



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

April 3, 2018

TO: The Honorable Senator Donovan M. Dela Cruz, Chair
Senate Committee on Ways and Means

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

SUBJECT: **HB 2753 HD1 SD1 – RELATING TO HOMELESSNESS**

Hearing: Tuesday, April 3, 2018, 10:00 a.m.
Conference Room 211, State Capitol

POSITION: The Governor's Coordinator on Homelessness appreciates the intent of this measure, and offers the following comments.

PURPOSE: The purpose of the bill is to establish and appropriate funds for the Ohana Zone Pilot Program; establish and appropriate funds for the Emergency Department Homelessness Assessment Pilot Program; authorize the Department of Human Services (DHS) to establish the Return-to-Home Pilot Program and appropriate funds for the program; establish and appropriate funds for a pre-arrest diversion pilot project; appropriate funds to DHS for the Coordinated Statewide Homeless Initiative (CSHI); establish and appropriate funds for a pilot project to operate a facility to provide shelter and mental health treatment for homeless individuals with severe mental illness who are subject to an assisted community treatment order or court ordered guardianship that shall take effect upon approval of the Department of the Attorney General; and appropriate funds to DHS for various housing projects for vulnerable homeless individuals, provided that DHS shall be exempted from rulemaking pursuant to chapter 91, Hawaii Revised Statutes.

With regard to Parts I and VII of this measure, the Administration has been working to identify vacant State land for potential housing projects for the homeless population, which could be used for establishment of an Ohana Zone or similar effort. However, it has been

challenging to identify land that has adequate infrastructure and is zoned to allow residential use.

A preliminary search for vacant state lands by the Act 212 (2017) Safe Zones Working Group identified nine vacant state parcels, which included many that were not suitable for residential use due to zoning, lack of road access and other necessary infrastructure, location on a hillside, and potential ground contamination. The Act 212 (2017) Safe Zones Working Group also received public testimony from legislators and community members expressing concerns that housing projects for the homeless population should not be sited in an area without adequate dialogue with the surrounding community. The vacant state lands identified and the feedback received by the working group warrant closer consideration if this measure proceeds. The full report of the Act 212 (2017) Safe Zones Working Group can be found online at: <https://humanservices.hawaii.gov/wp-content/uploads/2017/12/Act-212-2017-Report-on-Safe-Zones-HCR-148-SD-1-on-Squatting.pdf>.

Due to the issues identified by the Safe Zones working group related to non-residential zoning and inadequate infrastructure, it appears that the timeframe specified in this measure for the implementation of Parts I and VII is ambitious given requirements outlined in chapters 171 and 343, Hawaii Revised Statutes, regarding the set aside of public lands and the environmental review process. The Coordinator notes that similar housing projects initiated by the City & County of Honolulu that were exempted from these provisions by the Governor's emergency proclamation to address homelessness took 1.5 years or longer to complete. The Coordinator respectfully defers to DLNR on issues related to land and environmental review, such as potential impacts to historic and cultural sites, streams, reefs and coastal waters, and the potential impact that may result if Ohana Zones or other housing projects for vulnerable homeless populations are exempted from these processes or if these processes are expedited.

In addition, the construction of housing facilities outlined in Parts I and VII require specialized skills and expertise that may be beyond the current capacity of DHS, and the Coordinator recommends the designation of another executive branch agency with this specific expertise if the Legislature's intent is for an Ohana Zone to include construction of facilities and if installation of infrastructure (e.g. sewer, water, and electricity) is deemed to be necessary.

Based on the budget for similar housing projects for vulnerable homeless populations initiated by the City & County of Honolulu and the private sector, it is unclear whether dwellings in an Ohana Zone can be constructed with a budget of no more than \$15,000 per dwelling and be able to address basic needs, including food, shelter, bathrooms, showers, and other hygiene needs.

With regard to Part II of this measure, certain health plans have begun to place staff in hospital emergency departments to facilitate better linkages to case management services for individuals with frequent emergency department utilization. In addition, UnitedHealthcare was recently awarded a federal Accountable Health Communities (AHC) grant through the Centers for Medicare and Medicaid Services (CMS) to address gaps between clinical care and community services in the current healthcare delivery system. The AHC grant includes a partnership with Waianae Coast Comprehensive Health Center, Kalihi-Palama Health Center, and Queen's Medical Center and is expected to begin in April 2018. In particular, the AHC grant program will engage high-risk Medicare and Medicaid beneficiaries at these health centers and will refer them to navigators that will provide in-depth assessments and care coordination. Generally, navigators will conduct an initial follow-up within two weeks after an individual is screened, and will maintain regular contact with the individual on a monthly basis thereafter until the individuals are connected with an appropriate pilot center. An evaluation of the AHC grant programs and its effectiveness may better inform the need for implementation of a pilot program like the one proposed in Part II of this measure.

