lost their chronicity and would not be eligible for other PSH programs.

Total Number of Participants in HF Program

In SFY 2019, the HF program enrolled a total of 225 veteran and non-veteran households. A total of 304 unduplicated individuals were served, including 23 unduplicated families with children.

The above totals are broken out by county as follows:

- Oahu – 102 unduplicated households and 131 unduplicated participants;
- Hawaii Island – 63 unduplicated households and 87 unduplicated participants;
- Kauai – 13 unduplicated households and 19 unduplicated participants; and
- Maui – 47 unduplicated households and 67 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). The retention rate of 86% 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 2019 include: 18 individuals voluntarily entered treatment for either substance abuse or mental health services; eight (8) individuals participated in employment training or an educational endeavor; five (5) individuals obtained employment; and 56 new landlords were recruited in addition to the 76 already providing rental units for HF clients, further increasing its 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 2019, 116 clients achieved document ready status for housing placement, 13 clients assigned a representative payee, 18 clients enrolled in addiction treatment services, 9 clients enrolled into education or vocational programs, 51 clients were able to increase income, 29 clients increased their assistance income (e.g. SSI, SSDI, VA), and 15 clients increased access to public benefits (e.g. SNAP, WIC, TANF). Increases in income alleviate the cost of their housing, and 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 HF 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 HF to increase the number of vulnerable people served. Oahu and the neighbor islands will have a total of \$3,750,000 in statewide HF funding: \$1,875,000 to increase services on Oahu; \$300,000 to increase services on Kauai, \$637,500 to increase services on Maui, and \$937,500 to increase services on Hawaii island.

The analysis of the Hawaii Pathways Project 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 Hawai'i Pathways 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, 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. The goal of the program is to provide services that enable chronically homeless individuals currently living in unsheltered situations to move into sustainable, permanent housing with necessary support services to maintain housing and prevent a return 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 is aware that clients served in permanent supportive housing programs require ongoing housing subsidies and access to services such as case management, mental health treatment, and services to maintain eligibility. In addition, some clients also require assistance with regular self-care. Service providers are encouraged to link clients to long-term permanent placements along with community resources to sustain placements upon discharge.

Upon discharge or service termination, service providers are expected to provide information to clients regarding 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 Oahu

- 2,460 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 691 Veterans Affairs Supportive Housing (VASH) vouchers (126 families and 565 individuals) **
- 429 City funded Housing First beds

Neighbor Islands

- 749 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
 - 266 VASH vouchers (64 families and 202 individuals) **
- *Counts based on the 2019 Housing Inventory Count
- ** Number of vouchers can change as vouchers are used, returned, or re-located