



**EXECUTIVE CHAMBERS**  
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GOVERNOR

February 9, 2016

TO: The Honorable Senator Suzanne Chun Oakland, Chair  
Senate Committee on Human Services

The Honorable Breene Harimoto, Chair  
Senate Committee on Housing

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

SUBJECT: **SB 2733 – RELATING TO HOUSING**

Hearing: Tuesday, February 09, 2016, 1:20 p.m.  
Conference Room 016, State Capitol

**POSITION:** The Governor's Coordinator on Homelessness appreciates the intent of this measure, as it proposes to provide funding to address key aspects of the state's work to end homelessness. However, the Coordinator's support is limited to the extent that passage of this bill does not replace or adversely impact priorities identified in the Executive Budget. The Coordinator notes that the shallow rent subsidy program described in the bill is similar to the Rapid Re-Housing program in the Governor's Executive Budget. The Coordinator asks for the Legislature's support of the Executive Budget request, which includes \$3 million for Housing First and \$2 million for Rapid Re-Housing.

**PURPOSE:** The purpose of the bill is to appropriate funds to the Department of Human Services (DHS), including \$3 million for the continuation of the state's Housing First program and \$2 million for the establishment of a shallow rent subsidy program.

Housing First is an essential tool to address the needs of chronically homeless households and connect them quickly to permanent supportive housing. The state's Housing First program has permanently housed 106 chronically homeless persons since July 2014,

including many individuals with serious and persistent mental illness and chronic health conditions.

The State Housing First program has not only provided housing subsidies for these individuals, but has also stabilized their health conditions and significantly reduced healthcare costs. A preliminary analysis by the University of Hawaii Center on the Family of a subset of State Housing First clients found that estimated healthcare costs for clients dropped an average of 43% in the six months following housing placement – from an average of \$10,570 per client per month to \$5,980 per client per month. While the program is currently limited to Oahu, there is a need for Housing First statewide. This measure would enable statewide expansion of the program.

In regards to the appropriation for shallow rent subsidy, the Coordinator defers to DHS in regards to specific issues related to implementation of the program, including cost implications.

Thank you for the opportunity to testify on this bill.



**TESTIMONY IN SUPPORT OF SB2733: RELATING TO HOUSING  
WRITTEN TESTIMONY ONLY**

**TO:** Senator Suzanne Chun Oakland, Chair, Committee on Human Services  
Senator Breene Harimoto, Chair, Committee on Housing  
Members of the Human Services and Housing Committees

**FROM:** Jan Harada, CEO, Helping Hands Hawaii

**Hearing:** Tuesday, February 9, 2016, 1:20pm; CR 016.

Chair Chun Oakland, Chair Harimoto, and Human Services and Housing Committee members:

Thank you for the opportunity to provide testimony **in support** of SB2733, which proposes to provide continued funding to the Department of Human Services for two critical programs addressing the needs of those who are homeless – (1) the Housing First program and (2) the Shallow Rent Subsidy program.

Helping Hands Hawaii has been involved in working with homeless individuals and families for many years through our health and human service programs and community supports. Our services for homeless have included access to needed public benefits (primarily SNAP), case management, day treatment/intensive outpatient, representative payee services for adults with serious and persistent mental illness (many of whom also struggle with substance use disorders), emergency financial assistance and financial literacy/education.

Housing First is a proven strategy to address the needs of those who have been struggling with homelessness over many years. While perceived as expensive in its implementation, the Housing First model currently being utilized by the State and its contract partners and network of community providers, is helping to reduce other costs associated with homelessness including but not limited to, emergency room visits, hospital admissions, and interactions with law enforcement and in fact is saving the State money. *A preliminary Hawaii study of healthcare savings found that after deducting the cost of rental subsidies (\$1,100/mo) and supportive services (\$1,120/mo), the net savings was estimated at \$2,370 per client/month. Total savings per year for each stably housed client would be about \$28,440 per client.* In addition, the \$3 millions will allow the Department of Human Services to expand the Housing First Program to the Counties of Maui, Hawaii, and Kauai who are also struggling with homelessness in their communities. Lastly, we respectfully encourage you to add this to the base budget of the Department of Human Services to create greater stability for those who continue to need support from the Housing First program. When you have been on the streets for many years, as most of whom are in the Housing First program have been, recovery and stabilization will take more than 1 or 2 years.

Shallow rent subsidy programs are a proven, cost-effective tool in combating homelessness. A relatively small appropriation can help a relatively large number of households out of

homelessness. Shallow Rent Subsidies are designed to be short term. Coupled with appropriate case management services, Shallow Rent Subsidies can take a struggling family out of homelessness and set them on the path toward self-sufficiency. Many studies indicate that participants often only required 6 months of subsidies before they were living in permanent, affordable housing. When administering the Shallow rent subsidy program, additional consideration should be paid to: (1) eligibility criteria for participating in the program – including guidelines on access and prioritization (with there being more households eligible for the subsidy than funds available, attention needs to be paid to not only who qualifies, but the method/mechanisms for access as well as how to prioritize when there are not enough subsidies to help everyone who needs it), (2) clear guidelines on co-existence of shallow rent subsidies with other housing assistance (including but not limited to Section 8, HUD-VASH, public housing, Shelter+Care), (3) development and implementation of a transition plan as a part of the individualized plan for post-subsidy living of the households who receive the short-term subsidy assistance so that they are prepared for life after the subsidy (sustainability/retention of housing is as important as moving into the housing, and (4) ensuring that the Department of Human Services has or will be allocated/funded for, sufficient staffing and infrastructure to manage these additional funds.

We urge your support for these two critical components of moving the needle on homelessness in our communities.