With regard to Part III of this measure, a recent investigative report of relocation programs in 16 American cities by *The Guardian* found "an almost total lack of long-term follow-up" to determine if homeless individuals who were relocated remained stably housed at their final destination. Due to the limited availability of public funds to address many critical obligations, there is concern as to the use of public funds to support programs that do not have a strong evidence base demonstrating effectiveness in addressing homelessness. The Hawaii Lodging and Tourism Association (HLTA) currently provides private grants to the Institute for Human Services, Family Life Center, and Kauai Economic Opportunity to administer return to home programs in their respective counties, but HLTA does not require the programs to

conduct follow up with clients assisted through the program. The Coordinator notes that HB2012 HD2 SD1 is currently moving through the Legislature and would allocate funds from the transient accommodations tax revenues to the Hawaii Tourism Authority (HTA) to implement initiatives to address homelessness in tourist and resort areas in conjunction with HLTA, which may include programs such as the return to home program.

With regard to Part IV of this measure, the pre-arrest diversion pilot project appears similar to the Law Enforcement Assisted Diversion (LEAD) pilot program, which is currently funded by the Department of Health (DOH) and administered by The CHOW Project. While the pre-arrest diversion pilot program would focus on individuals who commit offenses on State property, the LEAD program would have a potentially broader target population and address individuals on State, County, and private properties. The LEAD pilot program has been developed with input from a “LEAD Hui” of 20 community organizations, including DOH, the City & County of Honolulu, the Honolulu Prosecuting Attorney, and the Honolulu Police Department. The language in Part IV is similar to HB2147 HD2, which was recently considered and deferred by the Senate committess on Public Safety, Intergovernmental, and Military Affairs and Commerce, Consumer Protection, and Health.

With regard to Part V of this measure, there are concerns about the language requiring “the total sum of funding” to be provided to the master contractor at the start of the contract, as well as language that specifies a set administrative fee for the master contractor. Specifically, if the entire amount of the contract is paid up front, it will be difficult for DHS to properly oversee expenditures to ensure that the goals and terms of the contract are met. If the master contractor does not use public funds for the intended purpose, it will be difficult for DHS to retrieve or collect funds after they have already been paid. In addition, there is a risk of public funds being lost if the master contractor were to unexpectedly close business or declare bankruptcy.

With regard to part VI of this measure, the Coordinator respectfully defers to DHS, DOH, and the Department of the Attorney General as to the design and implementation of the proposed facility that will provide shelter and mental health treatment to homeless individuals

with severe mental illness subject to an assisted community treatment order or court ordered guardianship.

The Coordinator further notes that the costs to implement the various sections of this measure are significant, and has concern about potential adverse impacts on priorities identified in the Governor's Supplemental Budget request. The Governor's Supplemental Budget request includes funding for critical programs, such as for Housing First, Rapid Rehousing, and homeless outreach. Collectively, the homeless programs administered by DHS and other State agencies represent an array of financial resources designed to provide one-time crisis assistance, as well as medium term (3-24 months) and longer-term support. This mix of short-, medium-, and long-term assistance is designed not only to transition at-risk and homeless individuals and families into stable housing, but also designed to prevent homelessness by assisting formerly homeless individuals in maintaining housing over time. In addition, the Supplemental Budget request includes appropriations for the Rental Housing Revolving Fund and Dwelling Unit Revolving Fund, which are necessary to increase the availability of affordable housing inventory in the community. Accordingly, the Coordinator respectfully asks for the Legislature's support of the Governor's Supplemental Budget request.

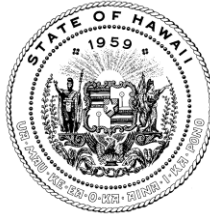
Finally, the State approach to homelessness includes a focus on oversight and accountability for public funds used for this purpose through adoption of evidence based programs, such as Housing First and Rapid Re-Housing, the development of a coordinated entry and service delivery system, and investment in the data collection and reporting system of the Homeless Management Information System (HMIS). The community's focus on developing a coordinated homeless services system is part of the larger goal to reach "functional zero." We are seeing progress as evidenced by the 2017 the statewide Point in Time (PIT) count that found the number of homeless people in Hawai'i *decreased* for the first time in eight years – a decrease of 701 people between 2016 and 2017.

DHS established performance measures for homeless services contracts in response to Act 234, Session Laws of Hawaii 2016. This approach emphasizes reporting and transparency, and ties payment for homeless services to provider performance. In 2017, DHS executed a series of contracts for housing placement, emergency grant, homeless outreach, and shelter

that establish specific performance benchmarks and condition payment in part upon meeting these benchmarks, which are related to the end goal of placing homeless individuals into permanent housing. The State's intent is to apply similar benchmarks and conditions to all new contracts for homeless services. If this measure moves forward, the Coordinator respectfully requests that data from the programs described in Parts I through VII be entered into the HMIS to evaluate the effectiveness of these programs in addressing homelessness and to gain a better understanding of the target populations served by these programs.

