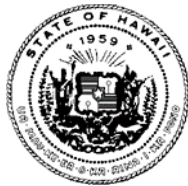


JOSH GREEN, M.D.
GOVERNOR
KE KIA'ĀINA



DEPT. COMM. NO. 274

CATHY BETTS
DIRECTOR
KA LUNA HO'OKELE

JOSEPH CAMPOS II
DEPUTY DIRECTOR
KA HOPE LUNA HO'OKELE

STATE OF HAWAII
KA MOKU'ĀINA O HAWAI'I
DEPARTMENT OF HUMAN SERVICES
KA 'OIHANA MĀLAMA LAWE LAWE KANAKA
Office of the Director
P. O. Box 339
Honolulu, Hawaii 96809-0339

DR 22.053

December 30, 2022

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

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-Second 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 section 346-378, Hawaii Revised Statutes (HRS), Related to the Housing First Program.

Per 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,

A handwritten signature in black ink, appearing to read "Cathy Betts".

Cathy Betts
Director

Enclosure

- c: Governor's Office
- Lieutenant Governor's Office
- Department of Budget & Finance
- Legislative Auditor
- Legislative Reference Bureau Library (1 hard copy)
- Hawaii State Public Library, System State Publications Distribution Center (2 hard copies,
1 electronic copy)
- Hamilton Library, Serials Department, University of Hawaii (1 hard copy)

**REPORT TO THE THIRTY-SECOND HAWAII STATE
LEGISLATURE 2023**

**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 2022

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 HF 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 an HF 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 the HF 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 for 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 expanded HF in Hawaii, Kauai, and Maui counties.

Before 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.

¹ From 2012 through SFY 2020, the HF program was developed using this definition. At the time, the state and federal definitions did not align completely, 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.

In State fiscal year (SFY) 2017, DHS Requests for Proposals (RFP) for the State HF program on Oahu and Hawaii, Kauai, and Maui counties required compliance with the U.S. Department of Housing and Urban Development's (HUD) definition to prioritize permanent housing for consistency. At the same time, DHS realized that individuals who do not meet HUD's definition of "chronicity" and yet are highly vulnerable and need 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 Programs 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 on a case-by-case basis and utilized sparingly.

The Fair Market Rate standards do not apply to the HF Program and allow for 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 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) 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 need for assistance. Providers prioritize based on the VI-SPDAT vulnerability score, and other factors agreed upon 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 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 2022, 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) 2,743 individuals and 235 families on Oahu;
- (2) 249 individuals and 51 families on Hawaii island;
- (3) 81 individuals and 26 families on Kauai; and,
- (4) 148 individuals and 66 families on Maui.

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

- (1) Oahu – PIC;
- (2) Hawaii Island – Hawaii County Office of Housing & Community Development;
- (3) Kauai – Kauai County Housing Agency; and,
- (4) 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 allows 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 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 (HEARTH) Act of 2009. A robust HMIS is a valuable resource that can aggregate and unduplicated data from all homeless assistance and homelessness prevention programs in a CoC. The data from the HMIS provides evidence of service use patterns and effectiveness measures. Service providers can input VI-SPDAT and other information directly into HMIS.

DHS/HPO transitioned its role as the lead agency for the HMIS system to each CoC. 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 enhance the HMIS administrative and support services for PIC and BTG. With these additional supports, the CoC expanded HMIS capabilities to manage 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. DHS/HPO and each CoC continue 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." The training covered 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 trainings were held on:

2017 OrgCode Training:

- (1) Series 1: Rural Homelessness Solutions; Street Outreach to Housing; Being an Awesome Shelter
 - i. Hawaii: May 18 & 19
 - ii. Maui: May 22 & 23
 - iii. Kauai: May 24 & 25
- (2) Series 2: Housing Stabilization that Works; Effective CoC
 - i. Hawaii: June 14 & 16
 - iv. Maui: June 19 & 20
 - v. Kauai: June 21 & 22

In July 2017, Suzanne Wagner and Andrea White, consultants from Housing Innovations, conducted training for service providers and stakeholders on the HF approach. Topics included HF principles and practices, HF for outreach, shelter, permanent housing, organizational supports for the practice, housing access and stabilization, and Crisis Response System.

