

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 25, 2016

TO: The Honorable Representative Sylvia Luke, Chair
House Committee on Finance

FROM: Rachael Wong, DrPH, Director

SUBJECT: **HB 2659 HD1 – RELATING TO HOUSING**

Hearing: Thursday, February 25, 2016; 1:00 p.m.
Conference Room 308, State Capitol

DEPARTMENT'S POSITION: The Department of Human Services (DHS) appreciates the intent of this measure as it appears to target housing for individuals with long-term mental illnesses. This population is challenging to serve due in large part to the nature of the individuals' mental health conditions. The Department also offers comments.

PURPOSE: The proposed bill would require a percentage of funds in the Housing First Special Fund to be used to provide homes for persons who qualify for social security disability benefits and are diagnosed with life-long, serious mental illnesses.

The State's Housing First program was established to serve chronically homeless individuals and families with the highest acuity (needs) as determined by the VI-SPDAT and through Hale O Malama, the system of Coordinated Entry. Recall, as defined in section 346-378(e), Hawaii Revised Statutes, for purposes of Housing First programs, "chronically homeless individual" is a homeless individual who has an addiction or a mental illness. Consequently, the Housing First programs already give significant consideration to homeless individuals with mental illness.

However, the Housing First program does not make a distinction between those with a mental illness and Social Security benefits, and those with a mental illness who do not receive income benefits from the Social Security Administration. To be eligible for Social Security Disability

Income benefits (SSDI) a sufficient work history is required. Additionally, not all non-US citizens are eligible to receive Supplemental Security Income (SSI) benefits based upon their disability or age. Depending upon immigration status, work history and date of entry into the U.S., different rules regarding SSI eligibility apply. The Department suggests that receipt of benefits from the Social Security Administration not serve as a designating factor on how the Housing First Special Fund is used.

The Department utilizes the Hale O Malama coordinated entry system prior to accepting those homeless clients with serious mental illness for services through Housing First. Assisting a Housing First client with applying for Social Security or other benefits for which they are eligible is already a key requirement of the Housing First contractor. Every client accepted into the program is assessed and efforts made to increase their income through a variety of potential sources. This is a key strategy for program sustainability in the long term because as client income increases, the State's rental subsidies for the successful individual will be reduced, thereby allowing more clients to be housed and provided support services to maintain them in stable housing.

Approximately 20% of the clients currently served in the Housing First program receive Social Security benefits. Many are dually diagnosed and may have severe mental health issues. The current program parameters already facilitate housing subsidies and services for the chronically homeless with severe mental health issues. Instead of establishing a percentage, the Department requests that the Legislature appropriate the entire \$3 million identified in the Executive Budget that will continue to serve this population.

Thank you for the opportunity to testify on this bill.

TESTIMONY IN SUPPORT OF HB 2659: Revolving Funds; Rent Subsidies, Loans, Grants

TO: Representative Evans, Representative Keohokalole, Representative Kobayashi, Representative Mizuno, Representative Morikawa, Representative Rhoads

FROM: Greg Payton, CEO Mental Health Kokua

Hearing: Thursday, 02-25-16, 1:00PM in House conference room 308

Thank you for the opportunity to provide testimony **in support** of HB 2659, which the rental housing revolving fund to be used to provide rent subsidies, loans, or grants to persons who qualify for social security disability benefits and are diagnosed with life-long, serious mental illnesses. I am Greg Payton, CEO of Mental Health Kokua (MHK).

Mental Health Kokua was established in 1973 as “The House,” and MHK is the oldest non-profit mental health rehabilitation service provider in Hawaii. MHK’s Mission: Through specially designed services and settings, Mental Health Kokua assists people with mental health and related challenges, to achieve optimum recovery and functioning in the community. MHK also participates with Partners In Care, Oahu’s Continuum of Care as defined by HUD. In the past year on Oahu, PIC has developed a coordinated entry system to more effectively and strategically help homeless adults with mental illness to navigate resources and be linked to housing. Once affordable rental housing is located, there is a need for rental subsidies.

The development of housing first is an accepted best practice in the United States, but it is difficult to develop in Hawaii due to high rental costs. Accordingly, the purpose of HB 2659 is to authorize the use of the rental housing revolving fund and dwelling unit revolving fund moneys for rent subsidies, and to provide for permanent housing, bridge housing, and specialized residential services for persons with serious mental illnesses.

HB 2659 is important to ending homelessness for adults with mental illness in Hawaii, because the wait for Section 8 vouchers and public housing exceeds two years. Housing is the central life domain for adults recovering from mental illness. Homeless adults with mental illness frequently use hospital emergency rooms and other costly community services. Once housed these homeless adults reduce unnecessary hospital visits by more than 90%.

We thank you for your dedication to creating more subsidized housing. Please contact me at (808) 529-4554 or gpayton@mhkhawaii.org if you have any questions.



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LATE

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

February 25, 2016

TO: The Honorable Sylvia Luke, Chair
House Committee on Finance

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

SUBJECT: **HB 2659 HD1 – RELATING TO HOUSING**

Hearing: Thursday, February 25, 2016, 1:00 p.m.
Conference Room 308, State Capitol

POSITION: The Governor's Coordinator on Homelessness offers written comments regarding this measure, and defers to the Department of Health (DOH) and the Department of Human Services (DHS) on specific issues related to implementation and financial impact. The Coordinator notes that the Governor's Executive Budget includes \$3 million for Housing First, and asks for the Legislature's support of the Executive Budget request.

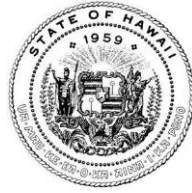
PURPOSE: The purpose of the bill is to require funds in the Housing First special fund to be used to provide homes for persons who qualify for social security disability benefits and are diagnosed with life-long, serious mental illnesses.

The measure aligns with Goal 2, Objective 5 of the Hawaii Interagency Council on Homelessness Strategic Plan to End Homelessness, which is to "create and preserve permanent supportive housing options for people who are homeless and have special needs, e.g., mentally ill, medically frail, physically disabled, elderly, released offenders, and substance affected."

The Coordinator notes that per Hawaii Revised Statutes 346-377, the Housing First special fund "shall be used to provide housing first programs and services." Housing First is an intervention specifically targeted to meet the needs of chronically homeless individuals, which may include homeless individuals with serious mental illness. It is unclear whether the intent of this bill is to provide housing for individuals who are chronically homeless, or whether the intent is to provide housing for a broader population of individuals who qualify for social

security disability benefits, are diagnosed with life-long serious mental illness, and are not necessarily homeless. If the intent of this measure is to provide housing for non-homeless individuals, the Coordinator would suggest a different funding source be identified to support the intent of the bill.

Thank you for the opportunity to comment on this bill.



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