Thank you for the opportunity to testify on this bill.

DAVID Y. IGE
GOVERNOR OF
HAWAII



SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

JEFFREY T. PEARSON, P.E.
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Tuesday, April 3, 2018
10:00 AM
State Capitol, Conference Room 211**

**In consideration of
HOUSE BILL 2753, HOUSE DRAFT 1, SENATE DRAFT 1
RELATING TO HOMELESSNESS**

House Bill 2753, House Draft 1, Senate Draft 1 proposes to: (1) Establish an 'Ohana Zone pilot program within the Department of Human Services (DHS), (2) Establish a pre-arrest diversion pilot program for individuals with mental health or substance abuse challenges within the Office of the Governor, an Emergency Department Homelessness Assessment program within the Department of Health, (3) Establish a pilot shelter for vulnerable populations, fund landlord and outreach liaison activities, and (4) Allow DHS to contract to a master contractor to manage the coordinated Statewide homeless initiative. **The Department of Land and Natural Resources (Department) offers the following comments and amendment.**

SECTION 3 (d) of this measure requires consultation with the Department and with people experiencing homelessness to identify and evaluate locations in which an 'Ohana Zone may be established. The Department notes that much of the state vacant land is held by other state departments, in addition to land with vacant buildings that may be relatively easy to refurbish. The Department suggests the following amendment:

(d) The office shall consult with land holding state agencies, as appropriate, including the department of land and natural resources, the department of transportation, the department of accounting and general services, the

governor's coordinator on homelessness, and with people experiencing homelessness and their advocates to identify and evaluate locations in which an ohana zone may be established, beginning with the locations previously identified as potential safe zone sites in the final report submitted by the working group to examine the feasibility of safe zones pursuant to Act 212, Session Laws of Hawaii 2017[-], provided that lands to be used for ohana zones shall be transferred to an agency suited to manage ohana zones.

The Department notes that it is not within our mission to manage or run homeless facilities, but the Department has leased property to other agencies or provided other agencies a right-of-entry to use properties for homeless facilities. And because the Department does not run homeless facilities, there is no need for the Department to develop interim administrative rules.

The Department also notes that this measure tries to cover many aspects of homelessness, and suggests the original focus on 'Ohana Zones may provide more clarity. Some of the items in this bill could be funded within House Bill 1900.

Thank you for the opportunity to comment on this measure.

Harry Kim
Mayor



Wil Okabe
Managing Director

Barbara J. Kossow
Deputy Managing Director

County of Hawai'i Office of the Mayor

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(808) 323-4444 • Fax (808) 323-4440

March 29, 2018

Senator Donovan M. Dela Cruz, Chair
Committee on Ways and Means
Hawai'i State Capitol, Room 211
Honolulu, HI 96813

Senator Gilbert S.C. Keith-Agaran, Vice-Chair
Committee on Ways and Means
Hawai'i State Capitol, Room 211
Honolulu, HI 96813

Dear Chair Dela Cruz, Vice-Chair Keith-Agaran, and Committee Members:

Re: HB 2281, HD 1, SD 1 and HB 2753, HD 1, SD 1 Relating to Homelessness
Hearing Date: 04/03/2018 – 10:00 am; Conference Room 211

As Mayor of Hawai'i County, I support HB 2281, HD 1, SD 1, and HB 2753, HD 1, SD 1.

For your information, we have already piloted a mini-version of an Ohana Zone on Hawai'i Island called Camp Kikaha in Kailua-Kona, and we are ready to apply the knowledge gained from running that project to a larger, designated site called Village 9 in an area across from our West Hawai'i Civic Center. Village 9 has already earmarked funds for an environmental assessment and master plan process which we expect to be completed by July, 2018. We are also looking at other sites in East Hawai'i for possible replication.

Through Camp Kikaha, we learned:

- The importance of a thorough assessment process (Assessment Center Concept), so that those coming to us are assigned to appropriate services and resources to ensure the greatest possibility of success. The one stop center for services is cost- and outcome-effective. The assessment center can also designate the right combination of people to a village site so as not to create a site heavily populated with people who would reinforce negative addictions, e.g., a site predominantly composed of Crystal Meth users might be counterproductive.

(Hawai'i County would like to be a site for more assessment centers. HB 2281, HD 1, SD 1 is correct when it says: "This proven model (Family Assessment Centers), can be replicated on the neighbor islands as an effective way to move families with children rapidly to permanent housing. For example, on the island

of Hawai'i, a large parcel of land has been set aside to develop housing solutions for homelessness in Kona, where the need for localized services is acute.")