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

In August 2018, Iain De Jong conducted another training for service providers and stakeholders: "Rapid Resolution and 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 guidance with practical examples of implementing the HF approach embedded in each contract for services.

In September 2019, the PIC's Board of Directors and their HMIS Lead, Aloha United Way, decided to separate from the Statewide HMIS database and establish its copy of HMIS. The HMIS database vendor, CaseWorthy, remained, but statewide data will no longer be available due to the two separate HMIS. As such, HPO 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. Twenty-one individuals were placed in permanent housing in coordination with Pathway. Unfortunately, the federal funding ended, and as a 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 have participated in monthly meetings that review cases, strategies, and resources to ensure the best quality service to the State's HF program clients.

The University of Hawaii (UH) Center on the Family analyzed reports of the fifteen initial participants of the Hawaii Pathways Project (HPP). It found that "[a]fter obtaining stable housing, the estimated healthcare cost for Hawai'i pathways clients served through the State's HF Program dropped from an average of \$10,570 per client per month to \$5,980 per client per

month." (HP Evaluation, January 7, 2016, UH 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 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. Moreover, at the time, these veterans would not have met the definition of chronicity as defined by statute and would have been ineligible for other permanent supportive housing programs.

In SFY 2021, DHS re-procured the State's HF program to increase the frequency and intensity of the supportive services to maximize housing stability and prevent returns to homelessness. One of the most critical 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 must initiate meetings with the HF program participants by increasing face-to-face contact 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. 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-profits agencies: United States Veterans Initiative to provide HF program services on Oahu; Family Life Center, Inc., to provide services on Maui; HOPE Services Hawaii, Inc. on Hawaii island; and Catholic Charities Hawaii on Kauai. In addition, the contract term 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 authorized the Emergency Housing Vouchers (EHV) program. The EHV, HUD provided 182 housing choice vouchers to 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 PIC on Oahu to prioritize 38 vouchers for households for the move-on strategy. As a result, as HF participants

"move on" to HUD vouchers or public housing, state-funded HF program resources became available to serve the chronically homeless.

In 2022, the HPO is transforming contract monitoring using best practice Continuous Quality Improvement (CQI) to strengthen programs that end homelessness. In 2016, HPO shifted to a performance-based management approach by including selected performance measure outcomes (PMO) in its service contracts. The 2016 change was the State's inaugural effort in performance-based management for social service contracts. HPO prefers this approach to improve outcomes instead of compliance-based monitoring, which focuses more on ensuring task completion.

In 2022, HPO contracted with Collaborative Quality Consulting (CQC), a firm specializing in designing and implementing best practice quality improvement systems, to partner for updating and streamlining HPO's monitoring methods. Together HPO and CQC created a plan to update individualized data collection tools and implement a comprehensive CQI methodology for all programs. HPO plans to launch this change in June 2023.

The CQI approach streamlines the work of improving the services using a four-steps: Plan-Do-Study-Act. HPO's new CQI practice features:

- (1) Updated performance measures that align with the program's purpose;
- (2) Streamlined and standardized data collection tools for a comprehensive assessment;
- (3) Simplified financial reporting;
- (4) Uniform CQI practice guidelines to ensure high-fidelity practice;
- (5) Templates to improve timeliness and comprehensiveness of reporting statewide; and
- (6) A collaborative approach.

This CQI initiative started with an internal process review. First, CQC reviewed HPO's data collection reports and program evaluation materials. Next, the HPO team convened for a process evaluation of existing contract monitoring methods to better understand the strengths and challenges of the current process. At the same time, HPO prepared with CQC to convene monthly information-sharing sessions with providers of each service type:

- (1) HF;
- (2) Emergency and Transitional Shelter;
- (3) Financial Programs;
- (4) Outreach; and
- (5) Legal Services.

