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DIR 21.031

December 28, 2021

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

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Enclosed is the following report submitted in accordance with the provisions of section 346-378, Hawaii Revised Statutes, related to Housing First.

In accordance with section 93-16, HRS, the report is available to review electronically at the Department's website, at <https://humanservices.hawaii.gov/reports/legislative-reports/>.

Sincerely,

Cathy Betts
Director

Enclosure

ec:

Governor's Office
Lieutenant Governor's Office
Department of Budget & Finance
Legislative Auditor
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President Kouchi, Speaker Saiki

December 28, 2021

Page 2

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REPORT TO THE THIRTY-FIRST HAWAII STATE LEGISLATURE 2022

**IN ACCORDANCE WITH THE PROVISIONS OF SECTION 346-378,
HAWAII REVISED STATUTES, RELATED TO HOUSING FIRST**

**DEPARTMENT OF HUMAN SERVICES
Benefit, Employment, and Support Services Division
Homeless Programs Office
December 2021**

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

Program Background

In 2012, HF was initially piloted on Oahu, 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 statewide in Hawaii, Kauai, and Maui counties.

Prior to the 2020 Legislative session, section 346-378(e), defined "chronically homeless individual" means a homeless individual who has an addiction or a mental illness, or both.¹ The HF program in Hawaii was developed using this definition.

In State fiscal year (SFY) 2017, DHS Requests for Proposals (RFP) for the State HF program on Oahu

¹ From 2012 through SFY 2020, the HF program was developed using this definition. At the time, the state definition and the federal definition did not completely align making program implementation more difficult for providers working with two sources of funds and two different definitions. For example, the U.S. Department of Housing and Urban Development (HUD), in its final rule, "Defining Chronically Homeless," 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 for at least four (4) occasions in the last three (3) years. In 2020, through Act 65, Session Laws of Hawaii (SLH) 2020 (SB2893), the Legislature revised the definition of "chronically homeless" to align with the federal definition. The effective date of Act 65 (SLH 2020) was September 15, 2020, see, https://www.capitol.hawaii.gov/session2020/bills/SB2893_HD2_.htm.

and Hawaii, Kauai, and Maui counties required compliance with HUD's definition to prioritize permanent housing and for consistency. At the same time, DHS realized that individuals who did not meet the HUD definition of "chronicity" and yet are extremely vulnerable and needed housing and other supportive services through HF. To meet these individuals' needs, DHS offered an alternative eligibility process to consider homeless individuals and families who do not meet 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. The expectation is for service providers to do their due diligence by completing the required paperwork. Each request is reviewed on a case-by-case basis and utilized sparingly.

The Fair Market Rate standards do not apply to the Housing First Program and allow more housing options.

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 chronically homeless people.

DHS and the two (2) Continua of Care (CoC) agencies in the State, Partners in Care (PIC)-Oahu, and Bridging the Gap (BTG)-neighbor islands, continue to make progress in coordinating homeless services through the establishment of a Coordinated Entry System (CES). 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) a 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, utilizing the VI-SPDAT to assign a vulnerability score. The VI-SPDAT prioritizes those with the greatest needs for assistance. Providers prioritize based on the VI-SPDAT vulnerability score, and other factors agreed and approved by each CoC. The CoCs generate a "by-name list" (BNL) of homeless individuals and families to assist with referrals to permanent housing and resources available in the community. The BNL includes eligible individuals for HF programs and other homeless services.

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

As of December 2021, the BNL report generated from the Homeless Management Information System (HMIS) report showed that providers assessed and prioritized 2,100 homeless individuals and 542 families residing in unsheltered conditions and homeless shelters. The geographic distribution by county is as follows:

- 1,523 individuals and 412 families on Oahu;
- 225 individuals and 66 families on the Hawaii Island;
- 90 individuals and 13 families on Kauai; and
- 262 individuals and 51 families on Maui.

Currently, the following entities in each county generate, update, and monitor the individual and family BNLs:

- Oahu – Partners in Care (PIC),
- Hawaii Island – Hawaii County Office of Housing & Community Development,
- Kauai – Kauai County Housing Agency, and
- Maui – Maui County Homeless Program Division.

These entities regularly convene and lead case conferencing (CC) meetings for their respective counties. CC is the forum where providers discuss client needs and offer services to meet those needs. CC also provides the opportunity for communities to assess the needs of the homeless and begin to document the gaps in the service system. The 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.

Homeless Management Information System

The Homeless Management Information System (HMIS) is an electronic data system containing 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 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. The data from the HMIS provides evidence of patterns of service use and measures of effectiveness. Service providers can input VI-SPDAT and other information directly into HMIS.

DHS Homeless Programs Office (HPO) transitioned its role as the lead agency of the HMIS system to each CoC. As a result, PIC is the HMIS lead and HMIS administrator, while BTG identified Ka Mana O Na Helu as its HMIS Lead and administrator.