- The value of permanent supportive housing early on, so that our clientele can develop a sense of Ohana with those with whom they live, and not have those positive relationships disrupted as they move on to higher level shelter opportunities. The supportive element requires people with true compassion for the homeless population that we serve, who provide counseling support and connection to available resources.

If funds are available for an Assessment Center as well as permanent supportive housing, we would start our project utilizing shelter types that could function as emergency as well as permanent structures, are more aesthetic than tarps which have a limited lifespan, afford a level of privacy and comfort of a home-like atmosphere, can be constructed in a relatively short period of time, offer true protection from strong winds and heavy rains, do not present a fire hazard, and yet are affordable/economically feasible, e.g. the Intershelter Domes.

- Ohana Zones provide an opportunity where feasible for self-governance, which facilitates a sense of ownership, pride, honor and dignity (PhD).

Our village site would also encourage self-sufficiency, and be a one stop shop for services, a possible community garden, aquaponics employment training and work opportunities (e.g. to be Uber drivers) playground for children, etc.

Respectfully submitted,



Harry Kim
Mayor, County of Hawai'i

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S. C. Keith-Agaran, Vice-Chair
Senate Committee on Ways and Means

Re: HB 2753 HD1 SD1 - Relating to Homelessness – **SUPPORT Part V, Request
Amendment**
April 3, 2018; 10:00 AM; Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members:

Aloha United Way strongly supports Part V of HB 2753 HD1 SD1 which appropriates funds to the Department of Human Services for the coordinated statewide homeless initiative (CSHI). However, we suggest the following amendment to address a concern raised by the Attorney General that may impede implementation:

Delete (4) on page 29, lines 14-19

The Attorney General questioned whether paying the total amount of funding upfront to the master contractor conforms to required industry financial accounting and performance standards. We agree with the Attorney General's recommendation that this measure be amended to include fiscal accountability safeguards that address upfront payment accountability measures, or that the bill be amended to require incremental payments.

We support the \$2,500,000 request to continue and improve the CSHI; \$2,000,000 for the continuation of the initiative and \$500,000 for landlord outreach and liaison activities within the initiative.

In 18 months of operation, CSHI assisted 1,610 households (4,944 individuals) by either preventing an imminent eviction or helping homeless move into permanent housing. The total cost to provide this critical assistance was \$2,298 per household and \$748 per individual.

Forty-two percent of households in Hawaii are renters (fourth highest rate in the country) and 54% of these households pay 50% or more of their monthly income for housing (the second highest rate in the country). Finally, 63% of households lack emergency savings to deal with an unexpected \$500 expense. These statistics highlight the need for a program that can help a family with a short-term financial crisis weather the setback without becoming homeless. CSHI has done that effectively and efficiently.

A key learning from the CSHI grant is that for every one homeless person served, there were three individuals in the eviction process. CSHI was very effective in assisting those in the eviction process. Additionally, CSHI also featured an effective network of landlords, eviction lawyers and the courts that worked together with the CSHI providers to intervene in evictions

and guide households to CSHI assistance. As a direct result of CSHI, total evictions dropped by 25% on Oahu. Additionally, 97% remained housed while only 3% of the at-risk households assisted on Oahu eventually fell into homelessness. This very effective diversion program must be included in any comprehensive plan to address our homeless issue.

Recently, Aloha United Way released a report titled ALICE: A STUDY OF FINANCIAL HARDSHIP IN HAWAII. ALICE® (Asset Limited, Income Constrained, Employed) ALICE households are hardworking folks struggling financially from paycheck to paycheck and unable to accrue the assets to enable them to weather a temporary financial setback. The study identified 165,013 ALICE households in Hawaii – 37% of all households. These individuals and families have difficulty covering basic expenses like childcare, food, housing, healthcare and transportation. For ALICE, it takes just one crisis – loss of employment for a short period, an unexpected health emergency or car repair, an increase in monthly rent – to be at even greater risk of long-term problems like homelessness.

The intent of Part V of this bill is to provide short term rental assistance to ALICE households that are above mandated income limits but at imminent risk of homelessness. These hard-working, tax-paying households often need minimal assistance to weather a minor financial crisis.

Thank you for the opportunity to submit testimony. We urge your favorable consideration of HB 2753 HD1 SD1 with our proposed amendment.

Sincerely,

A handwritten signature in black ink, appearing to read 'Cindy Adams', followed by a long horizontal line.