These meetings have established a vital feedback loop with providers of the same service across the State. They have built a common understanding of the vital information about contracts and administration, data, and practice. During these sessions, groups have also spent time reviewing, discussing, and adjusting the PMOs for each service type. HPO will finalize the

adjusted PMOs shortly. These measures are the cornerstone of each program's redesigned data collection toolkits, which are the cornerstone of CQI practice. These will include:

- (1) PMO 12-month summary – a 1-page dashboard to measure provider performance over time;
- (2) Scoreable case review – a practice-oriented case review that quantifies casework practice data;
- (3) Organizational review – a self-assessment of providers' central functions;
- (4) CQI tool kit – Step-by-step, easy-to-use tools and embedded reports that support teams practicing CQI's plan-do-study-act cycles; and
- (5) Guidelines for each tool – written guides and definitions to promote the high-fidelity practice.

In the next six months, HPO will work with CQC and providers to continue designing and preparing to install the new CQI process across the State. In the first quarter of 2023, HPO and CQC will engage providers to continue the process evaluation of HPO's current monitoring process. HPO will use the overall findings from this inquiry to inform priorities to address during CQI implementation and the piloting of CQI tools and processes. In the second quarter, CQC will create and deliver CQI training for HPO and providers and calendar CQI activities before initial installation with new contracts in June. Initial CQI implementation will continue for 12 months from June 2023-May 2024. During that time, HPO will continue monthly communication with providers to address and resolve barriers to implementation.

Total Number of Participants in the HF Program

In SFY 2022, the HF program enrolled a total of 207 households. As a result, 274 unduplicated individuals were served, including 19 unduplicated families with children.

The above totals are broken out by county as follows:

- Oahu – 104 unduplicated households and 132 unduplicated participants;
- Hawaii Island – 65 unduplicated households and 93 unduplicated participants;
- Kauai – 12 unduplicated households and 17 unduplicated participants; and
- Maui – 26 unduplicated households and 32 unduplicated participants.

Providers assess the needs of the individuals and heads of households with the VI-SPDAT; the resulting range of scores indicated eligibility for permanent supportive housing. The retention rate of 94% reflects the percentage of the participating chronically homeless individuals and families who sustained their placement in permanent housing with the assistance of rental subsidies and supportive services.

Other HF Program Outcomes

Other measures of program effectiveness in SFY 2022 include:

- (1) 56 individuals voluntarily entered treatment for either substance abuse or mental health services;
- (2) 9 individuals participated in employment training or an educational endeavor;
- (3) 30 individuals obtained employment; and
- (4) 25 new landlords were recruited in addition to the 141 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 helping with their application for public or other financial benefits to increase and stabilize income. Typically, the income sources of HF clients have been (in order of prevalence): Social Security Disability Income (SSDI), General Assistance, Supplemental Security Income (SSI), VA income, and employment.

In SFY 2022:

- (1) 122 clients achieved document ready status³ for housing placement;
- (2) 2 clients assigned representative payees;
- (3) 17 clients enrolled in addiction treatment services;
- (4) 4 clients enrolled in education or vocational program;
- (5) 11 clients were able to increase earned income;
- (6) 105 clients increased their assistance non-income (e.g., SSI, SSDI, VA); and
- (7) 91 clients increased their non-cash 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

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.

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.

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 directly intervene or refer to another prevention resource.

Service providers are required to make at least monthly attempts to contact discharged clients to assess ongoing 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) 2052 permanent supportive housing units (Unit counts may vary depending upon the Fair Market Rent);*
- (2) 784 VASH vouchers (392 families and 392 individuals); ** and
- (3) 455 City-funded Housing First beds.

Neighbor Islands

- (1) 517 permanent supportive housing units (Unit counts may vary depending upon the FairMarket Rent) and *
- (2) 227 VASH vouchers (9 families and 218 individuals). **

*Counts based on the 2022 Housing Inventory Count (HIC)

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

State Fiscal Years 2022-2023 and 2023-2024: Maintaining State Funding

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