Both CoCs endeavor to increase HMIS participation by public and community health providers. In 2016, Governor Ige's Emergency Proclamations² addressed homelessness and provided funds to

²To see the series of 2015-2016 proclamations, see, <https://homelessness.hawaii.gov/emergency-proclamations-and->

enhance the HMIS administrative and support services for both PIC and BTG. With these additional supports, the CoC expanded HMIS capabilities to manage the State contract operations, create a help desk, implement webinars and training, ensure administrative compliance, and assist with research and reporting. BTG's CES is automated, and referrals are made based on 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. In December 2016, Iain De Jong, President and Chief Executive Officer of OrgCode Consulting and creator of the VI-SPDAT, conducted a series of VI-SPDAT/ CES training for Hawaii providers. Service providers and stakeholders benefitted from the intensive two-day, in-person training in anticipation of the CES implementation in each county. Topics included diversion, coordinated entry, prioritization, measuring performance, making program adjustments, and developing programs and policies with intended outputs and outcomes.

In 2017, Iain De Jong conducted another training series for service providers and stakeholders. These training 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." In addition, training included effective engagement, prioritizing service delivery, appropriately linking into the coordinated entry system, preparing participants for housing stabilization, establishing expectations in a shelter rather than rule enforcement, structuring housing teams, and CoC governance. These training events took place on:

- 2017 OrgCode Training:
 - 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 14 & 16
 - Maui: June 19 & 20
 - Kauai: June 21 & 22

In July 2017, Suzanne Wagner and Andrea White, consultants from Housing Innovations, conducted training on the Housing First approach for service providers and stakeholders. Topics included Housing First principles and practices, Housing First for outreach, shelter, 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:

[supplementary-proclamations/](#).

"Rapid Resolution and Diversion." The topics included were "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 October 2018, HPO conducted informational meetings statewide to review its contracts and provide practical examples of implementing the Housing First approach embedded in each contracted for services.

In September 2019, PIC's Board of Directors and their HMIS Lead, Aloha United Way (AUW), decided to separate from the Statewide HMIS database with its own cloned copy of HMIS. The HMIS database vendor, CaseWorthy, remained, but statewide data is no longer as available due to the two separate HMIS. As such, HPO now requests data from both CoCs and consolidates the information to create a statewide database.

DHS State-funded Housing First (HF)

In SFY 2017, DHS continued Oahu's HF program with the non-profit United States Veterans Initiative (USVI). Additionally, the Legislature appropriated \$1.5 million to expand HF to neighbor island 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. At the time, this effort was unprecedented and reflected a shift in the State's priority to focus on permanent housing for chronically homeless individuals and families.

On Oahu, the Department of Health administered the federally funded Hawaii Pathways Project (Pathway) from August 2014 to September 2017. DHS HF Program provider 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. Unfortunately, the federal funding ended and as result, USVI transitioned the Pathway participants and provided housing assistance for all 21 Pathway clients and additional case management services for six (6) clients. The remaining 15 clients received case management services from Kalihi Palama Health Center, North Shore Mental health, Care Hawaii, HOPE Inc., Community Empowerment Resources, or Helping Hands Hawaii. Since 2017, these agencies participate in monthly meetings where they review cases, strategies, and resources to ensure the best quality service to the State's HF program clients.

The University of Hawaii, Center on the Family, analyzed reports of the fifteen (15) initial participants of the Hawaii Pathways Project (HPP) and 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. These savings represent a 43% decrease over six months. 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 the preliminary finding is an estimate, it is critical to continue enhancing and expanding 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 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 support, and the understanding that the availability of different types of affordable housing remains crucial for effective long-term implementation.

In SFY 2019, through exemption requests, DHS assisted a total of 11 transfers from a program previously funded by HUD for disabled veterans. Without transition to the State's HF program, the 11 households were at high risk of returning to homelessness. In addition, because of the way the law defines chronicity, these households would have lost their chronicity and would not be eligible for other permanent supportive housing programs.

In SFY 2021, DHS re-procured the State's HF program to increase the frequency and intensity of supportive services to maximize housing stability and prevent returns to homelessness. One of the most important changes was implementing a "move-on" strategy. The move-on strategy involves moving current program participants who no longer require intensive services from the HF program to other housing assistance programs such as Housing Choice Vouchers and public housing. This strategy then makes available HF beds for persons experiencing chronic homelessness and requiring support services to remain housed. Providers are required to initiate meetings with HF program participants by increasing face-to-face contacts and completing an initial comprehensive assessment within seven (7) days of program entry using the Service Priority Determination Assessment Tool (SPDAT). Updates with participants are required every three (3) months. The SPDAT findings assist providers in completing a housing plan, including a discharge plan specific to each participant's need at that time. Upon exiting the State's HF program, providers continue follow-up services and resources for six (6) months to prevent reentry into homelessness.

In June 2021, DHS awarded and contracted with the following non-profit agencies: United States Veterans Initiative, to provide HF program services on Oahu; Family Life Center, Inc., to provide HF program services on Maui; HOPE Services Hawaii, Inc., on Hawaii Island; and Catholic Charities Hawaii on Kauai. In addition, the contract term has increased up to five (5) years to reinforce fidelity to the HF model and provide for service stability. The new contract term began June 27, 2021 and shall not exceed June 26, 2026.