Cindy Adams
President & CEO

To: The Honorable Donovan M. Dela Cruz, Chair
The Honorable Gilbert S.C. Keith-Agaran, Vice Chair
Members, Committee on Ways and Means

From: Paula Yoshioka, Vice President, Government Relations and External Affairs, The Queen's Health Systems

Date: March 29, 2018

Hrg: Senate Committee on Ways and Means Decision Making; Tuesday, April 3, 2018 at 10:00 A.M. in Room 211

Re: **Support for H.B. 2753, H.D. 1, S.D. 1, Relating to Homelessness**

My name is Paula Yoshioka and I am a Vice President at The Queen's Health Systems (Queen's). I appreciate the opportunity to provide support for H.B. 2753, H.D. 1, S.D. 1, Relating to Homelessness. The bill would provide for a number of programs such as the Emergency Department (ED) homelessness assessment pilot programs.

The mission of Queen's is to provide quality health care services to improve the well-being of Native Hawaiians and all the people of Hawai'i, which includes our most vulnerable and underserved patient populations like those experiencing homelessness. Hawaii has the highest per capita rate of homelessness in the nation and Queen's provides the majority of medical care to our homeless population. Approximately 65% of all state homeless hospital encounters are at The Queen's Medical Center and in 2015, Queen's experienced a net loss of \$10.6 million for treating individuals experiencing homelessness.

Queen's supports the ED homelessness assessment pilot program because increasing coordinated care services for our homeless patients and connecting them to community resources such as supportive housing services, social services, behavioral health, etc. will address underlying issues that may stem from their unique circumstances.

As the major trauma center for the state of Hawaii and the Pacific Basin, Queen's provides comprehensive trauma services, is the only Comprehensive Stroke Center, and was recently designated by the American College of Surgeons as a Level One Trauma Center. Over the years, ED visits have steadily been on the rise and our average daily census has increased to 180 patient visits. Over utilization of the ED for non-emergent services for homeless patients continues to place a strain on our health care system and too often leads to ED crowding and excessive ED ambulance diversion. Many of our homeless patients are Super Utilizers of the ED and suffer from mental health and substance abuse issues.¹

¹ HHIC Special Homeless Project, 2016

The costs to the entire continuum of care—from hospitals to long-term care facilities to home-based services—of treating the homeless population are large and growing. There are still unmet needs for our homeless patients and while Queen's has been a leader in care coordination, we know that much more needs to be done within the community to close the gaps in services and supports for our homeless population. Thank you for the opportunity to testify on this measure.

Foo W. Lim & Sons, Inc.

1130 Wilder Avenue, Suite 102, Honolulu, Hawaii 96822

Phone (808) 521-5468

Date: April 1, 2018
To: COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair
From: Yal Lim, President, Foo W. Lim & Sons, Inc.
Subject: Testimony in support of an amendment to HB2753

Dear Chair Dela Cruz and members of the WAM Committee:

My name is Yal Lim and I represent Foo W. Lim & Sons, Inc. (FLS). On behalf of FLS and the local composite fabrication and manufacturing industry working in fiberglass and related composite materials, we support HB2014 and urge you to add an amendment to include local labor content for fabrication of shelters. On page 6, Line 15 - Replace sentence after '\$15,000.' with the following text:

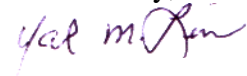
“At least 50 percent of the manufacturing labor costs of each home must be in Hawaii:
(1) Manufacturing labor in Hawaii shall be evidenced by Hawaii wages paid that are subject to Hawaii income tax withholding for each home, relative to all other labor costs for manufacturing of each home.”

Foo W. Lim & Sons, Inc. is a local leader in the fabrication and manufacture of advanced structures in fiberglass and have been supplying the Hawaii market since 1978. As a provider of high-quality high-paying jobs including skilled and unskilled trade labor in Hawaii, FLS has the capabilities to manufacture the home shelters as envisioned. The Housing First initiative is valid and can best be served with home structures manufactured in Hawaii. FLS is a generous supporter of Food Bank of Hawaii, Project Vision (including the recent mobile shower vehicle), Family Promise of Hawaii and other needy causes.

The amendment is important to allow for Hawaii-made labor content to contribute to this extremely important homeless housing initiative. Our State's people will build the best housing for our State's people whatever their need and circumstance.

Thank you for this opportunity to testify.

Yours Truly,



Yal Lim
President, Foo W. Lim & Sons, Inc.



Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S. C. Keith-Agaran, Vice-Chair
Senate Committee on Ways and Means

Re: HB 2753 HD1 SD1 - Relating to Homelessness – **SUPPORT Part V, Request Amendments**
April 3, 2018; 10:00 AM; Conference Room 211

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members:

Aloha United Way strongly supports Part V of HB 2753 HD1 SD1 which appropriates funds to the Department of Human Services for the coordinated statewide homeless initiative (CSHI). However, we ask that you replace Part V with the language in SB 2027 HD1 as it addresses concerns raised by the Attorney General and others. In addition, we request the following amendment;

Delete (4) on page 29, lines 14-19

The Attorney General questioned whether paying the total amount of funding upfront to the master contractor conforms to required industry financial accounting and performance standards. We agree with the Attorney General's recommendation that this measure be amended to include fiscal accountability safeguards that address upfront payment accountability measures, or that the bill be amended to require incremental payments.

We support the \$2,500,000 request to continue and improve the CSHI; \$2,000,000 for the continuation of the initiative and \$500,000 for landlord outreach and liaison activities within the initiative.

In 18 months of operation, CSHI assisted 1,610 households (4,944 individuals) by either preventing an imminent eviction or helping homeless move into permanent housing. The total cost to provide this critical assistance was \$2,298 per household and \$748 per individual.

Forty-two percent of households in Hawaii are renters (fourth highest rate in the country) and 54% of these households pay 50% or more of their monthly income for housing (the second highest rate in the country). Finally, 63% of households lack emergency savings to deal with an unexpected \$500 expense. These statistics highlight the need for a program that can help a family with a short-term financial crisis weather the setback without becoming homeless. CSHI has done that effectively and efficiently.

A key learning from the CSHI grant is that for every one homeless person served, there were three individuals in the eviction process. CSHI was very effective in assisting those in the eviction process. Additionally, CSHI also featured an effective network of landlords, eviction lawyers and the courts that worked together with the CSHI providers to intervene in evictions and guide households to CSHI assistance. As a direct result of CSHI, total evictions dropped by 25% on Oahu. Additionally, 97% remained housed while only 3% of the at-risk households assisted on Oahu eventually fell into homelessness. This very effective diversion program must be included in any comprehensive plan to address our homeless issue.

Recently, Aloha United Way released a report titled ALICE: A STUDY OF FINANCIAL HARDSHIP IN HAWAII. ALICE® (Asset Limited, Income Constrained, Employed) ALICE households are hardworking folks struggling financially from paycheck to paycheck and unable to accrue the assets to enable them to weather a temporary financial setback. The study identified 165,013 ALICE households in Hawaii – 37% of all households. These individuals and families have difficulty covering basic expenses like childcare, food, housing, healthcare and transportation. For ALICE, it takes just one crisis – loss of employment for a short period, an unexpected health emergency or car repair, an increase in monthly rent – to be at even greater risk of long-term problems like homelessness.

The intent of Part V of this bill is to provide short term rental assistance to ALICE households that are above mandated income limits but at imminent risk of homelessness. These hard-working, tax-paying households often need minimal assistance to weather a minor financial crisis.

Thank you for the opportunity to submit testimony. We urge your favorable consideration of HB 2753 HD1 SD1 with our proposed amendments.

Sincerely,

Cindy Adams
President & CEO

HB-2753-SD-1

Submitted on: 4/2/2018 9:58:29 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Katrina Obleada	Testifying for Hawaii Psychological Association (HPA)	Support	Yes

Comments:

The Hawaii Psychological Association supports the establishment of Ohana zones for the homeless. A supportive peer environment, when organized and managed well, can have *significant positive effects on physical and psychological health*. The Hawaii Psychological Association recommends that appropriate measures of physical and psychological health be utilized in evaluating the effectiveness of the pilot project.



46-063 Emepela Pl. #U101 Kaneohe, HI 96744 · (808) 679-7454 · Kris Coffield · Co-founder/Executive Director

**TESTIMONY FOR HOUSE BILL 2753, HOUSE DRAFT 1, SENATE DRAFT 1,
RELATING TO HOMELESSNESS**

**Senate Committee on Ways and Means
Hon. Donovan M. Dela Cruz, Chair
Hon. Gilbert S.C. Keith-Agaran, Vice Chair**

**Tuesday, April 3, 2018, 10:00 AM
State Capitol, Conference Room 211**

Honorable Chair Dela Cruz and committee members:

I am Kris Coffield, representing IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 400 members. On behalf of our members, we offer this testimony in support of House Bill 2753, HD 1, SD 1, relating to homelessness.

According to the 2017 statewide *Point In Time Count* (PITC) report, 7,220 houseless persons were counted on a single night in January last year, down 9 percent overall from 2016. Yet, O'ahu experienced a 0.4 percent *increase* from the previous year, with 4,959 people counted, up from 4,940 the year before. Hawai'i island saw the largest decrease in its homeless population, which fell 32 percent, or 441 people. Maui County had a 22 percent drop, or 249 people, while Kaua'i saw a 7 percent drop, or 30 fewer homeless people. Notably, the size of the houseless population on O'ahu is up more than 25 percent from 2009, when 3,638 homeless people were counted. Additionally, Department of Education officials have estimated that between 3,500-4,000 public school students experience homelessness at some point during the school year—last year's PITC captured just over half of them—and over 91,000 students are economically disadvantaged. We know, then, that our state's homeless population is consistently larger than the statistics show. It remains the highest per-capita homeless population in the country, according to the U.S. Department of Housing and Urban Development.