In July 2021, in response to the COVID-19 pandemic, the American Rescue Plan Act (ARPA) authorized the Emergency Housing Voucher (EHV) program. Through EHV, HUD provided 182 housing choice vouchers to the Hawaii Public Housing Authority (HPHA) to assist individuals and families who are: homeless; at-risk of homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; were recently homeless; or have a high risk of housing instability. Of the 182 vouchers, HPHA worked with DHS and Partners in Care (PIC) on Oahu to prioritize 38 vouchers to households participating in the State's HF program. HF providers will continue to identify eligible HF households for the move-on strategy for the

remaining vouchers. As a result, as HF participants "move on" to HUD vouchers or public housing, state-funded HF program resources become available to serve the chronically homeless.

Total Number of Participants in the HF Program

In SFY 2021, the HF program enrolled a total of 222 households. As a result, a total of 299 unduplicated individuals were served, including 26 unduplicated families with children.

The above totals are broken out by county as follows:

- Oahu – 98 unduplicated households and 120 unduplicated participants;
- Hawaii Island – 78 unduplicated households and 115 unduplicated participants;
- Kauai – 14 unduplicated households and 21 unduplicated participants; and
- Maui – 32 unduplicated households and 43 unduplicated participants.

Providers assessed the needs of the individuals and heads of households with the VI-SPDAT; the resulting range of scores indicated eligibility for permanent supportive housing (PSH). The **retention rate of 94%** reflects the percentage of the participating chronically homeless individuals and families who were able to sustain placement in permanent housing with the assistance of rental subsidies and supportive services.

Other HF Program Outcomes

Other measures of program effectiveness in SFY 2021 include:

- 28 individuals voluntarily entered treatment for either substance abuse or mental health services;
- 19 individual participated in employment training or an educational endeavor;
- 16 individuals obtained employment, and
- 27 new landlords were recruited in addition to the 151 landlords who already provide 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 helping with their application for public or other financial benefits to increase and stabilize income. Typically, the sources 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.

In SFY 2021,

- 105 clients achieved document ready status³ for housing placement;

³ Document ready status refers to individuals who have all the necessary identification and other vital records to secure housing. Often, individuals who have been chronically homeless do not have valid government identification; homeless outreach services that include legal services assist homeless individuals with obtaining their vital records.

- Two (2) clients assigned representative payees;
- Nineteen (19) clients enrolled in addiction treatment services;
- Nine (9) clients enrolled in education or vocational program;
- 256 clients were able to increase income;
- 72 clients increased their assistance income (e.g., SSI, SSDI, VA); and
- 19 clients increased their public benefits (e.g., SNAP, WIC, TANF).

Participants' income alleviates the cost of their housing. The HF program per client housing cost decreases once an individual's placement stabilizes and applications for other available benefits are submitted and approved. Once employed or approved for financial assistance, providers ask the individuals to pay no more than 30% of their income toward housing costs.

Annual Cost of Services

Funding for HF program services on Oahu during SFY 2018 was \$1,500,000. DHS issued Requests for Proposals for Oahu and the neighbor islands 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 HF programs on the neighbor islands.

During the SFY 2019, DHS HPO increased funding for the HF Program to increase the number of vulnerable people served. For Oahu and the neighbor islands, the Legislature appropriated \$3,750,000 in statewide HF funding: \$1,875,000 to increase services on Oahu; \$300,000 to expand services on Kauai, \$637,500 to increase services on Maui, and \$937,500 to increase services on Hawaii island.

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 program's goal 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 a return to homelessness.

HF-funded services include assistance locating temporary or permanent rental placement, case management, employment assistance, housing subsidies, re-housing, and referral to public benefits.

The 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 need assistance with regular self-care. Therefore, service providers are encouraged to link clients to long-term permanent placements and community resources to sustain housing placements upon discharge.

Upon discharge or service termination, service providers provide information to clients on how they can access assistance from the program in the future if needed and what kind of follow-up assistance may be available. When a client is at imminent risk of returning to homelessness, programs can either directly intervene or provide a 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 must also meet in clients' homes at least every three (3) months to review housing maintenance, health, safety, and quality. Finally, providers make at least one additional contact attempt at approximately six (6) months post-discharge to ensure housing stabilization.

The current inventory of permanent supportive housing available statewide

Oahu

- 1,774 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 688 VASH vouchers (130 families and 558 individuals) **
- 397 City-funded Housing First beds

Neighbor Islands

- 533 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent) *
- 201 VASH vouchers (18 families and 179 individuals) **

*Counts based on the 2021 Housing Inventory Count (HIC)

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

State Fiscal Years 2021-2022 and 2022-2023: Maintaining State Funding

Maintaining State funding is critical for individuals and families receiving HF program assistance. Without Housing First program services, these individuals and families are the most vulnerable and highly likely to return to homelessness rapidly.