Over 30 percent of juvenile arrests in Hawai'i are for running away from home, the highest proportion in the nation. Nationally, one in seven young people between the ages of 10 and 18 will run away. Approximately 75 percent of runaways are female, while 46 percent of runaway and homeless youth report being physically abused, 38 percent report being emotionally abused, and 17 percent report being forced into unwanted sexual activity by a family or household member, according to the National Conference of State Legislatures. Roughly 30 percent of runaway

children will be approached for sexual exploitation within 48 hours of being on the run, with over 80 percent being approached for the commercial sex trade during the course of their time on streets. A federal study found that an estimated 38,600 runaway youth have been sexually assaulted, in the company of someone known to be sexually abusive, or engaged in sexual activity in exchange for money, food, or shelter. Runaways are perceived as easy targets for sex traffickers because they lack stable shelter, a supportive environment, and financial resources, placing them at greater risk of forced prostitution and sexual servitude.

Traffickers exploit our limited number of available shelter beds to lure young people into exploitation. As the homeless childcare provider Covenant House observes, traffickers tell homeless youth that shelters are full and ask, “Where are you going to go? Why don’t you come with me? I’ll take care of you.” Coupled with threats of and actual physical and sexual violence against the victims or their families, these coercive techniques compel runaway youth to remain enslaved. LGBTQ youth, who comprise an estimated 40 percent of the runaway and homeless youth population in the United States, are exponentially more likely to fall prey to human traffickers because of discrimination, family and community trauma, and a longing for comfort and acceptance (an estimated 26 percent of LGBTQ adolescents are rejected by their families and put out of their homes simply for being open and honest about who they are). In providing care for victims of human trafficking, IMUAlliance has heard their stories hundreds of times.

We must find innovative ways to fund homeless services, especially human services, health care, outreach, and rapid rehousing to our state’s unsheltered and at-risk population, many of whom are gainfully employed and contributing our economy. Moreover, we must find a balance between rampant real estate speculation and meeting the needs of our state’s most economically vulnerable residents. Just as our homeless population has soared over the past few years, so, too, has our state’s cost of housing. The median price of condominiums on O’ahu increased 6 percent in the summer of 2017 to a record \$425,000, while the median price for single-family homes increased by 3 percent to \$795,000, according to the Honolulu Board of Realtors, a number that they expect to increase by at least another 5 percent in 2018. Average fair market rent for two-bedroom apartments in *outlying* communities in the City and County of Honolulu now exceeds \$2,000, with the cost of a four-bedroom home in urban Honolulu now exceeding \$1.1 million. At least 43 percent of residences in Hawai’i are owner unoccupied, according to the National Low-Income Housing Coalition, meaning that nearly 50 percent—and by some estimates over half—of Hawai’i’s homes are likely investment properties.

Many of those properties, in turn, are owned by mainland and foreign buyers, whose real estate market speculation is a prime driver of Hawai’i’s highest-in-the-nation cost of housing. According to a study released in May of 2016 by the Hawai’i Department of Business, Economic Development, and Tourism, there are “clear distinctions” between the average price of homes bought by local residents, mainlanders, and foreigners. Analyzing purchases made between 2008 and 2015, DBEDT found: “The average sale price was highest among foreign buyers. The average

sale price of the total of 5,775 homes sold to foreign buyers from 2008 to 2015 was \$786,186, 28.3 percent higher than the average sale price to the mainlanders (\$612,770) and 64.7 percent higher than the average sale price to local buyers (\$477,460).”

Researchers who authored the National Low Income Housing Coalition’s *Out of Reach 2017* report found that a full-time worker would need to earn \$35.20/hour to afford a two-bedroom apartment at fair market value in our state, with Honolulu experiencing a 67 percent increase in fair market rent between 2005 and 2015. Average rent for a two-bedroom unit surpassed \$2,000 in recent years, with minimum wage workers needed to log 116 hours per week at their jobs to afford a modest one-bedroom apartment at fair market value and 139 hours per week to afford a two-bedroom—a number that is equivalent to working 20 hours a day with no days off year-round. In the past three years alone, Honolulu rent has increased by more than 25 percent. While 43 percent of Hawai’i residents are renters (a number that does not include individuals and families renting outside of the regulated rental market), they earn an average wage of \$15.64/hour, scarcely enough to meet their basic needs. One out of every four households in Hawai’i report that they are “doubling up” or are three paychecks or less away from being homeless, per the Hawai’i Appleseed Center for Law and Economic Justice. Additionally, 54 percent of households are cost-burdened, meaning that they pay more than 30 percent of their income for housing costs, a number that rises to 83 percent of extremely low-income households. Put simply, homelessness is directly tied to our state’s exorbitant cost of living and penchant for catering to people who use the islands as their own private Monopoly board. We beseech you to seek innovative ways of making Hawai’i more affordable, while funding services that show aloha for our economically disadvantaged neighbors. The establishment of ohana zones for the homeless is a positive step, which will allow for the coordination of a centralized continuum of care (including social and medical services) and implementation of strategies to assist people in transitioning into more permanent shelter, while respecting homeless communities that have come together to help one another in a manner that is equivalent to the formation of a family. Similarly, funding return-to-home and our statewide coordinated homeless initiative helps houseless individuals receive the assistance needed to obtain and sustain stable shelter, financial improvement, and socioemotional wellness.

When you fund housing, outreach, and human services for the homeless, you are helping to end slavery in Hawai’i. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance

HB-2753-SD-1

Submitted on: 4/2/2018 1:09:06 AM

Testimony for WAM on 4/3/2018 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments:

To the Honorable Donovan M. Dela Cruz, Chair; the Honorable Gilbert S.C. Keith-Agaran, Vice Chair and the Members of the Senate Committee on Ways and Means:

Good morning, my name is Melodie Aduja. I serve as Chair of the Oahu County Committee ("OCC") on Legislative Priorities of the Democratic Party of Hawaii. Thank you for the opportunity to provide written testimony on **HB2753 HD1 SD1** relating to Homelessness; Ohana Zone Pilot Program; Emergency Department Homelessness Assessment Pilot Program; Return-to-Home Pilot Program; Pre-arrest Diversion Pilot Project; Individuals with Severe Mental Illness; Coordinated Statewide Homeless Initiative; Report; and an appropriation.

The OCC on Legislative Priorities is in favor of **HB2753 HD1 SD1** and supports its passage.

HB2753 HD1 SD1 is in alignment with the Platform of the Democratic Party of Hawai'i ("DPH"), 2016, as it in Part I: Establishes and appropriates funds for the Ohana Zone Pilot Program; Part 11: Establishes and appropriate funds for the Emergency Department Homelessness Assessment Pilot Program; Part 111: Authorizes DHS to establish the Return-to-Home Pilot Program and appropriates funds for the program; Part IV: Establishes and appropriates funds for a pre-arrest diversion pilot project; Part V: Appropriates funds to the Department of Human Services for the coordinated statewide homeless initiative; Part VI: Establishes and appropriates funds for a pilot project to operate a facility to provide shelter and mental health treatment for homeless individuals with severe mental illness who are subject to an assisted community treatment order or court ordered guardianship, takes effect upon approval of the Department of the Attorney General; Part VII: Appropriates funds for various housing projects for vulnerable homeless individuals, exempts the Department of Human Services from rulemaking pursuant to chapter 91, HRS, in the planning and construction of housing for vulnerable homeless populations, effective 7/1/3000.

The DPH Platform states that "[w]e believe in the concept of "Housing First" to develop affordable, stable housing and support services to break the cycle of homelessness for people with the fewest housing options.

We support dedicated social services and housing opportunities for Hawaii's homeless population, to get them off the streets and reintegrated into society, with specific devoted services for disenfranchised groups including but not limited to the Hawaiian community, aged-out foster kids, youth, returning veterans, the aged, and lesbian, gay, bisexual and transgender homeless.(Platform of the DPH, P. 7, Lines 352358 (2016)).

Given that **HB2753 HD1 SD1** in Part I: Establishes and appropriates funds for the Ohana Zone Pilot Program; Part 11: Establishes and appropriate funds for the Emergency Department Homelessness Assessment Pilot Program; Part 111: Authorizes DHS to establish the Return-to-Home Pilot Program and appropriates funds for the program; Part IV: Establishes and appropriates funds for a pre-arrest diversion pilot project; Part V: Appropriates funds to the Department of Human Services for the coordinated statewide homeless initiative; Part VI: Establishes and appropriates funds for a pilot project to operate a facility to provide shelter and mental health treatment for homeless individuals with severe mental illness who are subject to an assisted community treatment order or court ordered guardianship; takes effect upon approval of the Department of the Attorney General; Part VII: Appropriates funds for various housing projects for vulnerable homeless individuals, it is the position of the OCC on Legislative Priorities to support this measure.

Thank you very much for your kind consideration.

Sincerely yours,

/s/ Melodie Aduja

Melodie Aduja, Chair, OCC on Legislative Priorities

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